

Quote by Shравan Shetty, Managing Director, Primus Partners

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## RBI MPC 2025 Highlights: Endeavour of RBI to provide as much as liquidity as required, says RBI Guv

**RBI Monetary Policy Highlights: RBI Governor Sanjay Malhotra announced a 25 bps cut in the repo rate -- from 6.5% to 6.25%**



RBI Monetary Policy LIVE: MPC To Cut Repo Rate By 25 Bps To 6.25%, Says RBI Governor Sanjay Malhotra. | File Photo

**Read on:** [https://www.business-standard.com/finance/news/rbi-mpc-meeting-2025-live-updates-rbi-mpc-repo-rate-cut-announcements-sanjay-malhotra-125020700095\\_1.html?1738921335](https://www.business-standard.com/finance/news/rbi-mpc-meeting-2025-live-updates-rbi-mpc-repo-rate-cut-announcements-sanjay-malhotra-125020700095_1.html?1738921335)

### Article Content:

The Reserve Bank of India cut the repo rate by 25 bps -- from 6.5 per cent to 6.25 per cent -- on Friday (February 7). The decision was taken unanimously, said RBI Governor [Sanjay Malhotra](#). However, despite the rate cut, the MPC reaffirmed its neutral stance. The RBI Governor added that the monetary policy committee (MPC) decided to cut the rate as the inflation has declined and is projected to moderate further. Notably, a 25-basis-point reduction in the repo rate -- the first in five years -- was widely anticipated. During his MPC address, Malhotra also said that urban demand continues to remain subdued while the rural consumption is on an upturn. He further underscored that the flexible inflation framework has served the country well while adding that the RBI is committed to further refining it. The [Monetary Policy Committee \(MPC\)](#) under the leadership of [Reserve Bank of India \(RBI\)](#) Governor Sanjay Malhotra began its three-day meeting on February 5. This was the first MPC meeting since Governor [Sanjay Malhotra](#) took office in December 2024, following the end of Shaktikanta Das's tenure.

### **'Rate cut should encourage private investments'**

According to Shravan Shetty, Managing Director, Primus Partners, "The drop in repo rate by 25 basis points by the MPC is a welcome move which should help drive investments. It is in sync with the budget which has focused on driving up demand and improve utilization. The rate cut coupled with liquidity measures taken by RBI like OMO and VRR auction should encourage private investments as utilizations are expected to go up due to increasing demand."

Shetty added, "Going forward, there are headwinds primarily from the possibility of tariffs rising globally, this could lead to inflationary pressure. Hence the MPC has maintained a neutral stance suggesting a cautious approach."