



## **RBI Notifies for Review of SLR Holdings in HTM Category**

On 8th December 2022, the Reserve Bank of India (RBI) issued a Notification in regard to the Review of Statutory Liquidity Ratio (SLR) Holdings in Held to Maturity (HTM) Category. This particular Notification was issued in reference to paragraph 1 of the "[Statement on Development and Regulatory Policies of the Monetary Policy Statement, 2022-23](#)" issued on 7th December 2022 and Section 6 (iv) (a) of "[Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks \(Directions\), 2021](#)" issued on 25th August 2021.

Currently, banks have been granted with a special dispensation in regard to the enhanced Held to Maturity (HTM) Limit of 23% of the Net Demand and Time Liabilities (NDTL) for the Statutory Liquidity Ratio (SLR) eligible securities that were acquired between 1st September 2020 and 31st March 2023.

Upon review, the RBI has further extended the dispensation of an enhanced HTM limit of 23% of NDTL till 31st March 2024, allowing banks to include securities acquired between 1st September 2020 and 31st March 2024 under the enhanced 23% limit.

The enhanced HTM Limit of 23% is to be restored to 19.5% in a phased manner, that is to begin from 20th June 2024, i.e., the end of the quarter, which means the excess SLR securities acquired by banks from 1st September 2020 to 31st March 2024 is to be progressively reduced resulting the total SLR Securities to be held in the HTM category as a percentage of the NDLT which cannot exceed -

- 22.00% as of 30th June 2024
- 21.00% as of 30th September 2024
- 20.00% as of 31st December 2024
- 19.50% as of 31st March 2025

The RBI notification further states that all instructions are to remain unchanged, and the relevant sections of the "Master Direction" are to be amended, which reflect the changes as mentioned above. The RBI has also stated that this particular Notification is applicable to all Commercial Banks and to come into force with immediate effect.

Official Notification Attached - [here](#)



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