

RBI/2008-09/342

REF.No.MPD.BC. 316 / 02.01.009/2008-09

January 02, 2009

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:2008-09/1023 of January 02, 2009, the fixed repo rate under the Liquidity Adjustment Facility (LAF) has been reduced by 100 basis points from 6.5 per cent to 5.5 per cent with immediate effect.

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 5.5 per cent with effect from January 03, 2009.

Yours faithfully,

(Janak Raj)
Adviser-in-Charge