

## **FICCI comments on RBI's First Bi-monthly Monetary Policy, 2015-16**

***“Of greater concern to industry is the fact that the transmission of the rate cuts introduced earlier by the RBI has not happened at the level of the banks”, says***

***FICCI President Dr. Jyotsna Suri***

**New Delhi, 7 April 2015:** Reacting to the First Bi-monthly Monetary Policy Statement, 2015-16, issued earlier today, **Dr. Jyotsna Suri, President, FICCI** said “FICCI was hoping for a continuation of the rate cut cycle by the RBI. However, the central bank decided to maintain a pause after having introduced a downward revision in the repo rate in quick succession on two occasions earlier this year”.

“Of greater concern to industry is the fact that the transmission of the rate cuts introduced earlier by the RBI has not happened at the level of the banks. We are however happy to note that the RBI will encourage banks to move in a time bound manner to marginal cost of funds based determination of their base rate as this would improve the efficiency of the monetary policy transmission”, **she added.**

“Some of the changes introduced in the developmental and regulatory policies are noteworthy. In this context, the decision of RBI to examine and issue guidelines for remuneration of non-executive directors, other than part-time Chairman, of banks is a welcome move. There is a felt need to bring in greater professionalism in the boards of banks and this is another step in that direction”, **Dr. Suri stated further.**

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