

FICCI comments on rate reduction by RBI

New Delhi, 5 April 2016. Welcoming the reduction in repo rate by 25 bps, **Mr. Harshavardhan Neotia, President FICCI** said, “RBI’s decision to cut the repo rate and follow accommodative monetary policy stance is a positive step, given the favourable conditions with respect to inflation and fiscal stability. FICCI has for long advocated the need for greater cuts in the policy rate to stimulate demand and investments in the economy.”

“Additionally, several steps announced to ease liquidity should help in effective transmission into lending rates by the banks. The banks already have enough room to pare the lending rates owing to recent reduction in small savings interest rate upto 1.3 percent as well as the introduction of the marginal cost of funds based lending rate (MCLR). We now look forward to banks taking the lead in supporting the investment cycle and improving economic growth”, **added Mr. Neotia.**

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