

RBI/2008-09/ 339

Ref: DBOD.No.Ret.BC.103 /12.01.001/2008-09

January 02, 2009

All Scheduled Commercial Banks
(excluding Regional Rural Banks)

Dear Sir,

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

Please refer to our Circular DBOD. No. Ret. BC.71 /12.01.001/ 2008-09 dated November 03, 2008 on the captioned subject.

2. On a review of the current global and domestic macroeconomic situation, and as set out in the Reserve Bank's Press Release 2008-2009/1023 dated January 02, 2009, it has been decided to reduce the Cash Reserve Ratio (CRR) for Scheduled Commercial Banks by 50 basis points from 5.50 per cent to 5.00 per cent of their net demand and time liabilities (NDTL), effective from the fortnight beginning January 17, 2009.

3. A copy of the relative notification DBOD. No. Ret. BC.102 /12.01.001/2008-2009 dated January 02, 2009 is enclosed.

4. Please acknowledge receipt.

Yours faithfully

(P. K. Mahapatra)
General Manager

DBOD.No.Ret.BC. 102 /12.01.001/2008-2009

January 2, 2009

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 earlier notification DBOD.No.Ret.BC.70/12.01.001/2008-09 dated November 03, 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 stand reduced by 50 basis points to 5.00 per cent of its net demand and time liabilities, from the fortnight beginning January 17, 2009.

(Anand Sinha)
Executive Director