

RBI/2008-09/220

FMD.MOAG. No. 26/01.01.01/2008-09

October 14, 2008

All Scheduled Commercial Banks (excluding RRBs)  
and Primary Dealers

Dear Sir,

**SPECIAL FIXED RATE REPO UNDER  
LIQUIDITY ADJUSTMENT FACILITY**

As already announced, Reserve Bank shall conduct a special fixed rate **repo** at 9 per cent per annum against eligible securities for a notified amount of Rs.20,000 crore today, i.e. October 14, 2008, with a view to enabling banks to meet the liquidity requirements of Mutual Funds. The reversal shall take place on Wednesday, October 29, 2008.

2. This repo will be in *addition* to the repo/reverse repo auctions conducted under Liquidity Adjustment Facility (LAF) and Second Liquidity Adjustment Facility (SLAF) which will be held as usual.

3. The eligible banks and PDs may submit their applications electronically through NDS between 2.30 PM to 3.15 PM. today. Allocations would normally be made on a *pro-rata* basis in case the tenders exceed the notified amount.

4. The settlement for the special repo would be conducted separately and on gross basis.

5. The other terms and conditions for the special repo would remain as notified by our earlier circulars on the Liquidity Adjustment Facility.

Yours faithfully,

(Chandan Sinha)  
Chief General Manager