

RBI/2008-2009/442

FMD.MOAG. No.34/01.01.01/2008-09

April 21, 2009

All Scheduled Commercial Banks (excluding RRBs) and Primary Dealers

Dear Sir,

Liquidity Adjustment Facility – Repo and Reverse Repo Rates

As announced in the [Annual Policy Statement for the year 2009-10](#), the Reserve Bank has decided to reduce the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 5.00 per cent to 4.75 per cent and the reverse repo rate by 25 basis points from 3.50 per cent to 3.25 percent with immediate effect.

2. Accordingly, the revised LAF repo and reverse repo rates would be applicable beginning with the special term repo auction and second LAF to be conducted today, i.e., April 21, 2009.

3. The revision in the modalities of the special term repo facility as announced in the Annual Policy Statement for the Year 2009-10, would be notified separately.

Yours faithfully

(Chandan Sinha)

Chief General Manager