

**Reserve Bank of India reduces the  
Bank Rate and Cash Reserve Ratio**

**February 16, 2001**

After a review of recent developments in the international and domestic financial markets, Reserve Bank of India today announced the following measures :

- (i) A reduction in the Bank Rate by half a percentage point from its present level of 8 per cent to 7.5 per cent effective close of business on February 16, 2001.
- (ii) A reduction in Cash Reserve Ratio (CRR) by 0.5 percentage point from its present level of 8.5 per cent to 8 per cent in two stages by 0.25 percentage point each effective from fortnights beginning February 24, 2001 and March 10, 2001, respectively. This measure would release resources of scheduled commercial banks to the extent of about Rs.2,050 crore at each stage.

Detailed operating instructions/directives are being issued separately.

**Alpana Killawala  
General Manager**

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