GENERAL STUDIES III

To The Point: Monetary Policy Committee and Flexible Inflation Targeting

Faculty/Author: Faculty Editorial Board **Date:** 17 September 2026
Platform: Civil Service Gurukul Research Wing **Reading Time:** 6 Mins

Concise revision notes on MPC composition, CPI target band (4% +/- 2%), repo rate transmission, and liquidity management tools.

Statutory Basis & Composition

Formed under Section 45ZB of the amended RBI Act 1934; 6 members (3 from RBI including Governor with casting vote, and 3 external experts appointed by the Central Government).

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