



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2005-06/189
FMD.No.1 /01.01.01/2005-06

October 25, 2005

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

Dear Sir,

LIQUIDITY ADJUSTMENT FACILITY – REPO AND REVERSE REPO RATES

Please refer to paragraphs 52 and 53 of the Mid-Term Review of Annual Policy Statement for the year 2005-06 dated October 25, 2005 and our circular IDMD.OMO.No.09/03.75.00/2004-05 dated April 28, 2005.

2. In view of the current macroeconomic and overall monetary conditions, it has been decided, to increase the fixed reverse repo rate under the liquidity adjustment facility (LAF) of the Reserve Bank by 25 basis points with effect from October 26, 2005 to 5.25 per cent from 5.0 per cent.
3. The repo rate will continue to be linked to the reverse repo rate. The spread between the reverse repo rate and the repo rate has been retained at 100 basis points, as at present. Accordingly, the fixed repo rate under LAF will be 6.25 per cent, effective October 26, 2005.
4. All other terms and conditions of the current LAF Scheme will remain unchanged.

Yours faithfully

(Chandan Sinha)
Chief General Manager

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हिंदी में काम करना आसान है , इसका प्रयोग बढ़ाएँ ।