

June 26, 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.64/03.05.28 (B)/2007-2008 (RBI/2007-08/306) dated April 30, 2008 on the captioned subject. On review of current global and domestic macroeconomic and financial developments, it has been decided to increase cash reserve ratio (CRR) of Regional Rural Banks (RRBs) by 50 basis points to 8.75 per cent of their net demand and time liabilities 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)
July 5, 2008	8.50
July 19, 2008	8.75

2. A copy of the relative notification RPCD RRB.CO No.13710 / 03.05.28(B) / 2007 -08 dated June 26, 2008 is enclosed.

3. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

(A.K.Pandey)
General Manager

June 26, 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 its notification RPCD.CO.RRB.No 11559 /03.05.28 (B) /2007-2008 dated April 30, 2008, the Reserve Bank of India hereby notifies that the average Cash Reserve Ratio (CRR) required to be maintained by every Regional Rural Bank (RRB) of its net demand and time liabilities shall, from effective dates mentioned below, be at the percentage points as indicated there against.

Effective date (i.e., the fortnight beginning from)	CRR on net demand and time liabilities (per cent)
July 5, 2008	8.50
July 19, 2008	8.75

(V.S.Das)
Executive Director