

RBI Circulars (JUNE 2025 to SEPTEMBER 2025)

1) Monetary Policy and Monetary Policy Committee (MPC) Decisions

- **Fifty-Fifth Monetary Policy Committee (MPC) Meeting — June 6, 2025**
 - **Policy rates:** Repo Rate: 5.50% (a 50 basis points reduction); Standing Deposit Facility (SDF): 5.25%; Marginal Standing Facility (MSF) and Bank Rate: 5.75%.
 - **Policy stance:** Neutral (shift from accommodative stance signalled previously).
 - **Cash Reserve Ratio (CRR):** 100 basis points cut, implying systemic liquidity addition of about ₹2.5 lakh crore.
 - **Inflation:** Headline Consumer Price Index (CPI) inflation for April 2025 at 3.2% (six-year low), supporting stance change.
 - **Real Gross Domestic Product (GDP) growth for FY26:** 6.5%; CPI inflation for FY26: 3.7%.
 - **Quarterly GDP trajectory (FY25–26):** Q1 6.5%, Q2 6.7%, Q3 6.6%, Q4 6.3% (balanced profile with slight easing into Q4).
 - **Calendar guidance** for upcoming MPC meetings (as announced at that time): August 5–7, September 29–October 1, December 3–5, February 4–6.
- **RBI Governor's Statement — June 6, 2025**
 - Reiterates Repo 5.50%, Neutral stance, FY26 GDP 6.5%, CPI 3.7%.
 - Sector assessment: Scheduled Commercial Banks (SCBs) and Non-Banking Financial Companies (NBFCs) stable, with retail loan stress easing.
 - **Foreign exchange (Forex) reserves on that date:** USD 691.5 billion (context for external buffer).

2) Major Reports, Bulletins and Surveys

A) Financial Stability and Sector Health

- **Financial Stability Report (FSR) — June 2025**
 - Global context: economic/trade policy uncertainty, high global debt, and geopolitical tensions.
 - India: continues to be a major global growth driver on strong domestic demand and stable macro-fundamentals.
 - Banking sector: Gross Non-Performing Assets (GNPA) ratio 2.3% (March 2025); projected 2.5% (March 2026) and 2.6% (March 2027). Capital to Risk-Weighted Assets Ratio (CRAR) 17.3%, well above minimum and resilient under stress.
 - Non-Banking Financial Companies (NBFCs): strong capital and profitability; retail loan stress higher than banks (risk segmentation).
 - Insurance and Mutual Funds: solvent and resilient.
 - Forex reserves (FSR context): USD 642 billion, supporting external stability.
 - Market watch: Key risk is overvaluation in mid-cap and small-cap equities.
- **Private Corporate Sector Performance 2024–25** (sample: 3,902 listed Non-Government Non-Financial (NGNF) companies)
 - Sales growth 7.2% (prior year 4.7%).

- **Manufacturing +6.0%** (automobiles, pharmaceuticals, food & beverages strong; petroleum, steel softer).
- **Information Technology (IT) services +7.1%**; Non-IT services: double-digit growth (notably telecommunications and transport).
- **Profit margins: Manufacturing 14.2%, IT 21.9%, Non-IT 22.1%.**

B) RBI Bulletins (June–September 2025)

