

RBI/2016-17/318 DBR.No.Ret.BC.71/12.02.001/2016-17

June 7, 2017

All Commercial Banks, Primary (Urban) Co-operative Banks (UCBs), State and Central Co-operative Banks (StCBs/CCBs)

Madam/Dear Sir,

Section 24 and Section 56 of the Banking Regulation Act, 1949 - Maintenance of Statutory Liquidity Ratio (SLR)

Please refer to our <u>circular DBR.No.Ret.BC.64/12.01.001/2015-16 dated December 10, 2015</u>, on maintenance of Statutory Liquidity Ratio under Section 24 and Section 56 of the Banking Regulation Act, 1949.

2. As announced in the <u>Second Bi-Monthly Monetary Policy Statement 2017-18</u> of the Reserve Bank of India today, it has been decided to reduce the Statutory Liquidity Ratio (SLR) of commercial banks, primary (urban) co-operative banks (UCBs), state co-operative banks and central co-operative banks from 20.5 per cent of their Net Demand and Time Liabilities (NDTL) to 20.00 per cent from the fortnight commencing June 24, 2017. A copy of the relative notification DBR.No.Ret.BC.73/12.02.001/2016-17 dated June 7, 2017, applicable to the banks is enclosed

3. It is clarified that notwithstanding the reduction in the SLR, the ceiling on amount of SLR securities that can be held under 'Held to Maturity' category remains unchanged.

Yours faithfully,

(S.S. Barik) Chief General Manager in-Charge Encl: As above

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DBR.No.Ret.BC.73 /12.02.001/2016-17

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NOTIFICATION

In exercise of the powers conferred by sub-section (2A) of Section 24 read with Section 51 and Section 56 of the Banking Regulation Act, 1949 (10 of 1949) and in partial modification of the Notification <u>Ref.DBR.No.Ret.BC.63/12.02.001/2015-16 dated</u> <u>December 10, 2015</u>, the Reserve Bank hereby specifies that:

With effect from June 24, 2017, every commercial bank, primary (urban) co-operative bank, state co-operative bank and central co-operative bank shall maintain in India assets (referred to as 'SLR assets' in the above Notification) the value of which shall not, at the close of business on any day, be less than 20.00 per cent of their total net demand and time liabilities in India as on the last Friday of the second preceding fortnight, valued in accordance with the method of valuation specified by the Reserve Bank from time to time; and

All other instructions contained in the Notification dated December 10, 2015, referred to above, shall continue to apply.

(Sudarshan Sen) Executive Director