

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1666
ANSWERED ON:16.08.2013
CASH RESERVE RATIO
Agarwal Shri Rajendra

Will the Minister of FINANCE be pleased to state:

- (a) whether the government has taken note of the decline in the Cash Reserve Ratio (CRR) of the banks in the recent years;
- (b) if so, the details thereof for the last three years and the reasons therefor;
- (c) the details of CRR fixed by Reserve Bank of India (RBI) for banking sector during the aforesaid period and the targets achieved by the banks in this regard; and
- (d) the steps taken/proposed to be taken by the government/RBI to increase CRR in banks?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): Cash Reserve Ratio (CRR) is a monetary tool used by Reserve Bank of India (RBI) to manage the monetary stability in the economy. CRR is the cash parked by the banks in their specified current account maintained with the RBI. It is specified as a percentage of the bank's total of demand and time liabilities. RBI decides the CRR, depending upon the evolving macro-economic situation. The details of CRR fixed by RBI since April, 2010 till date is given below.

Cash Reserve Ratio	
Effective date	Cash Reserve Ratio (in percent)
9.02.2013	4.00
3.11.2012	4.25
22.09.2012	4.50
10.03.2012	4.75
28.01.2012	5.50
24.04.2010	6.00

Source: RBI