

**RBI advances the date for reduction in the CRR:  
Reduction to be effective from next reporting fortnight  
beginning June 1, 2002**

**May 18, 2002**

On a review of the present liquidity situation, the Reserve Bank of India has today announced advancement of the date for reduction in cash reserve ratio (CRR). Banks will have to maintain CRR at 5 per cent as against the present level of 5.5 per cent effective next reporting fortnight beginning June 1, 2002.

It may be recalled that in the Monetary and Credit Policy for the year 2002-2003, it was proposed to reduce cash reserve ratio (CRR) by 50 basis points effective fortnight beginning June 15, 2002. It was also indicated that in case there is an unexpected change in the liquidity conditions in the market, the Reserve Bank may advance the effective date of reduction before this date.

The 50 basis points reduction in CRR is expected to release resources of scheduled commercial banks to the extent of about Rs. 6000 crore.

Detailed operating instructions/directives are being issued separately.

**Alpana Killawala  
General Manager**

**Press Release No. 2001-2002/1272**