

June 11, 2008

All Scheduled Commercial Banks (excluding RRBs)
and Primary Dealers

Dear Sir,

LIQUIDITY ADJUSTMENT FACILITY – REPO AND REVERSE REPO RATES

In the light of the current macroeconomic and overall monetary conditions and with a view to containing inflation expectations, the Reserve Bank of India has decided to increase the fixed repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points to 8.00 per cent from 7.75 per cent, with effect from June 12, 2008.

2. The reverse repo rate under LAF remains unchanged at 6.00 per cent.
3. All other terms and conditions of the current LAF Scheme will remain unchanged.
4. Please acknowledge receipt by e-mail.

Yours faithfully

(Somnath Chatterjee)
Director