

RBI/2011-2012/182

FMD.MOAG. No.63/01.01.01/2011-12

September 16, 2011

All Scheduled Commercial Banks (excluding RRBs) and Primary Dealers

Dear Sir,

<u>Liquidity Adjustment Facility – Repo and Reverse Repo</u> <u>and Marginal Standing Facility Rates</u>

As announced today in the Mid-Quarter Monetary Policy Review, September 2011, it has been decided to increase the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 8.00 per cent to **8.25 per cent** with immediate effect.

- 2. Consequent to the above increase in the repo rate, the reverse repo rate under the LAF will stand automatically adjusted to **7.25 per cent** and the Marginal Standing Facility (MSF) rate to **9.25 per cent** with immediate effect.
- 3. All other terms and conditions of the current LAF and MSF Schemes will remain unchanged.
- 4. Please acknowledge receipt.

Yours sincerely

(G. Mahalingam)
Chief General Manager