

April 22, 2008

All Regional Rural Banks

Dear Sir,

**Section 42 (1) of Reserve Bank of India Act, 1934 –
Maintenance of Cash Reserve Ratio (CRR)-
Regional Rural Banks(RRBs)**

Please refer to our circular RPCD.CO.RRB.No.BC.35/03.05.28(B) /2007-2008 (RBI/2007-08/175) dated October 31, 2007 on the captioned subject. On review of the current liquidity situation, it has been decided to increase Cash Reserve Ratio (CRR) of all Regional Rural Banks by one-half of one percentage point of their net Demand and Time Liabilities (NDTL) in two stages, effective from fortnights as indicated below:

| Effective date (i.e., the fortnight beginning from) | CRR on net demand and time liabilities (per cent) |
|--|--|
| April 26, 2008 | 7.75 |
| May 10, 2008 | 8.00 |

2. A copy of the relative notification RPCD. CO. RRB. No.60 / 03.05.28(B) / 2007-08 dated April 21, 2008 is enclosed.

3. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

(A.K. Pandey)
General Manager

April 21, 2008

NOTIFICATION

In exercise of the powers conferred under sub-section (1) of Section 42 of the Reserve Bank of India Act 1934 and in partial modification of the notification RPCD.CO.RRB.No 4555 /03.05.28(B) /2007-2008 dated October 31, 2007, the Reserve Bank of India hereby notifies that the average Cash Reserve Ratio (CRR) required to be maintained by every Regional Rural Bank shall, from effective dates mentioned below, be at the percentage points as indicated thereagainst:

| Effective date (i.e., the fortnight beginning from) | CRR on net demand and time liabilities (per cent) |
|---|---|
| April 26, 2008 | 7.75 |
| May 10, 2008 | 8.00 |

(V.S.Das)
Executive Director