



The RBI Monetary Policy - April 2024

The Reserve Bank of India (RBI) Governor Shaktikanta Das announced the first monetary policy for the financial year 2024-25, maintaining the key policy repo rate at 6.5% for the seventh consecutive time. The Monetary Policy Committee (MPC) decided to retain the policy stance at 'withdrawal of accommodation'. The RBI projected India's real GDP growth rate for FY25 at 7% and CPI inflation at 4.5%.

The RBI's neutral policy stance reflects a cautious approach, balancing growth with inflation control. The central bank remains watchful of rising geopolitical tensions and crude oil prices, which could impact inflation. Liquidity management tools like VRR and VRRR are expected to continue to manage system deficits and surpluses.

The policy acknowledges global uncertainties while maintaining a favorable domestic outlook. This flexibility in policy reflects the need for financial stability amidst fluid global dynamics

Regards,

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