

RBI/2009-2010/351  
FMD.MOAG. No.42/01.01.01/2009-10

March 19, 2010

All Scheduled Commercial Banks (excluding RRBs)  
and Primary Dealers

Dear Sir,

### **Liquidity Adjustment Facility – Repo And Reverse Repo Rates**

As a part of the calibrated exit strategy initiated in the Second Quarter Review in October 2009 and carried forward in the Third Quarter Review in January 2010, the Reserve Bank of India has decided to raise the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 4.75 per cent to 5.00 per cent and the reverse repo rate under the LAF by 25 basis points from 3.25 per cent to 3.50 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