

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1391

ANSWERED ON:13.12.2013

RBI MONETARY POLICY

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Will the Minister of FINANCE be pleased to state:

(a) whether any study has been conducted to ascertain the impact of the monetary policy of the Reserve Bank of India (RBI) on various sectors of the economy;

(b) if so, the details and the findings thereof; and

(c) the number of times repo-rate has been increased during the last one year and the names of the banks which have increased their lending rate as a result thereof?

Answer

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

(a) and (b): Monetary policy is a macroeconomic policy instrument; and accordingly monetary policy actions are guided by forward-looking assessment of the outlook on key macroeconomic variables, such as inflation and growth. The impact of any change in monetary policy on different sectors may vary, but it is the aggregate impact on the economy as a whole that conditions the conduct of monetary policy. Reserve Bank of India (RBI) has reported that it has not published any study to ascertain the impact of the monetary policy on various sectors of the economy.

(c) The details of changes in the repo rate since 17 April, 2012 are given below.

Effective From	Repo Rate (in percent)
April 17, 2012	8.00
Jan 29, 2013	7.75
March 19, 2013	7.50
May 3, 2013	7.25
September 20, 2013	7.50
October 29, 2013	7.75

Source: RBI

The Base Rate of banks at the end of April, 2013 and November, 2013 and the variation over this period is at Annex.