



RBI & Banking sector

Monetary Policy and Economic Outlook

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) recently concluded its August 2025 meeting, keeping the repo rate unchanged at 5.50%. This decision, made unanimously, was based on a combination of factors, including a record-low inflation rate and the need to support ongoing economic growth. The MPC also maintained a "neutral" policy stance, signaling its readiness to adjust in either direction based on evolving economic conditions. The RBI has also retained its projection for real GDP growth for FY26 at 6.5%.

US Tariffs and Rupee

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The RBI is planning to hold discussions with industry leaders in September to assess the sectoral impact of the 50% tariffs levied by the US on Indian goods. This move is significant as these tariffs could affect a large portion of annual US-bound shipments and particularly hurt labor-intensive sectors like textiles and gems and jewelry. The RBI is aiming to cushion the economy from the fallout and is also continuing its efforts to promote trade in local currencies as part of the internationalization of the rupee. The rupee rose 10 paise against the US dollar in early trading on August 28, supported by a weaker dollar and the RBI's intervention to prevent the local unit from crossing its all-time low.

Financial Inclusion and Other Initiatives

The Pradhan Mantri Jan Dhan Yojana (PMJDY), a national mission for financial inclusion, completed 11 years on August 28, 2025. It has been instrumental in bringing millions of unbanked households into the formal financial system. The RBI and NABARD are also promoting rural financial literacy through various initiatives. Separately, the RBI is standardizing the procedure for settling claims on bank accounts and safe deposit lockers for deceased customers to make the process more convenient.

Banking Holidays

On August 28, 2025, banks are closed in Goa and Odisha due to the second day of Ganesh Chaturthi and Nuakhai, respectively. However, digital banking services like mobile banking and UPI remain operational nationwide.

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2. Based on the text, what is a key reason for the RBI's planned discussions with industry leaders in September?

- a) To celebrate the 11th anniversary of PMJDY.
- b) To assess the sectoral impact of tariffs imposed by the US on Indian goods.
- c) To discuss new policies for rural financial literacy.
- d) To standardize procedures for deceased customer claims.

Answer: b) To assess the sectoral impact of tariffs imposed by the US on Indian goods. The text indicates that the RBI is "planning to hold discussions with industry leaders in September to assess the sectoral impact of the 50% tariffs levied by the US on Indian goods."

3. What is one of the RBI's broader goals mentioned in the text for promoting trade?

- a) To prevent the rupee from appreciating against the dollar.
- b) To increase tariffs on US goods.
- c) To promote trade in local currencies as part of the internationalization of the rupee.
- d) To stop all foreign trade to support domestic industries.

Answer: c) To promote trade in local currencies as part of the internationalization of the rupee. The text states that the RBI "is also continuing its efforts to promote trade in local currencies as part of the internationalization of the rupee."

4. The Pradhan Mantri Jan Dhan Yojana (PMJDY) recently completed how many years on August 28, 2025?

- a) 5 years
- b) 8 years
- c) 10 years
- d) 11 years

Answer: d) 11 years

MCQS

1. According to the provided text, what was the outcome of the RBI's August 2025 Monetary Policy Committee (MPC) meeting regarding the repo rate?

- a) The repo rate was increased to 6.00%.
- b) The repo rate was decreased to 5.00%.
- c) The repo rate was kept unchanged at 5.50%.
- d) The repo rate was not discussed in the meeting.

Answer: c) The repo rate was kept unchanged at 5.50%.

The first paragraph explicitly states that the RBI's Monetary Policy Committee (MPC) "keep the repo rate unchanged at 5.50%."





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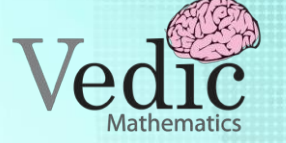
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The third paragraph mentions that the PMJDY "completed 11 years on August 28, 2025."

5. What is the RBI doing to make the process of settling claims for deceased customers more convenient?

- a) Increasing the interest rates on savings accounts.
- b) Standardizing the procedure for settling claims on bank accounts and safe deposit lockers.
- c) Introducing new digital banking services.
- d) Opening more bank branches in rural areas.

Answer: b) Standardizing the procedure for settling claims on bank accounts and safe deposit lockers.

The text states, "Separately, the RBI is standardizing the procedure for settling claims on bank accounts and safe deposit lockers for deceased customers to make the process more convenient."

6. On August 28, 2025, which states have a bank holiday according to the provided text?

- a) Goa and Maharashtra
- b) Odisha and West Bengal
- c) Goa and Odisha
- d) All states in India

Answer: c) Goa and Odisha

The last paragraph specifies that "banks are closed in Goa and Odisha due to the second day of Ganesh Chaturthi and Nuakhai, respectively."

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