

January 5, 2009

All Regional Rural Banks

Dear Sir,

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

Please refer to our circular RPCD.CO.RRB.BC.No.59/03.05.28 (B)/2008-2009 (RBI/2008-09/264) dated November 3, 2008 on the captioned subject.

2. On a review of the current global and domestic macroeconomic situation, and as set out in the Reserve Bank's Press Release 2008-2009/1023 dated January 02, 2009, it has been decided to reduce the Cash Reserve Ratio (CRR) for Regional Rural Banks by 50 basis points from 5.50 per cent to 5.00 per cent of their net demand and time liabilities (NDTL), effective from the fortnight beginning January 17, 2009.

3. A copy of the relative notification RPCD.CO.RRB.No.6607/ 03.05.28(B) / 2008-09 dated January 5, 2009 is enclosed.

4. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

**(B.P. Vijayendra)**  
Chief General Manager

RPCD.CO.RRB.No.6607/ 03.05.28(B)/2008-09

January 5, 2009

**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 the earlier notification RPCD.CO.RRB.No.4882/ 03.05.28(B)/2008-09 dated November 3, 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 stand reduced by 50 basis points to 5.00 per cent of its net demand and time liabilities, effective from the fortnight beginning January 17, 2009.

**(V.S.Das)**  
Executive Director