INDIAN ECONOMY 10 October 2026

RBI to Sell ₹250 Billion Bonds, Tightens CRR Maintenance Rules

RBI announced ₹250 billion bond sales via Open Market Operations and raised daily CRR maintenance requirement to 99%.

Liquidity management measures implemented by the central bank to absorb excess money supply and maintain economic stability.

KEY EXAM POINTS

- The **Reserve Bank of India** announced the sale of **₹250 billion** ($2.58 billion) worth of government bonds through **Open Market Operations**.
- RBI mandated commercial banks to maintain **99%** of their daily **Cash Reserve Ratio**, up from the previous requirement of **90%**.
- The new daily Cash Reserve Ratio maintenance norm of **99%** will come into effect from **October 16**.
- These measures follow RBI's recent key **policy rate hike**, which was the first interest rate increase in nearly **four years**.

DID YOU KNOW..!?

Reserve Bank of India was established on **April 1, 1935**, under the Reserve Bank of India Act, 1934, based on recommendations of the **Hilton Young Commission**.

RBI was nationalised on **January 1, 1949**.

Cash Reserve Ratio (CRR) is the percentage of **Net Demand and Time Liabilities** (NDTL) that scheduled commercial banks must keep as cash with the RBI under **Section 42(1)** of RBI Act, 1934.

Open Market Operations (OMO) are **quantitative tools** used by RBI to buy or sell government securities to regulate money supply in the economy.

Quantitative instruments of monetary policy include CRR, **SLR**, Repo Rate, Reverse Repo Rate, Bank Rate, and Open Market Operations.

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RBI mandates 99% daily CRR maintenance and announces ₹250 billion OMO bond sales to drain liquidity.

Syllabus Relevance: Core Unit 6 topic covering RBI monetary policy instruments, CRR, and Open Market Operations frequently tested in Group 1 and Group 2 exams.

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