

RBI/2016-2017/76 FMOD.MAOG.No.114/01.01.001/2016-17

October 4, 2016

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

Madam / Sir,

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

As announced in the Fourth Bi-monthly Monetary Policy Statement 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 6.50 per cent to **6.25 per cent** with immediate effect.

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

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

Yours sincerely

(M. Rajeshwar Rao) Chief General Manager