



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2010-11/108

Ref. DBOD. No. Ret. BC. 24 /12.02.001/2010-2011

July 2, 2010

All Scheduled Commercial Banks

Dear Sir,

Section 24 of Banking Regulation Act, 1949- Shortfall in Maintenance of Statutory Liquidity Ratio (SLR) - Additional Liquidity support under Liquidity Adjustment Facility (LAF) - Extension

Please refer to our circular [DBOD.No.Ret.BC.103/12.02.001/2009-2010 dated May 26, 2010](#) wherein it was advised that Scheduled Commercial Banks may obtain liquidity from the Reserve Bank under the Liquidity Adjustment Facility (LAF) against collateral of eligible securities that are in excess of their prescribed Statutory Liquidity Ratio (SLR). In addition, purely as a temporary measure, Scheduled Commercial Banks were allowed to avail additional liquidity support under the LAF to the extent of upto 0.5 per cent of their Net Demand and Time Liabilities (NDTL). The additional liquidity support was made available with effect from the LAF auctions of May 28, 2010 and upto July 2, 2010.

2. As stated in the Reserve Bank's press release issued today, on the basis of the assessment of the current liquidity situation, it has been decided to extend the aforesaid liquidity support facility up to July 16, 2010. For any shortfall in maintenance of SLR arising out of availment of this facility, banks may seek waiver of penal interest purely as an *ad hoc* measure.

Yours faithfully,

(P R Ravi Mohan)
Chief General Manager