

RBI/2007-2008/306

RPCD.CO.RRB. No. BC.64 / 03.05.28(B)/2007-08

April 30, 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.BC.61/03.05.28 (B) /2007-2008 (RBI/2007-08/292) dated April 22, 2008 on the captioned subject. As set out in the Governor's Annual Policy statement for the year 2008-09 issued on April 29, 2008, on a review of evolving liquidity situation, it has been decided to increase Cash Reserve Ratio (CRR) for Regional Rural Banks from 8.00 per cent to 8.25 per cent of their net demand and time liabilities with effect from the fortnight beginning May 24, 2008.

2. A copy of the relative notification RPCD RRB.CO No.11559 / 03.05.28(B) / 2007 -08 dated April 30, 2008 is enclosed.

3. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

(A.K.Pandey)
General Manager

April 30, 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 60 /03.05.28 (B) /2007-2008 dated April 21, 2008, the Reserve Bank of India hereby notifies that the average Cash Reserve Ratio (CRR) required to be maintained by every Regional Rural Bank shall be 8.25 per cent of its net demand and time liabilities from the fortnight beginning May 24, 2008

(V.S.Das)
Executive Director