Q) Why Reserve Bank of India's latest Monetary Policy review Could be game-changer for Indian economy? Explain

Ans:- In the Current economic situations in the Country Compelled the Monetary Policy Committee (MPC) keep the benchmark interest rate at 5.15%. In India retail inflation is 7.35% is above target of 4% and fiscal deficit target raised by government from 3.3% to 3.8%. The digits expressed the current economic "distress" in nation, then government should take measures to enhance liquidity and more investment in infrastructural development.

Hope In New "MPC" targets

•) Long Term Repo Operations (LTRO)

Initially bank borrows from RBI and repaid overnight then efficiency of repo rate become questionable, then RBI raise the Period to 14 days, now again raised to 1year to 3years.

By this RBI mandated that banks repay only after 1 year or 3 years, then the borrowing money must be utilized for Public development than banks Security (Economic Security).

- Relaxation of Cash Reserve Ratio (CRR)

By the reduction of Cash reserve ratio, the bank have more money to lend, then investment increases along with Perk up Consumption

- Re structuring of MSME loans

By Restructuring, the new Shedule to Pay back the dues. This can done by tweaking the monthly dues is helpful for MSME Sector for growth.

The Current economic situation and MPC recommendations is a kind of cyclical downswing and a upswing, according to financial experts opinion every state economy will likely get worse before it gets better. The new MPC recommendations will help ~~to~~ india for recover from current down fall.