

RBI/2008-09/108
RPCD.CO.RRB. No. BC.16 / 03.05.28(B)/2008-09

July 31, 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.84/03.05.28 (B)/2007-2008 (RBI/2007-08/385) dated June 26, 2008 on the captioned subject. As set out in the Governor's statement on the First Quarter Review of Annual Monetary Policy for the year 2008-09 issued on July 29, 2008, on a review of the current liquidity situation, it has been decided to increase Cash Reserve Ratio (CRR) for Regional Rural Banks by 25 basis points to 9.00 per cent of its net demand and time liabilities with effect from the fortnight beginning August 30, 2008.

2. A copy of the relative notification RPCD RRB.CO No.1301 / 03.05.28(B) / 2008 -09 dated July 30, 2008 is enclosed.

3. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

(A.K.Pandey)
General Manager

RPCD.CO.RRB.No.1301/ 03.05.28(B)/2008-09

July 31, 2008

NOTIFICATION

In exercise of the powers conferred under the 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 13710 /03.05.28 (B) /2007-2008 dated June 26, 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 9.00 per cent of its net demand and time liabilities from the fortnight beginning from August 30, 2008.

(V.S.Das)
Executive Director