



## RBI & Banking sector

### RBI Actions & Announcements:

**Government Bond Auction (Today):** The Reserve Bank of India (RBI), on behalf of the Government of India, is conducting an auction of two dated government securities (G-Secs) with a total notified amount of ₹25,000 crore today, July 11, 2025.

This includes a new Government Security maturing on July 14, 2032, worth ₹11,000 crore, and a re-issue of the 7.09% Government Security maturing on November 25, 2074, worth ₹14,000 crore.

The auction is happening via the RBI's e-Kuber system, with settlement on July 14, 2025. This is a crucial operation for government borrowing and liquidity management.

**RBI Recruitment 2025 (Opened Today):** The RBI has released an official notification for the recruitment of 28 Manager, Legal Officer, and other Group A and Group B posts.

The online application process started today, July 11, 2025, and will close on July 31, 2025.

**Digital Lending Directions, 2025 (Ongoing Implementation):** The RBI's comprehensive Reserve Bank of India (Digital Lending) Directions, 2025, which came into effect largely on May 8, 2025, have a key compliance deadline today, July 11, 2025, for certain provisions that became effective immediately.

**Reporting DLAs to CIMS (June 15, 2025 deadline has passed, but ongoing compliance):** Regulated Entities (REs) were required to report all Digital

Lending Apps (DLAs) (owned by them or their Lending Service Providers - LSPs) on the RBI's Centralised Information Management System (CIMS) portal by June 15, 2025. This ensures transparency and regulatory oversight of the digital lending ecosystem.

These directions aim to enhance transparency, accountability, and customer protection in digital lending, addressing concerns like data privacy, mis-selling, exorbitant interest rates, and unethical recovery practices. Key provisions include mandatory Key Fact Statements (KFS), a cooling-off period for borrowers, direct disbursement of loans, and strict due diligence requirements for LSPs.

**Floating Rate Savings Bonds (FRSBs) Interest Rate (Updated July 1, 2025):** The RBI has maintained the interest rate on its Floating Rate Savings Bonds (FRSBs) at 8.05% for the July-December 2025 period. This rate, pegged 35 basis points above the prevailing NSC rate, remains one of the highest government-backed returns available, outperforming most bank fixed deposits and small savings schemes.

### 2. Indian Banking Sector Performance & Trends:

**Co-operative Bank Violations:** The RBI's latest report highlights that between December 2024 and May 2025, it undertook enforcement actions against 177 regulated entities, including 118 cooperative banks, for violating norms. A cumulative penalty of ₹29.15 crore was imposed, with cooperative banks being the most penalized category. This indicates continued regulatory scrutiny on this segment.





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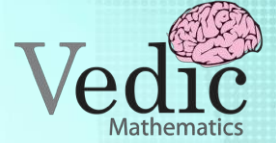
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**NBFCs Gaining Prominence:** Non-Banking Financial Companies (NBFCs) are increasingly dominating India's financial markets in 2025.

**Drivers:** They are capitalizing on credit demand from underserved segments (MSMEs, self-employed), collaborating with FinTechs for faster loan processing, benefiting from post-COVID economic revival, and operating under a supportive, yet scrutinizing, RBI regulatory framework.

**Dominant Sectors:** NBFCs are particularly strong in retail lending (personal loans, consumer durables), infrastructure, and vehicle financing.

**Smaller Banks Outperforming Larger Peers:** In the April-June 2025 quarter, smaller banks (e.g., AU Small Finance Bank, IndusInd Bank, IDBI Bank) have outperformed larger private and public sector banks in market capitalization. This is attributed to improved asset quality, easing interest rates (following RBI's 100-basis-point cut since February), abundant liquidity, and improving global equity markets.

**SBI CBO Admit Card Released:** The State Bank of India (SBI) has officially released the admit card for the recruitment of Circle Based Officers (CBO) 2025, with the online written examination scheduled for July 20, 2025. This recruitment aims to fill 2,964 vacancies.

**Q2 2025 Deal Activity (Banking & Financial Services):** While overall M&A activity in India plunged in Q2 2025, the Banking & Financial Services sector emerged as the leader in deal value at \$4.5 billion from 73 deals, including six

high-value transactions. This indicates strong institutional appetite, with significant investments like Sumitomo Mitsui Banking Corporation's \$1.57 billion investment in YES Bank and Warburg Pincus/ADIA's \$862 million infusion into IDFC FIRST Bank.

**Monetary Policy Committee (MPC) Meeting (June 4-6, 2025 outcomes still relevant):** The last MPC meeting (June 4-6, 2025) saw the RBI reduce the repo rate by 50 bps to 5.5% due to falling inflation and moderate growth. The Standing Deposit Facility (SDF) rate was lowered to 5.25%, and the Marginal Standing Facility (MSF) rate and Bank Rate to 5.75%. The RBI also cut the Cash Reserve Ratio (CRR) by 100 basis points to 3.0%, to be implemented in four tranches by November 29, 2025, to inject liquidity. The next MPC meeting is scheduled from August 4-6, 2025.

### MCQS

1. What is the total notified amount of dated government securities being auctioned by the RBI today, July 11, 2025?

- a) ₹11,000 crore
- b) ₹14,000 crore
- c) ₹25,000 crore
- d) ₹2,000 crore

**Answer:** c) ₹25,000 crore

The text states, "The Reserve Bank of India (RBI), on behalf of the Government of India, is conducting an auction of two dated government securities (G-Secs) with a total notified amount of ₹25,000 crore today, July 11, 2025."

2. As of July 11, 2025, the RBI has opened recruitment for how many posts of Manager?







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**Legal Officer, and other Group A and Group B positions?**

- a) 177
- b) 28
- c) 118
- d) 2964

**Answer:** b) 28

The text mentions, "The RBI has released an official notification for the recruitment of 28 Manager, Legal Officer, and other Group A and Group B posts."

**3. What is the current interest rate maintained by the RBI on its Floating Rate Savings Bonds (FRSBs) for the July–December 2025 period?**

- a) 7.09%
- b) 5.5%
- c) 8.05%
- d) 3.0%

**Answer:** c) 8.05%

The text states, "The RBI has maintained the interest rate on its Floating Rate Savings Bonds (FRSBs) at 8.05% for the July–December 2025 period."

**4. Between December 2024 and May 2025, which category of regulated entities was most penalized by the RBI for violating norms?**

- a) Public sector banks
- b) Private sector banks
- c) NBFCs
- d) Cooperative banks

**Answer:** d) Cooperative banks

The text indicates, "Cooperative banks emerged as the most penalized category, with 118 institutions facing enforcement action..."

**5. What was the repo rate reduced to by the RBI in its Monetary Policy Committee (MPC) meeting held from June 4-6, 2025?**

- a) 5.25%
- b) 5.75%
- c) 3.0%
- d) 5.5%

**Answer:** d) 5.5%

The text states, "The last MPC meeting (June 4-6, 2025) saw the RBI reduce the repo rate by 50 bps to 5.5%..."

