

**RBI/2006-2007/270**

Ref: DBOD.No. Ret.BC. 64 /12.01.001/2006-07

March 01, 2007

All Scheduled Commercial Banks  
(excluding Regional Rural Banks)

Dear Sir,

**Maintenance of Cash Reserve Ratio (CRR) on Exempted Categories**

Please refer to our Circular RBI/2005-2006/423 DBOD.No.Ret.BC.93/12.01.001/2005-2006 dated June 22, 2006 on the captioned subject. It has been decided to withdraw the above circular with immediate effect. It has however, been decided that every Scheduled Commercial Bank shall continue to be exempted from maintaining average CRR with effect from June 22, 2006 on the following liabilities, subject to the maintenance of statutory minimum CRR of 3 per cent on its total demand and time liabilities:

- (i) Liabilities to the banking system in India as computed under Clause (d) of the Explanation to Section 42 (1) 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. (CCIL); and
- (iv) Demand and Time Liabilities in respect of their Offshore Banking Units (OBUs)

2. A copy of the relative notification DBOD. No. Ret. BC. 63 /12.01.001/2006-2007 dated March 01, 2007 is enclosed. Please acknowledge receipt.

Yours faithfully

(Malvika Sinha)  
General Manager