

RBI/2013-2014/278 FMD.MOAG. No. 86 /01.01.001/2013-14

September 20, 2013

All Scheduled Commercial Banks (excluding RRBs) and Standalone Primary Dealers

Madam / Sir,

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

As announced today in the <u>Mid-Quarter Review of the Monetary Policy 2013-14</u>, it has been decided to increase the Repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 7.25 per cent to **7.50 per cent** with immediate effect.

- 2. Consequent to the change in the Repo rate, the Reverse Repo rate under the LAF will stand automatically adjusted to **6.50 per cent** with immediate effect.
- 3. All other terms and conditions of the current LAF scheme will remain unchanged.
- 4. Please acknowledge receipt.

Yours sincerely

(G. Mahalingam) Principal Chief General Manager