



KAMARAJ IAS ACADEMY
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RBI MPC Keeps Repo Rate Unchanged at 5.25% Amid Global Uncertainties (2026)

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The Reserve Bank of India (RBI)'s Monetary Policy Committee (MPC) has unanimously decided to keep the repo rate unchanged at 5.25%, citing global uncertainties such as geopolitical tensions, supply chain disruptions, and rising energy prices.

The MPC also retained a neutral policy stance to maintain flexibility in responding to inflation and growth dynamics.

Repo Rate Status:

Repo rate remains at 5.25% under the Liquidity Adjustment Facility (LAF).

Other Policy Rates:

Standing Deposit Facility (SDF): 5.00%

Marginal Standing Facility (MSF): 5.50%

Bank Rate: 5.50%

Policy Stance:

Continued Neutral Stance (Wait-and-Watch Approach).

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Reason for Status Quo:

Global uncertainties (West Asia conflict, energy prices).

Supply chain disruptions.

Inflation risks and volatile global markets.

Economic Outlook:

Domestic growth remains resilient.

Inflation remains within manageable levels.

Inflation & Growth Projections:

CPI Inflation (FY27): ~ 4.6%

GDP Growth (FY27): ~ 6.9%

Key Facts:

Monetary Policy Committee (MPC):

A 6-member body constituted under the RBI Act, 1934 (amended in 2016).

Mandate: Maintain inflation at 4% ($\pm 2\%$).

Repo Rate:

Rate at which RBI lends money to commercial banks.

Tool to control inflation and liquidity.

Neutral Stance Meaning:

RBI is neither tightening nor easing policy.

Decisions depend on future data (inflation + growth).

Impact of Repo Rate:

Affects loan EMIs, interest rates, and liquidity in the economy.