

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
**RAJYA SABHA**

**UNSTARRED QUESTION NO. 2300#.**

ANSWERED ON - TUESDAY, MARCH 21, 2023/ 30 Phalguna, 1944 (Saka)

**INCREASE IN INTEREST RATES BY RBI**

**2300#. SHRI RAM NATH THAKUR:**

Will the Minister of FINANCE be pleased to state:

(a) the number of occasions the Reserve Bank of India has increased interest rates since last September 2022; and

(b) whether any study has been done to ascertain the adverse impact on the citizens due to these hikes in interest rates?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a): Trend on increase in repo rate by the Reserve Bank of India since September 2022 is given in the table below: -

Date	Amount of increase in repo rate	Repo Rate
30 <sup>th</sup> September 2022	50 bps	5.9 per cent
7 <sup>th</sup> December 2022	35 bps	6.25 per cent
8 <sup>th</sup> February 2023	25 bps	6.5 per cent

Note: bps stands for Basis Points

(b): No specific study has been undertaken, in this regard. The primary objective of the monetary policy is to maintain price stability while keeping in mind the objective of growth. The monetary policy committee (MPC) constituted under the RBI Act, determines the repo rate required to achieve the inflation target. The inflation target has been set at 4 per cent with a tolerance band of +/- 2 per cent around it. The MPC in its February 8, 2023 resolution decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

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