

RBI/2017-2018/32 FMOD.MAOG. No 121/01.01.001/2017-18

August 2, 2017

All Scheduled Commercial Banks (excluding RRBs), Scheduled Urban Co-operative Banks and Standalone Primary Dealers

Madam / Sir,

Liquidity Adjustment Facility - Repo and Reverse Repo Rates

As announced in the <u>Third Bi-monthly Monetary Policy Statement</u>, <u>2017-18</u>, today, it has been decided by the Monetary Policy Committee (MPC) to reduce the Repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 6.25 per cent to **6.0 per cent** with immediate effect.

Consequent to the change in the Repo rate, the Reverse Repo rate under the LAF stands adjusted to **5.75 per cent** with immediate effect.

All other terms and conditions of the extant LAF Scheme will remain unchanged.

Yours sincerely

(Radha Shyam Ratho) Chief General Manager