

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2885
ANSWERED ON:30.03.2012
FREQUENT CHANGE OF CRR
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Will the Minister of FINANCE be pleased to state:

- (a) whether Cash Reserve Ratio (CRR) has frequently been changed by the Reserve Bank of India (RBI) during the period from 26 April, 2010 to 10 March, 2012;
- (b) if so, the dates on which such changes have been made and the details of changes made therein;
- (c) the details of the outcome of such changes;
- (d) whether the benefits of those changes have reached the customers of banks; and
- (e) if so, the details thereof?

Answer

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

(a) No Sir.

(b): Since 26.4.2010, the Cash Reserve Ratio (CRR) has been changed twice by the Reserve Bank of India (RBI) as per details given below.

Date Change in CRR

28.01.2012 Reduced from 6 per cent to 5.5 per cent

10.03.2012 Reduced from 5.5 per cent to 4.75 per cent

(c) (d) & (e) :The main purpose of reducing the CRR is injection of primary liquidity in the system so as to assist the flow of credit growth to the productive sectors of economy, mitigate the downside risks to growth and anchoring the medium term expectations to low and stable inflation .