



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

RBI/2006-07/84
FMD.No.9 /01.01.01/2006-07

July 25, 2006

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

Dear Sir,

LIQUIDITY ADJUSTMENT FACILITY – REPO AND REVERSE REPO RATES

Please refer to paragraphs 66 and 67 of the 'First Quarter Review of Annual Statement on Monetary Policy for the year 2006-07' dated July 25, 2006 and our circular FMD.MOAG.No.5/01.01.01/2005-06 dated June 8, 2006.

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 second LAF of July 25, 2006 to 6.00 per cent from 5.75 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 7.00 per cent, with effect from second LAF of July 25, 2006.

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 बढ़ाइए ।