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RESERVE BANK OF INDIA

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Resumption of Normal Liquidity Management Operations

On February 06, 2020, the Reserve Bank had announced a [revised Liquidity Management Framework](#) that was simplified and clearly communicated the objectives and toolkit for liquidity management.

2. In view of the outbreak of COVID-19, the rapidly evolving financial conditions and taking into account the impact of disruptions due to the lockdown and social distancing, it was decided to temporarily suspend the revised liquidity management framework and the window for Fixed Rate Reverse Repo and Marginal Standing Facility (MSF) operations were made available throughout the day. This was intended to provide eligible market participants with greater flexibility in their liquidity management.

3. In view of operational dislocations and elevated level of health risks posed by COVID-19, it had been decided to truncate trading hours for various market segments with effect from April 07, 2020. Later, with the graded roll-back of the lockdown and easing of restrictions on movement of people and functioning of offices, it was decided to restore trading hours for markets regulated by the Reserve Bank in a phased manner with effect from November 09, 2020.

4. On a review of evolving liquidity and financial conditions, it has been decided to restore normal liquidity management operations in a phased manner. Accordingly, the Reserve Bank will conduct the following Variable Rate Reverse Repo auction on January 15, 2021, Friday under the [revised Liquidity Management Framework](#) issued on February 06, 2020.

Sl No	Notified Amount (₹ crore)	Tenor (day)	Window Timing	Date of Reversal
1	2,00,000	14	11:30 am to 12:00 noon	January 29, 2021 (Friday)

5. The operational guidelines for the auction as given in the Reserve Bank's [press release 2019-2020/1947 dated February 13, 2020](#) will remain the same.

6. The Fixed Rate Reverse Repo and Marginal Standing Facility (MSF) operations will continue to be available throughout the day. As stated in the last MPC statement on December 4, 2020, it is reiterated that the Reserve Bank will ensure availability of ample liquidity in the system.

(Yogesh Dayal)
Chief General Manager