

RBI/2010-2011/204

FMD.MOAG. No. 50/01.01.01/2010-11

September 16, 2010

All Scheduled Commercial Banks (excluding RRBs) and Primary Dealers

Dear Sir,

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

As announced today in the Mid-Quarter Policy Review, it has been decided to increase the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 5.75 per cent to 6.00 per cent and the reverse repo rate by 50 basis points from 4.50 per cent to 5.00 per cent with immediate effect.

2. All other terms and conditions of the current LAF Scheme will remain unchanged.
3. Please acknowledge receipt.

Yours sincerely

(P. Krishnamurthy)  
Chief General Manager