

RBI/2007-2008/107

Ref: DBOD.No. Ret.BC.25/12.01.001/2007-08

July 31, 2007

To
All Scheduled Commercial Banks
(excluding Regional Rural Banks)

Dear Sir,

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

Please refer to our Circular RBI/2006-2007/331 DBOD.No.Ret.BC.82/12.01.001/2006-07 dated April 20, 2007 on the captioned subject. On a review of the current liquidity situation, it has been decided to increase cash reserve ratio (CRR) of Scheduled Commercial Banks by 50 basis points to 7.00 per cent with effect from the fortnight beginning August 4, 2007.

2. A copy of the relevant notification DBOD. No. Ret. BC.24/12.01.001/2007-2008 dated July 31, 2007 is enclosed.

Please acknowledge receipt.

Yours faithfully

(Malvika Sinha)
General Manager

July 31, 2007

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 notification DBOD.No.Ret.BC.83/12.01.001/2006-07 dated April 20, 2007, the Reserve Bank of India hereby notifies that every Scheduled Commercial Bank should maintain a Cash Reserve Ratio of 7.00 per cent of its total demand and time liabilities, subject to the exemptions as envisaged in the notification DBOD.No.Ret.BC.85/12.01.001/2006-07 dated April 20,2007, from the fortnight beginning August 04, 2007.

(Anand Sinha)
Executive Director