

REPORT OF THE COMMITTEE
TO REVIEW THE WORKING OF
THE MONETARY SYSTEM

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RESERVE BANK OF INDIA
BOMBAY

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COMMITTEE TO REVIEW THE WORKING
OF THE MONETARY SYSTEM

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The Governor,
Reserve Bank of India,
Bombay

Dear Sir,

We are pleased to present our Report on the
Working of the Monetary System in India.

Yours faithfully,

S. Chakravarty
Sukhamoy Chakravarty (Chairman)

M.P. Chitale

M.P. Chitale (Member)

R.K. Hazari

R.K. Hazari (Member)

F.A. Mehta

F.A. Mehta (Member)

C. Rangarajan

C. Rangarajan (Member)

J.C. Rao

J.C. Rao (Secretary)

PREFACE

The Committee to Review the Working of the Monetary System was appointed, in December 1982, by the then Governor, Reserve Bank of India, Dr. Manmohan Singh and was asked to review the functioning of the monetary system in India. Members were chosen in their individual capacity as eminent men, each distinguished in his own field of specialisation.

Terms of reference given to the Committee were wide. These necessitated a close look into virtually all aspects of the monetary system. These also required a careful review of the relevant policy issues bearing in mind especially the need for long-term changes. Analyses and policy recommendations which have been reached by the Committee unanimously are incorporated in this Report.

In discharging this obligation, I have been greatly benefited by the time and advice given generously by all members of the Committee. In particular, I should like to mention the great help that I have received from Dr. C. Rangarajan in discharging my responsibility and also from his advice as an expert in technical problems of monetary economics.

Finally, it is my most pleasant duty to express my sincere thanks to Dr. J. C. Rao, Secretary of the Committee, who has shown exemplary dedication to the task that was assigned to him. His analytical acumen, extreme hard work and ability to synthesize complex findings, analytical and statistical, should not go unrecorded here.

On behalf of the members of the Committee and on my own behalf I would like to express my sincere thanks to Dr. Manmohan Singh, former Governor, and Shri R. N. Malhotra, Governor, for their support and advice.

Sukhamoy Chakravarty

Chairman

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