



RESERVE BANK OF INDIA

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RBI/2010-11/267

Ref.DBOD.No.Ret.BC.60 /12.02.001/2010-11

November 09, 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)

Please refer to our circular [DBOD. No. Ret. BC. 55/12.02.001/2010-11 dated November 01, 2010](#) on the captioned subject.

2. As stated in the Reserve Bank's press release issued on November 09, 2010, in line with the stance of monetary policy set out in the Second Quarter Review of November 2, 2010 and in order to provide liquidity comfort arising out of frictional liquidity pressure, it has been decided that scheduled commercial banks may avail of additional liquidity support under the Liquidity Adjustment Facility (LAF) to the extent of up to 1.0 per cent of their Net Demand and Time Liabilities (NDTL) as on the reporting Friday of the second preceding fortnight. For any shortfall in maintenance of Statutory Liquidity Ratio (SLR) during November 9 – December 16, 2010 arising out of avilment of this facility, banks may seek waiver of penal interest purely as an *ad hoc*, temporary measure. The above measure will be in force till December 16, 2010.

Yours faithfully,

(P R Ravi Mohan)
Chief General Manager