

expansion is 2017 for North Eastern States and Sikkim while in the case of Jammu and Kashmir, there is no terminal date. The terminal date for Himachal Pradesh and Uttarakhand was 31.03.2010 and for Kutch region, the terminal date was 31.12.2005.

(c) and (d) No, Sir. No empirical assessment of the direct economic impact of the excise exemption to such States has been made by the Government.

(e) and (f) Yes, Sir. During the current financial year, Government had received representations for extension of the terminal date for excise duty exemptions in respect of the States of Uttarakhand and Himachal Pradesh from their Chief Ministers and some Members of Parliament. The representations were examined and after taking into account all relevant factors, it was not found feasible to accede to the request for extension of excise duty exemptions.

Filling up post of CMD in Punjab and Sind bank

55. SHRI PARVEZ HASHMI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the post of Chairman-cum-Managing Director (CMD) of Punjab & Sind Bank is lying vacant for the last four months;

(b) whether the candidate for the said post has been selected; and

(c) if not, the reason for the delay?

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

(a) Yes, Sir.

(b) and (c) The process of obtaining approval of the competent authority to the appointment of CMD, Punjab & Sind Bank is under way.

Increase in repo rate by RBI

56. SHRI Y.S. CHOWDARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI is planning to increase the repo rate or the rate at which banks borrow short-term funds from the Central Bank by 25 basis points to 6 per cent;

(b) if so, the details thereof and reasons therefor;

(c) whether RBI has also hiked the reverse repo rate by 50 basis points to 5 per cent to contain inflation which is still hovering around 8.5 per cent;

(d) whether following the RBI's move the loans like Home, Car and other retail loans shall become more costlier; and

(e) if so, the steps taken by Government to keep the lending rates under control?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) to (c) On the basis of the assessment of macroeconomic situation, the Reserve Bank in its Mid-Quarter Review on September 16, 2010 increased the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 5.75 per cent to 6.0 per cent and the reverse repo rate under the LAF by 50 basis points from 4.5 per cent to 5.0 per cent. Subsequently, in its Second Quarter Review of Monetary Policy for 2010-11 released on November 2, 2010 the Reserve Bank further increased the repo and reverse repo rates by 25 basis points each. Accordingly, the repo rate stands raised to 6.25 per cent and the reverse repo rate to 5.25 per cent. The Reserve Bank had taken into account both global and domestic macroeconomic situation in calibrating this policy move and, in particular, it was guided by the domestic growth drivers, inflation/inflationary expectations and the liquidity position. These actions are expected to sustain the anti-inflationary thrust in the face of persistent inflation risks aggravated by the structural nature of food price increases while at the same time being moderate enough not to disrupt growth.

(d) and (e) Changes in the policy rate (Repo and reverse repo rates) are transmitted to banks' lending rates with a lag, depending on several factors. There is no evidence as of now of any notable increase in interest rates.

Banking and Financial related services in all habitations

57. SHRI NAND KUMAR SAI: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has asked all the banks to overperform to achieve their targets of providing banking and related financial services in all habitations of 2000 by 2011 instead of 2012 in the country;

(b) if so, the details in this regard;