



RBI/2013-2014/152
FMD.MOAG. No.82/01.01.001/2013-14

July 23, 2013

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir,

Liquidity Adjustment Facility

As you are aware, Reserve Bank of India announced additional measures today to address exchange market volatility. As part of these measures, it has been decided that the total quantum of funds available to a bank under Liquidity Adjustment Facility (LAF) will be capped at 0.50 percent of the individual bank's Net Demand and Time Liabilities (NDTL). The above changes in LAF will come into effect from July 24, 2013. For the purpose of arriving at an individual bank's limit, the NDTL would be the same as being reckoned for the purpose of maintenance of CRR during a reporting fortnight. Accordingly, the earlier instructions issued vide our [circular RBI/2013-14/142/FMD.MOAG.No.80/01.01.001/2013-14 dated July 16, 2013](#) regarding cap on overall allocation of funds at Rs. 75,000 crore under LAF stand withdrawn.

2. Presently, an additional LAF repo is conducted on reporting Fridays. Under this arrangement, the cap for the individual bank will apply to the combined allocation of funds in the morning and additional LAF repo.

3. All other terms and conditions of the current LAF scheme will remain unchanged.

4. Please acknowledge receipt.

Yours sincerely,

(G. Mahalingam)
Principal Chief General Manager

Related Press Release/Notification	
July 23, 2013	RBI announces Additional measures to address Exchange Market Volatility
July 23, 2013	Section 42(1) of the Reserve Bank of India Act, 1934 - Change in Daily Minimum Cash Reserve Maintenance Requirement