

RBI/2008-09/310
REF.No.MPD.BC. 314 / 02.01.009/2008-09

December 6, 2008

To

All Scheduled Commercial Banks
(excluding Regional Rural Banks)

Dear Sir/Madam,

**Interest Rate on Special Refinance Facility (SRF) under Section 17(3B)
of the Reserve Bank of India Act, 1934**

As announced in the Reserve Bank's Press Release dated December 6, 2008 the fixed repo rate under the Liquidity Adjustment Facility (LAF) has been reduced by 100 basis points from 7.5 per cent to 6.5 per cent with effect from December 8, 2008.

2. Accordingly, the special refinance facility (SRF) provided to scheduled commercial banks (excluding Regional Rural Banks) by the Reserve Bank under Section 17(3B) of the Reserve Bank of India Act, 1934 introduced vide the circular Ref.No.MPD.BC.309 /02.01.009/2008-09 dated November 3, 2008 would be available at the repo rate, *i.e.*, at 6.5 per cent with effect from December 8, 2008.

Yours faithfully,

(M. D. Patra)
Adviser-in-Charge