

RBI/2008-09/450

Ref.No.MPD.BC. 322 /02.01.009/2008-09

April 22, 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, [MPD. BC. 312 /02.01.009/2008-09](#) dated December 01, 2008 and [MPD.BC.318 /02.01.009/2008-09](#) dated January 27, 2009 on the Special Refinance Facility (SRF) under Section 17(3B) of the Reserve Bank of India Act, 1934.

2. Under this facility, scheduled commercial banks (excluding regional rural banks) 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. This facility was available up to September 30, 2009.

3. As indicated in the [Annual Policy Statement for 2009-10](#) announced on April 21, 2009, it has been decided to extend this facility up to March 31, 2010.

Yours faithfully,

(A.B. Chakraborty)
Adviser