



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2011-12/509

Ref: DBOD.No.Ret.BC.95 /12.02.001/2011-12

April 17, 2012

All Scheduled Commercial Banks

(Excluding Regional Rural Banks)

Dear Sir,

Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF)

Please refer to our [circular DBOD.No.Ret.BC.No.92/12.02.001/2010-11 dated May 09, 2011](#) wherein it was advised that Scheduled Commercial Banks (SCBs) may borrow overnight up to 1 per cent of their respective Net Demand and Time Liabilities (NDTL) under the Marginal Standing Facility (MSF) Scheme.

2. As announced in the Reserve Bank of India's [Annual Monetary Policy Statement 2012-13 on April 17, 2012](#), in order to provide greater liquidity cushion, it has been decided to raise the borrowing limit of SCBs under the MSF from 1 per cent to 2 per cent of their NDTL outstanding at the end of the second preceding fortnight with immediate effect.

3. Banks can continue to access overnight funds under the MSF against their excess SLR holding as advised in our [circular FMD.No.65/01.18.001/11-12 dated December 21, 2011](#).

4. A copy of the relative notification DBOD No. Ret. BC.94 /12.02.001/2011-12 dated April 17, 2012 is enclosed.

5. Please acknowledge receipt.

Yours faithfully

(Murli Radhakrishnan)
Chief General Manager

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 the Reserve Bank of India hereby notifies that para 2(ii) of the earlier [Notification DBOD.No.Ret.BC.91/12.02.001/2010-11 dated May 09, 2011](#), stands modified as under:

“Securities offered as collateral to the Reserve Bank of India for availing liquidity assistance from Marginal Standing Facility (MSF) up to two per cent of the total net demand and time liabilities in India carved out of the required SLR portfolio of the bank concerned”.

(B. Mahapatra)
Executive Director