



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

RBI/2005-06/221  
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November 25 , 2005

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

Dear Sir,

**SECOND LIQUIDITY ADJUSTMENT FACILITY**

At present, Reserve Bank of India operates a Liquidity Adjustment Facility (LAF) to inject/absorb liquidity through daily repos/reverse repos auctions. These operations are conducted in the forenoon between 9.30 A.M. and 10.30 A.M. To fine-tune the management of liquidity and in response to requests from market participants, it has been decided to introduce a second LAF (SLAF) from November 28, 2005. SLAF will be conducted between 3.00 P.M. and 3.45 P.M.

2. SLAF is expected to be in the nature of a residual facility for fine-tuning the management of liquidity in the system. The salient features of the SLAF are same as those of LAF. The settlement for LAF and SLAF will, however, be conducted separately and on a gross basis. Details of the scheme (Annex A) along with common tender forms for LAF/SLAF (Annex I & II) are enclosed.

3. SLAF will be subject to review and modifications, as needed, based on experience.

4. Please acknowledge receipt by e-mail to [cgmfmd@rbi.org.in](mailto:cgmfmd@rbi.org.in).

Yours faithfully

(Chandan Sinha)  
Chief General Manager

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हिंदी में काम करना आसान है , इसका प्रयोग बढ़ाइए ।