RBI/2010-11/250

FMD.MOAG. No.51/01.01.01/2010-11

October 29, 2010

All Scheduled Commercial Banks (excluding RRBs) and Primary Dealers

Dear Sir,

<u>Liquidity Adjustment Facility – Liquidity Easing Measures</u>

The Liquidity Adjustment Facility (LAF) window of the Reserve Bank has been in the injection mode in the recent period. In order to provide liquidity comfort, the Reserve Bank has today announced the following temporary measures:

- A special second LAF (SLAF) will be conducted on two days at 2.30 p.m. on October 29, 2010 and at 4.15 p.m. on November 1, 2010.
- A special 2-day repo auction under the LAF will be conducted at 10.30 a.m. on Saturday, October 30, 2010.
- 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