

RBI/2007-2008/173

DBOD.No. Ret.BC.44/12.01.001/2007-08

October 30, 2007

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/2007-2008/107 DBOD. No. Ret. BC. 25/12.01.001/2007-08 dated July 31, 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 7.50 per cent of their demand and time liabilities with effect from the fortnight beginning November 10, 2007.

2. A copy of the relevant notification DBOD. No. Ret. BC. 45/12.01.001/2007-2008 dated October 30, 2007 is enclosed.

Please acknowledge receipt.

Yours faithfully,

(Malvika Sinha)
General Manager

DBOD. No.Ret.BC.45/12.01.001/2007-08

October 30, 2007

NOTIFICATION

In exercise of the powers conferred under the amended 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.24/12.01.001/2007-08 dated July 31, 2007, the Reserve Bank of India hereby notifies that every Scheduled Commercial Bank should maintain a Cash Reserve Ratio of 7.50 per cent of its demand and time liabilities from the fortnight beginning from November 10, 2007.

(Anand Sinha)
Executive Director