भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2012-2013/448

FMD.MOAG No. 77 /01.01.001/2012-13 March 19, 2013

**All Scheduled Commercial Banks (excluding RRBs)
and Primary Dealers**

Madam / Sir,

Liquidity Adjustment Facility and Marginal Standing Facility

Please refer to Reserve Bank circulars IDMD.OMO No.08/03.75.00/2004-05 dated October 27, 2004, FMD.MAOG.No.13/01.01.001/2006-07 dated March 30, 2007 and FMD.No.59/01.18.001/2010-11 dated May 9, 2011.

2. As you may be aware, the margin requirements under the Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) in respect of Central Government dated securities/ Treasury Bills and State Development Loans (SDLs) currently stand at 5 per cent and 10 per cent respectively.

3. On a review, it has been decided to revise the margin requirements under LAF and MSF operations. Accordingly, the margin requirements in respect of Central Government dated securities/ Treasury Bills and State Development Loans (SDLs) will be **4 per cent** and **6 per cent** respectively. Thus, the amount of securities offered on acceptance of a bid/ application for Rs.100 crore will be Rs 104 crore (face value) of Central Government dated security/ Treasury Bills or Rs. 106 crore (face value) of SDLs as the case may be.

4. The revised margin requirements would come into force with effect from April 2, 2013. All other terms and conditions of the current LAF and MSF schemes will remain unchanged.

Yours sincerely

(G Mahalingam)
Chief General Manager