

June 24, 2008

All Scheduled Commercial Banks (excluding RRBs)  
and Primary Dealers

Dear Sir,

**Liquidity Adjustment Facility – Repo and Reverse Repo Rates**

Consistent with the stance of monetary policy in 2008-09 and on the basis of incoming information on domestic and global macroeconomic and financial developments, the Reserve Bank of India has decided to increase the fixed repo rate under the Liquidity Adjustment Facility (LAF) by 50 basis points to 8.50 per cent from 8.00 per cent with effect from June 25, 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 remain unchanged.
4. Please acknowledge receipt by e-mail.

Yours faithfully

(Chandan Sinha)  
Chief General Manager