



भारतीय रिजर्व बैंक  
**RESERVE BANK OF INDIA**

www.rbi.org.in

RBI/2013-14/144

DBOD.No.Ret.BC. 33 /12.02.001/2013-14

July 17, 2013

All Scheduled Commercial Banks  
(Excluding Regional Rural Banks)

Dear Sir,

**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF)**

Please refer to our [circular DBOD.No.Ret.BC.95 /12.02.001/2011-12 dated April 17, 2012](#) wherein it was advised that Scheduled Commercial Banks (SCBs) may borrow overnight up to 2 per cent of their respective Net Demand and Time Liabilities (NDTL) under the Marginal Standing Facility (MSF) Scheme and [Press Release 2013-2014/112 dated July 17, 2013](#), relating to RBI's Special Repo Window.

2. Under the Marginal Standing Facility (MSF), currently banks avail funds from the RBI on overnight basis against their excess SLR holdings. Additionally, they can also avail funds on overnight basis below the stipulated SLR up to two per cent of their respective Net Demand and Time Liabilities (NDTL) outstanding at the end of second preceding fortnight. With a view to enabling banks to meet the liquidity requirements of mutual funds under the RBI's Special Repo Window announced on July 17, 2013, it has been decided to raise the borrowing limit below the stipulated SLR requirement under the MSF from 2 per cent of NDTL to 2.5 per cent of NDTL. The higher MSF limit of 0.5 per cent of NDTL will be available only for the Special Repo Window. This additional limit will be available for a temporary period until further notice.

3. A copy of the relative notification DBOD No. Ret. BC. 32 /12.02.001/2013-14 dated July 17, 2013 is enclosed.

4. Please acknowledge receipt.

Yours faithfully,

(Sudha Damodar)  
Chief General Manager

बैंकिंग पर्यवेक्षण और विकास विभाग, कुफ़र परेड, सेंटर 1, डबल्यूटीसी, कोलाबा, मुंबई-

Department of Banking Operations and Development, Central Office, Centre 1, Cuffe Parade, Colaba, Mumbai - 400005

टेलिफोन /Tel No: 91-22-22189131 फ़ैक्स/Fax No: 91-22-22183785 Email ID:cgmicdbodco@rbi.org.in

**Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.**



DBOD. No.Ret.BC 32 /12.02.001/2013-14

July 17, 2013

### **NOTIFICATION**

In exercise of the powers conferred by sub-section (2A) of Section 24 of the Banking Regulation Act, 1949 (10 of 1949), as amended from time to time, the Reserve Bank of India hereby notifies that the earlier [Notification DBOD.No.Ret.BC.94/12.02.001/2011-12 dated April 17, 2012](#), stands modified as under:

“Securities offered as collateral to the Reserve Bank of India for availing liquidity assistance from Marginal Standing Facility (MSF) up to 2.5 per cent of the total Net Demand and Time Liabilities (NDTL) in India carved out of the required SLR portfolio of the bank concerned. The higher MSF limit of 0.5 per cent of NDTL will be available only for Special Repo Window for liquidity requirement of Mutual Funds. This additional limit will be available for a temporary period till further notice.”

(B. Mahapatra)  
Executive Director