

RBI/2006-2007/201

Ref: DBOD.No. Ret.BC. 45/12.01.001/2006-07

December 11, 2006

To All Scheduled Commercial Banks
(excluding Regional Rural Banks)

Dear Sir,

Section 42(1) of Reserve Bank of India Act, 1934-Maintenance of CRR

Please refer to our Circular RBI/2005-2006/422 DBOD.No.Ret.BC.91/12.01.001/2005-2006 dated June 22, 2006 on the captioned subject. On review of current macroeconomic and monetary conditions, it has been decided to increase cash reserve ratio (CRR) of Scheduled Commercial Banks by one-half of one percentage point of their net Demand and Time Liabilities (NDTL) 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)
December 23, 2006	5.25
January 06, 2007	5.50

A copy of the relative notification DBOD. No. Ret. BC. 44 /12.01.001/2006-2007 dated December 11, 2006 is enclosed.

Please acknowledge receipt.

Yours faithfully

(Malvika Sinha)
General Manager