**INDIAN ECONOMY AND INDIAN FINANCIAL SYSTEM**

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

RBI/2023-24/52
DOR.RET.REC.29/12.01.001/2023-24

August 10, 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**

Under Section 42(1) of the Reserve Bank of India Act, 1934, all Scheduled Banks are required to maintain with Reserve Bank of India a Cash Reserve Ratio (CRR) of 4.50 per cent of Net Demand and Time Liabilities (NDTL).

2. On a review of the current liquidity conditions, it has been decided to issue a directive under Section 42(1A) of the Reserve Bank of India Act, 1934 requiring all Scheduled Commercial Banks / Regional Rural Banks / all Scheduled Primary (Urban) Co-operative Banks / all Scheduled State Co-operative Banks to maintain with the Reserve Bank of India, effective from the fortnight beginning August 12, 2023, an incremental CRR (I-CRR) of 10 per cent on the increase in NDTL between May 19, 2023 and July 28, 2023. The I-CRR will be reviewed on September 8, 2023 or earlier.

3. A copy of the relative notification DOR.RET.REC.30/12.01.001/2023-24 dated August 10, 2023 is [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12526&Mode=0#AN1).

Yours faithfully,

(Brij Raj)
Chief General Manager

More details can be referred to in the below link.

Reference Link:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12526&Mode=0>