

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:6048  
ANSWERED ON:03.05.2013  
INFLATION  
Nahata Smt. P. Jaya Prada

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

- (a) whether the Government proposes to tighten/revamp its monetary policy to contain the ever increasing prices of various consumer goods in the country;
- (b) if so, the details thereof; and
- (c) the likely impact of the said move on the overall inflation in the country?

**Answer**

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

- (a): Reserve Bank of India (RBI) is an autonomous body. It reviews the Monetary Policy and takes measures as appropriate in terms of its perception of facilitating growth and containing inflation.
- (b): Containing the inflation and facilitating growth has been the two objectives of the monetary policy stance of RBI during 2011-12 and 2012-13. The RBI has hiked the Repo rate 13 times, cumulatively by 375 bps from 4.75 per cent to 8.5 per cent, between March 2010 and January 2012. In 2012-13, it has reduced the repo rates by 50 basis points in April, 2012, 25 basis points in January, 2013 and again 25 basis points in March, 2013.
- (c) : The Government and RBI monitors the price situation regularly as price stability remains high on its agenda. Fiscal, Administrative and Monetary policy measures have been taken to contain price rise of essential commodities. As a result of these measures adopted by the Government and Reserve Bank of India (RBI), the headline inflation in terms of WPI has come down from a peak of 10.88 per cent in April, 2010 to 5.96 per cent in March, 2013.