



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2010-11/516

Ref. DBOD No. Ret. BC. 92 /12.02.001/2010-11

May 09, 2011

All Scheduled Commercial Banks

(Excluding Regional Rural Banks)

Dear Sir,

Section 24 of the Banking Regulation Act, 1949- Maintenance of Statutory Liquidity Ratio (SLR)

Please refer to our [circular DBOD No.Ret.BC 41 /12.02.001/2009-10 dated September 08,2009](#) forwarding the [Notification DBOD No.Ret.BC 40 /12.02.001/2009-10 dated September 08,2009](#) and [circular DBOD No.Ret.BC 29 /12.02.001/2010-11dated July 27, 2010](#) forwarding [Notification DBOD No.Ret.BC 28 /12.02.001/2010-11dated July 27,2010](#) on the captioned subject.

2. As announced in the Reserve Bank of India's Annual Monetary Policy Statement 2011-12 on May 03, 2011 Scheduled Commercial Banks (SCBs) may borrow overnight up to one per cent of their respective Net Demand and Time Liabilities (NDTL) under the Marginal Standing Facility (MSF)Scheme effective from the fortnight beginning on May 07, 2011. Operating instructions in this regard are contained in [circular FMD No.59/01.18.001/2010-11 dated May 9, 2011](#).

3. We have issued a new Notification DBOD No.Ret.BC 91 /12.02.001/2010-11.dated May 09, 2011 superseding the existing Notification Ref.DBOD.No.Ret.BC.40/12.02.001/2009-10 dated September 8, 2009 (which was partially modified by [Notification DBOD. No. Ret. BC 28 /12.02.001/2010-11 dated July 27, 2010](#)) on the maintenance of assets for the purpose of computing the Statutory Liquidity Ratio by Scheduled Commercial Banks. A copy of the new Notification referred to above is enclosed.

Yours faithfully,

(P.R. Ravi Mohan)
Chief General Manager

Encl: As above

NOTIFICATION

In exercise of the powers conferred by sub-section (2A) of Section 24 of Banking Regulation Act, 1949 (10 of 1949) and in partial modification of the [Notification Ref.DBOD.No.Ret.BC.40/12.02.001/2009-10 dated September 8, 2009](#) and Notification DBOD. No. Ret. BC 28 /12.02.001/2010-11 dated July 27, 2010 the Reserve Bank of India hereby specifies that every scheduled commercial bank shall continue to maintain in India assets, as detailed below, the value of which shall not, at the close of business on any day, be less than 24 per cent of the total net demand and time liabilities in India as on the last Friday of the second preceding fortnight as prescribed vide [notification DBOD.No.Ret.BC.66/12.02.001/2010-11 dated December 16, 2010](#) valued in accordance with the method of valuation specified by the Reserve Bank of India from time to time:

- (a) Cash or
- (b) Gold valued at a price not exceeding the current market price, or
- (c) Investment in the following instruments which will be referred to as "Statutory Liquidity Ratio (SLR) securities":
 - (i) [Dated securities](#) issued up to May 6, 2011 as listed in the [Annex](#);
 - (ii) Treasury Bills of the Government of India;
 - (iii) Dated securities of the Government of India issued from time to time under the market borrowing programme and the Market Stabilization Scheme;
 - (iv) State Development Loans (SDLs) of the State Governments issued from time to time under the market borrowing programme; and
 - (v) Any other instrument as may be notified by the Reserve Bank of India.

Provided that the securities (including margin) referred to above, if acquired under the Reserve Bank- Liquidity Adjustment Facility (LAF), shall not be treated as an eligible asset for this purpose.

Explanation: For the above purpose, "market borrowing programme" shall mean the domestic rupee loans raised by the Government of India and the State Governments from the public and managed by the Reserve Bank of India

through issue of marketable securities, governed by the Government Securities Act, 2006 and the Regulations framed thereunder, through an auction or any other method, as specified in the Notification issued in this regard.

2. Encumbered SLR securities shall not be included for the purpose of computing the percentage specified above.

Provided however that for the purpose of computing the percentage of assets referred to hereinabove, the following shall be included, namely :

- (i) securities lodged with another institution for an advance or any other credit arrangement to the extent to which such securities have not been drawn against or availed of; and
- (ii) securities offered as collateral to the Reserve Bank of India for availing liquidity assistance from Marginal Standing Facility (MSF) up to one percent of the total net demand and time liabilities in India carved out of the required SLR portfolio of the bank concerned.

3. In computing the amount for the above purpose, the following shall be deemed to be cash maintained in India:

- (i) The deposit required under sub-section (2) of Section 11 of the Banking Regulation Act, 1949 to be made with the Reserve Bank by a banking company incorporated outside India;
- (ii) Any balances maintained by a scheduled bank with the Reserve Bank in excess of the balance required to be maintained by it under Section 42 of the Reserve Bank of India Act, 1934 (2 of 1934); and
- (iii) Net balances in current accounts with other scheduled commercial banks in India.

(R. Gandhi)
Executive Director

Related Notification	
May 09, 2011	<u>Marginal Standing Facility – Scheme</u>