



## **Bangalore Chamber of Industry and Commerce**

No.1A, Bharat Apartments, 44/1, Fairfield Layout, Race Course Road, Bangalore - 560 001  
Tel: 22286080 – 82; Fax: 22251475; e-mail: [bcic@bcic.org.in](mailto:bcic@bcic.org.in) ; website: [www.bcic.org.in](http://www.bcic.org.in)

### **Finance & Capital Markets**

Circular No.172

27.12.2010

All Members

Dear Sirs,

We enclose herewith the following Circular issued by the Reserve Bank of India, Mumbai for your reference and record.

1. RBI/2010-11/316, DBOD.Ret.BC. 67/12.02.001/2010-11, dated December 16, 2010 - Section 24 of the Banking Regulation Act, 1949 - Maintenance of Statutory Liquidity Ratio (SLR).
2. RBI/2010-11/317, Ref. DBOD.No.Ret.BC.68 /12.02.001/2010-11, dated December 16, 2010 - Section 24 of Banking Regulation Act, 1949 - Shortfall in Maintenance of Statutory Liquidity Ratio (SLR) – Additional Liquidity Support under Liquidity Adjustment Facility (LAF)

Thanking you,

Yours faithfully

**T.S. Sampath Kumar**  
Secretary General

\*\*\*\*\*

RBI/2010-11/316, DBOD.Ret.BC. 67/12.02.001/2010-11, dated December 16, 2010

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

Please refer to our circular DBOD. No. Ret. BC. 51/12.02.001/2009-10 dated October 28, 2009 on the captioned subject.

2. As announced in the Mid-Quarter Review of Monetary Policy released on December 16, 2010, it has been decided to reduce the Statutory Liquidity Ratio (SLR) for Scheduled Commercial Banks from 25 per cent of their Net Demand and Time Liabilities (NDTL) to 24 per cent with effect from December 18, 2010.

3. A copy of the relative notification DBOD. No. Ret. BC.66 /12.02.001/2010-11 dated December 16, 2010 is enclosed

**Sd/-  
(P R Ravi Mohan)  
Chief General Manager**

Encl: As above

---

Ref. DBOD. No. Ret. BC. 66/12.02.001/2010-11, dated December 16, 2010

### **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 and, in partial modification of the Notification DBOD.No.Ret. BC. 50/12.02.001/2009-10 dated October 28, 2009, the Reserve Bank of India hereby specifies that with effect from December 18, 2010, every Scheduled Commercial Bank shall maintain in India assets as detailed in notification DBOD No Ret BC 40/12.02.001/ 2009-10 dated September 08, 2009, the value of which shall not at the close of business of 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.

**Sd/-  
(Anand Sinha)  
Executive Director**

\*\*\*\*\*

RBI/2010-11/317, Ref. DBOD.No.Ret.BC.68 /12.02.001/2010-11, dated December 16, 2010

### **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.63/12.02.001/2010-11 dated November 30, 2010 wherein it was advised that Scheduled Commercial Banks may avail of the additional liquidity support under the Liquidity Adjustment Facility (LAF) to the extent of up to 2.0 per cent of their Net Demand and Time Liabilities (NDTL) as on the reporting Friday of the second preceding fortnight up to January 28, 2011. For any shortfall in Statutory Liquidity Ratio (SLR) maintenance up to January 28, 2011 arising out of availment of this facility,

banks may seek waiver of penal interest on a fortnightly basis purely as an *ad hoc*, temporary measure.

2. As set out in the Mid-Quarter Review of Monetary Policy released on December 16, 2010, given the permanent reduction in the SLR by 1.0 per cent of NDTL, the additional liquidity support under LAF announced by the Reserve Bank of India on November 29, 2010 will now be available up to the extent of 1.0 per cent (instead of 2.0 per cent) of the NDTL of Scheduled Commercial Banks from December 18, 2010 to January 28, 2011. For any shortfall in SLR maintenance up to January 28, 2011 arising out of avilment of this facility, banks may seek waiver of penal interest on a fortnightly basis purely as an *ad hoc*, temporary measure. The liquidity support availed under this facility would, however, need to be reported on a daily basis.

**Sd/-**  
**(P R Ravi Mohan)**  
**Chief General Manager**

\* \* \* \* \*