



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2010-11/467

Ref. DBOD.No.Ret.BC. 84 /12.02.001/2010-11

April 08, 2011

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.76/12.02.001/2010-11 dated January 25, 2011](#) wherein it was advised that Scheduled Commercial Banks (SCBs) may avail of additional liquidity support under the Liquidity Adjustment Facility (LAF) to the extent of up to one per cent of their Net Demand and Time Liabilities (NDTL) up to April 08, 2011. For any shortfall in maintenance of the SLR arising out of avilment of this facility, banks may seek waiver of penal interest purely as an *ad hoc*, temporary measure.

2. As set out in the Press Release issued by the Reserve Bank of India on April 08, 2011, the additional liquidity support to SCBs under LAF to the extent of up to one per cent of their NDTL, which was set to expire on April 08, 2011, has now been extended up to May 06, 2011. For any shortfall in maintenance of the SLR arising out of avilment of this facility, banks may seek waiver of penal interest purely as an *ad hoc*, temporary measure. The liquidity support availed under this facility would, however, need to be reported on a daily basis.

Yours faithfully,

(P R Ravi Mohan)
Chief General Manager