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RBI/ 2010-11/332

RPCD.CO.RRB. BC. No. 43 / 03.05.28(B)/ 2010-11

December 27, 2010

All Regional Rural Banks

Dear Sir,

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

Please refer to our <u>circular RPCD. CO. RRB. BC. No. 38 / 03.05.28(B)/ 2009-10 (RBI/ 2009-10/ 201) dated October 29, 2009</u>, on the captioned subject.

- 2. As announced in the <u>Mid-Quarter Review of Monetary Policy released on December 16, 2010</u>, it has been decided to reduce the Statutory Liquidity Ratio (SLR) for Regional Rural 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 RPCD. CO. RRB. No. 42 / 03.05.28(B) / 2010-11 dated December 27, 2010 is enclosed
- 4. Please acknowledge receipt.

Yours faithfully,

(B.P. Vijayendra) Chief General Manager

Encl.: As above



RPCD.CO.RRB. No.42 / 03.05.28(B)/ 2010-11

December 27, 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 RPCD. CO. RRB. No. 37/03.05.28(B)/ 2009-10 dated October 29, 2009, the Reserve Bank of India hereby specifies that with effect from December 18, 2010, every Regional Rural Bank shall maintain in India assets as detailed in notification RPCD. CO. RRB. No. 35/ 03.05.28(B)/ 2009-10 dated October 29, 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.

(V.K.Sharma) Executive Director

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