

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4468

ANSWERED ON:20.08.2010

CRR AND REPO RATE

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**Will the Minister of FINANCE be pleased to state:**

(a) whether the Reserve Bank of India (RBI) has changed Cash Reserve Ratio (CRR), Reverse Repo Rate and Interest Rate in the recent past;

(b) if so, the details thereof and reasons therefor alongwith its effect on the Banking System; and

(c) the Government's reaction thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a), (b) & (c): Yes, Sir. During the current financial year so far, the Reserve Bank of India(RBI) has raised the Cash Reserve Ratio (CRR), Repo Rate and Reverse Repo Rate, as per the details given below:

Increase (Percent)

Effective date	CRR	Repo Rate	Reverse Repo Rate
20-04-2010	- 0.25	0.25	
24-04-2010	0.25	-	-
02-07-2010	- 0.25	0.25	
27-07-2010	- 0.25	0.50	

With these increases the current rate of CRR is 6 percent, Reverse Repo rate is 4.5 percent & Repo Rate is 5.75 percent. The above changes were effected with a view to contain inflation and anchor inflationary expectations while at the same time maintaining liquidity for the banking system at appropriate levels.

These measures of the RBI are in consonance with the effort made by the Government to reduce inflation while at the same time ensuring that the growth prospects of the economy are not adversely affected.