



भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA



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RBI/2023-24/59 DOR.RET.REC.34/12.01.001/2023-24

September 08, 2023

The Chairperson / CEOs of all Scheduled Commercial Banks / Regional Rural Banks / All Scheduled Primary (Urban) Co-operative Banks / All Scheduled State Co-operative Banks

Madam / Dear Sir,

Reserve Bank of India Act, 1934 - Section 42(1A) - Requirement for maintaining additional CRR

Please refer to the <u>circular DOR.RET.REC.29/12.01.001/2023-24 dated August 10, 2023</u> and relative notification on the captioned subject.

2. As announced in the <u>RBI Press Release dated September 08, 2023</u>, on a review, it has been decided to discontinue the incremental CRR (I-CRR) in a phased manner. Based on an assessment of current and evolving liquidity conditions, it has been decided that the amounts impounded under the I-CRR would be released in stages so that system liquidity is not subjected to sudden shocks and money markets function in an orderly manner. The release of funds would be as follows:

| Date | Amount to be released |
|--------------------|-------------------------------------|
| September 09, 2023 | 25 per cent of the I-CRR maintained |
| September 23, 2023 | 25 per cent of the I-CRR maintained |
| October 07, 2023 | 50 per cent of the I-CRR maintained |

3. A copy of the relative notification DOR.RET.REC.35/12.01.001/2023-24 dated September 08, 2023 is enclosed.

Yours faithfully,

(Brij Raj) Chief General Manager

> विनियमन विभाग, केंद्रीय कार्यालय, 12वीं और 13वीं मंज़िल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, मुंबई 400001 टेलीफोन /Tel No: 22601000 फैक्स/ Fax No: 022-2270 5670, 2260 5671, 5691 2270, 2260 5692 Department of Regulation, Central Office, 12th & 13th Floor, Central Office Building, Shaheed Bhagat Singh Marg, Mumbai – 400001 Tel No: 22601000 Fax No: 022-2270 5670, 2260 5671, 5691 2270, 2260 5692 बैंक हिंदी में पत्राचार का स्वागत करता है



DOR.RET.REC.35/12.01.001/2023-24

NOTIFICATION

In exercise of the powers conferred by sub-section (1A) of Section 42 of the Reserve Bank of India Act, 1934 and in modification of the earlier notification DOR.RET.REC.30/12.01.001/2023-24 dated August 10, 2023, the Reserve Bank of India hereby directs that all Scheduled Commercial Banks / Regional Rural Banks / all Scheduled Primary (Urban) Co-operative Banks / all Scheduled State Co-operative Banks, shall maintain with the Reserve Bank of India, an additional average daily balance over and above the average daily balance required to be maintained under sub-section (1) of Section 42 during the following fortnights as under:

| During the fortnight | Amount to be maintained |
|-----------------------|--|
| September 09-22, 2023 | an additional average daily balance which shall not be less than 7.5 |
| | per cent of the increase in net demand and time liabilities between |
| | May 19, 2023 and July 28, 2023 |
| September 23, 2023 - | an additional average daily balance which shall not be less than 5.0 |
| October 06, 2023 | per cent of the increase in net demand and time liabilities between |
| | May 19, 2023 and July 28, 2023 |
| From October 07, 2023 | Nil |

(Jayant Kumar Dash)
Executive Director