

RBI/2009-10/194

Ref.No.MPD.BC.1438/02.01.005/2009-10

October 27, 2009

All Scheduled Commercial Banks
(excluding Regional Rural Banks)

Dear Sir/Madam,

**Re: Special Refinance Facility (SRF) under
Section 17(3B) of the Reserve Bank of India Act, 1934**

Please refer to our circulars [Ref.No.MPD.BC.309/02.01.009/2008-09](#) dated November 3, 2008 and [MPD.BC.322/02.01.009/2008-09](#) dated April 22, 2009 regarding the Special Refinance Facility (SRF) under Section 17(3B) of the Reserve Bank of India Act, 1934. In terms of this facility all scheduled commercial banks (excluding RRBs) are provided refinance from the Reserve Bank equivalent to up to 1.0 per cent of each bank's net demand and time liabilities (NDTL) as on October 24, 2008 at the repo rate under the liquidity adjustment facility (LAF) up to a maximum period of 90 days during which refinance can be flexibly drawn and repaid.

2. As indicated in the Second Quarter Review of Monetary Policy 2009-10 announced today, it has been decided to discontinue this facility with immediate effect. Accordingly, banks cannot avail fresh refinance from the Reserve Bank under the facility. Outstandings under this facility, if any, should be repaid within the stipulated time of 90 days from the first day of utilisation as mentioned in the circular [Ref.No.MPD BC.309/02.01.009/2008-09](#) dated November 3, 2008.

Yours faithfully,

(Janak Raj)
Adviser-in-Charge