

28.06.2000

All Scheduled Commercial Banks
(Excluding Regional Rural Banks)

Dear Sir

Section 42 of Reserve Bank of India Act, 1934 - Cash Reserve Ratio (CRR)-
-maintenance of minimum level of 65 per cent on a daily basis.

As per extant instructions the banks are required to maintain a minimum level of 65.0 per cent of CRR balances required to be maintained by banks on each of the days of the reporting fortnight beginning the first working day upto the 13th day and on the 14th day of the reporting fortnight , banks are allowed to maintain less than 65.0 per cent of the required cash balances to adjust the average of daily balances to the required level.

As June 30, 2000, the reporting Friday, happens to be RBI 's account closing day, the banks will not be in a position to transact any business with RBI on that day. Therefore, as a special case, it has been decided to allow the banks to treat 29.6.2000 for adjusting their CRR balances and allow them to maintain less than 65.0 per cent on June 29, 2000.

Yours faithfully,

(Rajesh Verma)
Deputy General Manager