RBI MPC Meeting: Repo Rate Maintained at 5.25%

The Reserve Bank of India's Monetary Policy Committee (MPC) kept the policy repo rate unchanged at its August 2026 meeting.

The Monetary Policy Committee (MPC) is a statutory body of the Reserve Bank of India responsible for fixing the benchmark interest rate in India.

KEY EXAM POINTS

- The RBI's **Monetary Policy Committee (MPC)** unanimously decided to keep the policy repo rate unchanged at **5.25 per cent**.
- This decision was made at its **62nd meeting**, held from **August 3 to 5, 2026**.
- The committee also retained its **neutral stance** regarding future policy actions.
- Other key rates are: **Standing Deposit Facility (SDF)** at **5.00%**, **Marginal Standing Facility (MSF)** at **5.50%**, and **Bank Rate** at **5.50%**.
- The meeting was chaired by **RBI Governor Sanjay Malhotra**.
- The MPC projected India's **real GDP growth** at **6.7 per cent** for **2026-27**.
- Quarterly GDP projections for FY27 are **Q1: 7.0%**, **Q2: 6.4%**, **Q3: 6.5%**, **Q4: 6.8%**, and **Q1 FY28: 7.3%**.

STATICS & SYLLABUS FOCUS

The **Reserve Bank of India (RBI)** was established on **April 1, 1935**, under the **Reserve Bank of India Act, 1934**.

The **Monetary Policy Committee (MPC)** was constituted in **2016** through an amendment to the **RBI Act, 1934**.

The MPC consists of **six members**: three from the RBI and three appointed by the **Central Government**.

The primary objective of the MPC is to maintain **price stability** while keeping the objective of **growth** in mind.

The current **inflation target** set for the MPC is **4 per cent**, with a tolerance band of **+/- 2 per cent**.

Key monetary policy tools include the **Repo Rate**, **Reverse Repo Rate**, **Marginal Standing Facility (MSF)**, and **Standing Deposit Facility (SDF)**.

The **RBI Governor** is appointed by the **Central Government** for a term of **three years**, which can be extended.

REVISION FLASHCARD
RBI MPC kept repo rate unchanged at 5.25% in August 2026 meeting.

Syllabus Relevance: High