

Knitwear exporters, realtors welcome RBI repo rate cut

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: Realtors and knitwear exporters' body in Tamil Nadu Thursday hailed the reduction of repo rates by the Reserve Bank, saying it would pave the way for the growth of investment and exports.

Chennai-based realtor Akshaya Pvt Ltd Chairman and CEO T Chitty Babu said the repo rate cut was "indeed a positive step to revive the real estate sector. It will allow the banks to pass the rate cut benefits on home and other loans to customers".

House of Hiranandani, Founder-Director, Surendra Hiranandani said, the repo rate cut would positively impact the economy ahead of the elections.

"The overall direction of the monetary policy is oriented towards growth and the change in stance provides the central bank much needed flexibility to meet growth challenges in future", he said.

The rate cut augurs well for the real estate sector, he said, adding it is upto banks to reduce lending rates and ensure that the common man reaps the benefit.

Tirupur Exporters' Association President Raja M Shanmugham said the decision to change monetary policy stance from calibrated tightening to neutral gives confidence that there would not be any interest hike in the near future.

"By taking into account of this, all banks will come forward to pass on the reduction of interest rate to the borrowing units, which is desperately required for the knitwear garment exporting units, particularly to MSME exporting units", he said in a statement in Coimbatore.

The Reserve Bank of India (RBI) Thursday reduced repo rate (at which RBI lends to banks) by 0.25 per cent to 6.25 per cent, a move that will translate into softening interest rates.