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April 1, 2014

All Scheduled Commercial Banks (excluding RRBs) and Standalone Primary Dealers

Madam / Sir,

Liquidity Adjustment Facility

As announced today in the <u>First Bi-monthly Monetary Policy Statement 2014-15</u>, it has been decided to decrease the quantum of liquidity provided under overnight repos under the Liquidity Adjustment Facility (LAF) from 0.5 per cent of bank-wise NDTL to **0.25 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

(G. Mahalingam) Principal Chief General Manager