

March 01, 2007

NOTIFICATION

It has been decided to withdraw the notification DBOD.No.BC.92/12.01.001/2005-2006 dated June 22, 2006 with immediate effect. In exercise of the powers conferred by sub-section (7) of Section 42 of the Reserve Bank of India Act, 1934, the Reserve Bank of India has however, decided to continue to exempt every Scheduled Commercial Bank from the maintenance of Cash Reserve Ratio (CRR) on the following liabilities with effect from June 22, 2006:

- (i) Liabilities to the banking system in India as computed under Clause (d) of the explanation to sub-section (1) of Section 42 of the RBI Act, 1934;
- (ii) Credit balances in ACU (US\$) accounts;
- (iii) Transactions in Collateralized Borrowing and Lending Obligation (CBLO) with Clearing Corporation of India Ltd.(CCIL);and
- (iv) Demand and Time Liabilities in respect of their Offshore Banking Units (OBUs)

The effective CRR maintained by Scheduled Commercial Banks on total demand and time liabilities shall however, not be less than 3 per cent of the total demand and time liabilities.

(Anand Sinha)
Executive Director