

RBI/2018-2019/31 FMOD.MAOG. No.126 /01.01.001/2018-19

August 1, 2018

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 <u>Third Bi-monthly Monetary Policy Statement</u>, <u>2018-19</u> today, it has been decided by the Monetary Policy Committee (MPC) to increase the policy Repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 6.25 per cent to **6.50** per cent with immediate effect.

- 2. Consequent to the change in the Repo rate, the Reverse Repo rate under the LAF stands adjusted to **6.25 per cent** with immediate effect.
- 3. All other terms and conditions of the extant LAF Scheme will remain unchanged.

Yours sincerely

(Radha Shyam Ratho) Chief General Manager