

November 3, 2008

All Scheduled Commercial Banks (excluding RRBs)  
and Primary Dealers

Dear Sir,

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

As already announced on November 1, 2008, the Reserve Bank has decided to reduce the fixed repo rate under the Liquidity Adjustment Facility (LAF) by 50 basis points from 8.0 per cent to 7.5 per cent with effect from November 3, 2008, in view of the ebbing of upside inflation risks as also to address concerns relating to the moderation in the growth momentum.

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.

Yours faithfully

(Chandan Sinha)  
Chief General Manager