

**1. RBI Cuts Repo Rate to 5.5% to Boost Growth****Introduction**

The Reserve Bank of India (RBI) reduced the repo rate by 50 basis points (0.50%) to 5.5%. This is the third cut in 2025, aimed at encouraging borrowing and investment as inflation is now under control.

**Cash Reserve Ratio (CRR) to Be Reduced in Phases**

The RBI also announced a 100 basis point cut in CRR — the share of deposits banks must keep with the RBI. This will be done in four phases starting in September, reducing CRR to 3% by December 2025.

CRR Cut Timeline:

- September 6: -25 bps
- October 4: -25 bps
- November 1: -25 bps
- November 29: -25 bps

This move is expected to release ₹2.5 lakh crore into the banking system, making more funds available for loans and reducing banks' funding costs.

**Growth Outlook: GDP at 6.5% for 2025-26**

The RBI maintained its GDP growth forecast at 6.5% for FY 2025-26, supported by:

- Rural and urban demand
- Services sector expansion
- Government capital spending
- Private investment and consumption

**Inflation Outlook Improved**

With inflation under control, CPI inflation is now projected at 3.7% for 2025-26 (revised from 4%). A normal monsoon forecast is expected to support agriculture and help control food inflation.

**Policy Stance Shifted to 'Neutral'**

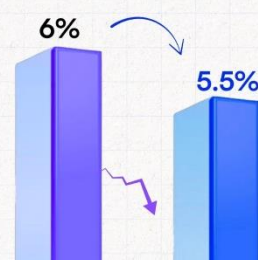
The RBI has changed its monetary policy stance from "accommodative" to "neutral", indicating it may raise rates again if inflation pressures return. The MPC said further rate cuts may not be possible now.

**What even is Repo Rate?**

*RBI cuts repo rate by 50 basis points*

Think of it as the rate at which RBI lends money to banks.

So when this rate drops, banks can borrow money at a lower cost and might pass on that benefit to us.

**REPO RATE**

Relevance: GS Prelims & Mains Paper III; Economics

Source: Indian Express

## 2. Historic Voyage by Two Indian Women Naval Officers

### Introduction

Lieutenant Commanders Dilna K and Roopa A became the first Indian women duo to successfully circumnavigate the globe without external help, relying only on wind power. They sailed 25,600 nautical miles over nearly eight months, crossing four continents, three oceans, and three Great Capes.



### The Man Behind Their Training: Cdr Abhilash Tomy

Retired naval pilot Commander Abhilash Tomy, who has twice circumnavigated the globe solo, mentored the crew. He emphasized:

- Avoiding collisions and grounding
- Preventing any crew from falling overboard
- Ensuring the voyage was safe and efficient without unnecessary risks

### Facing Challenges at Sea

The officers faced:

- Cyclones that required rerouting
- A navigation panel blackout for three hours mid-Pacific  
→ Handheld GPS devices and mobile phone charts were used for backup navigation
- Difficult conditions during the South Pacific leg, with no nearby ports for diversion

### Why Cape Horn Is a Big Deal in Sailing

Cape Horn, near Antarctica, is known for:

- Stormy weather
- Towering waves
- No diversionary ports in case of trouble

Successfully reaching and rounding it is seen as a major milestone in global sailing.

Relevance: GS Prelims; Miscellaneous

Source: The Hindu & Indian Express

## 3. India Counters Pakistan's UNSC Ambitions

### Introduction

India is engaging with its allies at the United Nations Security Council (UNSC) to limit Pakistan's influence over key anti-terror bodies, after Pakistan failed to secure top posts it had sought.

### Pakistan's Demands Rejected

Pakistan had demanded chair positions in major UNSC committees:

- 1267 Sanctions Committee (on Al-Qaeda & ISIL)
- 1540 Committee (Non-Proliferation)

- 1988 Committee (Taliban Sanctions)
- 1373 Counter Terrorism Committee (CTC)

However, these demands faced resistance due to Pakistan's unreasonable attitude and lack of consensus among UNSC members, delaying decisions until June 2025.

### **Limited Success for Pakistan**

Pakistan ended up with only one major post:

- Chair of the 1988 Taliban Sanctions Committee (Vice-Chairs: Russia and Guyana)

Other, less influential roles:

- Vice-Chair of the 1373 CTC (with France and Russia)
- Co-Chair of the Sanctions Informal Working Group (IWG) (with Greece)
- Co-Chair of the Documentation IWG (with Denmark)

These roles fell far short of Pakistan's expectations.

### **India's Previous Experience in Key Roles**

India had previously chaired:

- 1988 Taliban Sanctions Committee and
- 1970 Libya Sanctions Committee (during 2021–22 term)
- 1373 CTC (in 2022 and also in 2011–12)

By contrast, Pakistan's new roles are largely symbolic, especially the Vice-Chair of CTC, which sources say is ceremonial.

### **UN Limits Pakistan's Influence**

In a first, the Sanctions Informal Working Group now has two Co-Chairs, seen as a move to check Pakistan's behavior within the Council.

Despite Pakistan's lobbying at the UN, its limited roles are a reflection of its reputation and standing, according to diplomatic sources.

### **Pakistan's Terror Links Highlighted**

India and its partners continue to highlight Pakistan's deep ties to terrorism:

- Osama bin Laden donated ₹10 million for a terror centre in Muridke
- Ramzi Yousef (1993 WTC bomber) found shelter in Pakistan
- David Headley met UN-listed terrorists at LeT training camps in Pakistan

Over 50 of the 254 individuals and 89 entities under the 1267 Sanctions Committee are linked to Pakistan.

### **India's Strategy Going Forward**

India plans to work closely with friendly countries to:

- Keep pressure on Pakistan
- Ensure its terror links remain under scrutiny
- Prevent Pakistan from using UNSC roles to shield terrorists

This move reflects India's long-term commitment to counter-terrorism diplomacy at the global level.

Relevance: GS Prelims & Mains Paper II; International Relations

Source: Indian Express

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