

RBI Keeps Repo Rate Unchanged, Maintains Accommodative Stance: Key Highlights

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The Reserve Bank of India's Monetary Policy Committee kept the repo rate unchanged at 4 per cent and maintained its accommodative stance for as long as possible to revive growth, RBI governor Shaktikanta Das said. Governor Das said that the 6-member (MPC) unanimously voted to keep the rates unchanged at record low and voted in ratio of 5:1 to maintain its accommodative stance. The RBI has projected real GDP growth of 7.8 per cent for financial 2022-23.

Here are key highlights from RBI's Monetary Policy:

VRR Scheme Will Provide Additional Sources Of Capital For Domestic Debt Markets And Government Securities: Brickwork Ratings

Brickwork Ratings says, "In line with BWR's expectations, RBI continued its dovish stance and remained accommodative by reiterating that despite the economic recovery and aggregate demand gaining traction and improving inflation outlook, continued policy support is warranted to support domestic growth, which is the highest priority. Continuing with its calibrated liquidity management policy to maintain financial stability, RBI emphasized that VRR and VRRR would be the main tools for liquidity adjustment indicating gradual policy normalization on the liquidity front. While stating that headline inflation will peak in Q4 of the current fiscal, RBI maintained its inflation projections at 5.30 per cent for FY22 and a dovish forecast at around 4.50 per cent thereafter. Enhancement of cap and multiple-use under e-RUPI prepaid digital voucher, new credit default swap (CDS) guidelines (to be announced today) and extension of on tap liquidity for emergency health services and contact intensive sectors till June 30, 2022, are welcome steps. Hiking of limit under Voluntary Retention Route (VRR) scheme from Rs. 1.5 Lakh Crore. to Rs. 2.5 Lakh Crore. will provide additional sources of capital for domestic debt markets and government securities. Increase in NACH mandate from Rs. 1 Crore to Rs. 3 Crore. for TReDS related settlements are expected to improve the receivables financing and overall liquidity position of the MSMEs."