

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**REPO AND REVERSE REPO RATES INCREASED BY RESERVE BANK OF INDIA
FROM TIME TO TIME TO CONTAIN INFLATION**

**New Delhi, Sharavana 28, 1933
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The Reserve Bank of India (RBI) has increased the repo and reverse repo rates from time to time to contain inflation and anchor inflationary expectations. The following table captures the movement in repo and reverse repo rate since April 2010:

Effective from	Repo Rate	Reverse Repo Rate
April 20, 2010	5.25	3.75
July 2, 2010	5.50	4.00
July 27, 2010	5.75	4.50
Sept 16, 2010	6.00	5.00
Nov 2, 2010	6.25	5.25
Jan 25, 2011	6.50	5.50
March 17, 2011	6.75	5.75
May 03, 2011	7.25	6.25
June 16, 2011	7.50	6.50
July 26, 2011	8.00	7.00

As a result of the hike in policy rates, banks have increased their base rate and Benchmark Prime Lending Rates (which are signal lending rates of banks). As far as agricultural and industrial growths are concerned, they depend on a number of factors besides the cost of credit such as monsoon and the determinants of the level of aggregate as well as product specific demand and supply. Year-on-year, Industrial growth was at 8.8 per cent in June 2011 as per the Index of Industrial Production. The near normal southwest monsoon in 2011 augurs well for the overall agricultural growth this year.

On an ongoing basis Government has been providing interest subvention to certain sectors of the economy and sections of the society on merits.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to an Unstarred Question in Lok Sabha today.

DSM/SS/PM