

**RBI/2008-2009/104**

Ref: DBOD.No.Ret.BC.25 /12.01.001/2008-09

July 30, 2008

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 DBOD .No. Ret. BC.96 /12.01.001/ 2007-08 dated June 26, 2008 on the captioned subject. As set out in the Governor's statement on the First Quarter Review of Annual Monetary Policy for the year 2008-09 issued on July 29, 2008, on a review of the current liquidity situation, it has been decided to increase Cash Reserve Ratio (CRR) for Scheduled Commercial Banks by 25 basis points to 9.00 per cent of its net demand and time liabilities with effect from the fortnight beginning August 30, 2008.

2. A copy of the relative notification DBOD. No. Ret. BC.24 /12.01.001/2008-2009 dated July 30, 2008 is enclosed.

3. Please acknowledge receipt.

Yours faithfully

(P.K.Mahapatra)  
General Manager

July 30, 2008

**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 its notification DBOD.No.Ret.BC.95/12.01.001/2007-08 dated June 26, 2008, the Reserve Bank of India hereby notifies that the average Cash Reserve Ratio (CRR) required to be maintained by every Scheduled Commercial Bank shall be 9.00 per cent of its net demand and time liabilities from the fortnight beginning from August 30, 2008.

(Anand Sinha)  
Executive Director