



RBI & Banking sector

1. Monetary Policy & Economic Outlook

The Reserve Bank of India (RBI) is actively working to balance economic growth with inflation control. The Monetary Policy Committee (MPC) has kept the repo rate steady at 5.50% after a previous cut of 50 basis points in June 2025. This pause in rate adjustments aims to evaluate the impact of previous policy changes and monitor both global and domestic economic conditions. The RBI has projected a GDP growth rate of around 6.5% for FY 2025-26 and a retail inflation rate of 3.1%. An article in the RBI's August bulletin also projected a 21.5% climb in private sector capital investment for FY26.

2. Market Operations & Holiday Changes

In a recent circular, the RBI announced a change in public holidays. Due to a public holiday declared by the Maharashtra government on September 8, 2025, the previously declared public holiday on September 5, 2025, has been canceled. As a result, the government securities, foreign exchange, money, and rupee interest rate derivatives markets will be operational on September 5. The settlement of all outstanding transactions due on September 8 will be postponed to the next working day, September 9.

3. Financial Inclusion and Digital Banking

The banking sector continues to focus on financial inclusion and the digital transformation of services. The President of India, Droupadi Murmu, recently highlighted the pivotal role of the banking industry in

India's growth story and the importance of ensuring every citizen has access to affordable financial services. Meanwhile, the Unified Payments Interface (UPI) continues to grow at an impressive rate. Data from the National Payments Corporation of India (NPCI) shows that UPI transactions crossed the 20 billion mark in August 2025, a 34% increase in volume compared to the previous year. UPI now accounts for 85% of all digital transactions in India and is operational in seven countries.

4. Financial Stability and Regulations

A recent meeting of the subcommittee of the Financial Stability and Development Council (FSDC), chaired by RBI Governor Sanjay Malhotra, reviewed potential risks to financial stability. The committee reaffirmed its commitment to strengthening the financial sector's resilience and maintaining vigilance against emerging risks, particularly those stemming from heightened trade uncertainty and geopolitical tensions. The FSDC also reviewed the progress of the National Strategy for Financial Inclusion (NSFI) 2025-30.

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Answer: d) The RBI Governor

The fourth paragraph, "Financial Stability and Regulations," says, "A recent meeting of the subcommittee of the Financial Stability and Development Council (FSDC), chaired by RBI Governor Sanjay Malhotra..."

3. According to data from the National Payments Corporation of India (NPCI), what was the volume of UPI transactions in August 2025?

- a) 85% of all digital transactions
- b) 20 billion
- c) 34%
- d) 7 countries

Answer: b) 20 billion

The third paragraph, "Financial Inclusion and Digital Banking," states, "Data from the National Payments Corporation of India (NPCI) shows that UPI transactions crossed the 20 billion mark in August 2025."

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1. What is the current repo rate, as mentioned in the provided text?

- a) 6.50%
- b) 3.1%
- c) 5.50%
- d) 21.5%

Answer: c) 5.50%

The first paragraph, "Monetary Policy & Economic Outlook," states, "The Monetary Policy Committee (MPC) has kept the repo rate steady at 5.50%."

2. Which entity is responsible for chairing the subcommittee of the Financial Stability and Development Council (FSDC)?

- a) The President of India
- b) The Minister of Finance
- c) The Prime Minister of India
- d) The RBI Governor

4. Why were the government securities, foreign exchange, money, and rupee interest rate derivatives markets operational on September 5, 2025?

- a) Because it was a previously declared public holiday
- b) Due to a public holiday declared on September 8
- c) Because all markets were closed on September 8
- d) Because the RBI needed to monitor economic conditions

Answer: b) Due to a public holiday declared on September 8

The second paragraph, "Market Operations & Holiday Changes," explains the change: "Due to a public holiday declared by the Maharashtra government on September 8, 2025, the previously declared public holiday on





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September 5, 2025, has been canceled." As a result, the markets were operational.

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