- **June 2025 Bulletin** (includes Monetary Policy, two speeches, five analytical articles, data)
 - **State of the Economy: CPI inflation below target for the fourth consecutive month; agriculture and services support momentum.**
 - **Financial Conditions Index (FCI):** daily indicator suggests easy liquidity since 2023.
 - **Monetary transmission:** small firms tend to depend more on internal funds during tightening phases.
 - **Certificates of Deposit (CD) issuance** mainly shaped by liquidity and interest-rate expectations.
 - **CPI forecasting: machine learning models** outperform traditional approaches.
- **July 2025 Bulletin**
 - **Inflation below 4% for five consecutive months.**
 - **Oil price pass-through:** a 10% oil price rise associates with ~20 basis points increase in CPI inflation.
 - **Household inflation expectations:** still elevated but moderating.
- **August 2025 Bulletin**
 - **Articles on State of the Economy, Corporate Investment, Equity Mutual Funds, Electric Vehicle (EV) Policies, Horticultural Diversification.**
 - **Capital Expenditure (capex) outlook for FY26: ₹2.67 lakh crore.**
 - **Equity mutual funds:** rising retail participation from smaller towns and women.
 - **Electric Vehicles (EVs):** two-wheelers account for ~75% of EV registrations.
 - **Horticulture:** fruits and vegetables lead growth.
- **September 2025 Bulletin** (seven studies)
 1. **State of the Economy:** five-quarter high GDP growth with inflation contained.
 2. **Flow of Financial Resources:** bank credit slower, NBFC lending up.
 3. **Financial technology (FinTech) customer reviews (5.69 million):** trust and app quality drive satisfaction.
 4. **NBFC review:** strong capital, robust Return on Assets, low NPAs.
 5. **Unified Payments Interface (UPI) expansion** reduces cash dependence.
 6. **Consumption inequality:** declines across states, poorer states improve faster.
 7. **Infrastructure:** essential to GDP; emphasis on financing and expansion.

C) House Prices, Digital Payments, Financial Inclusion

- **All-India House Price Index (HPI) — Q4 FY2024–25:** +3.1% year-on-year; Kolkata +8.8%, Kochi –2.3%; +0.9% quarter-on-quarter. Data: RBI's Database on Indian Economy (DBIE) Portal.
- **Digital Payments Index — March 2025:** 493.22 (base March 2018 = 100). Rise led by Unified Payments Interface (UPI), FASTag, Aadhaar Enabled Payment System (AePS) and RuPay; parameters: Enablers, Infrastructure (Demand/Supply), Performance, Consumer Centricity.
- **Financial Inclusion Index — March 2025:** 67.0 (from 64.2 in March 2024); weights: Access 35%, Usage 45%, Quality 20%; progress via Pradhan Mantri Jan-Dhan Yojana (PMJDY), financial technology, and digital banking.

D) Consumer Confidence and Inflation Expectations — July 2025 Rounds

- **Rural Consumer Confidence Survey (RCCS):** 31 States/Union Territories; tracks economic, income, employment, price outlook; conducted by M/s Development & Research Services Private Limited (New Delhi).
- **Urban Consumer Confidence Survey (UCCS):** 19 cities (including Delhi, Mumbai, Bengaluru, etc.); focuses on economic conditions, employment, household income/spending.
- **Inflation Expectations Survey of Households (IESH):** perceptions for current, three months ahead, and one year ahead; inputs used for monetary policy calibration.

3) Regulations, Directions, Frameworks and Sandboxes

- **Aadhaar Enabled Payment System (AePS) — Due-Diligence Guidelines**
 - **Full Know Your Customer (KYC) / Customer Due Diligence (CDD)** before onboarding AePS Touchpoint Operators (ATOs).
 - **Inactive ATOs for three months** require **re-verification** prior to reactivation.
 - **Fraud monitoring:** continuous activity checks including **transaction velocity reviews**.
 - **Only AePS-specific Application Programming Interfaces (APIs)** permitted (to prevent misuse). Final guidelines effective **January 1, 2026**.
- **Lending Against Gold and Silver — Directions 2025**
 - **Maximum tenure:** twelve months (bullet repayment).
 - **Loan-to-Value (LTV) ratios:** ≤₹2.5 lakh — 85%, ₹2.5–5 lakh — 80%, >₹5 lakh — 75%.
 - **Collateral caps:** gold up to 1 kilogram, silver up to 10 kilograms.
 - **Auction discipline:** public notice mandatory; reserve price at least 90% of reference.
 - (Your notes also specify operational effectiveness for LTV bands from April 1, 2026, captured here for continuity.)
- **Non-Banking Financial Company — Microfinance Institution (NBFC-MFI) Norms (2025 Update)**
 - **Qualifying Asset threshold reduced from 75% to 60%;** household income cap ₹3 lakh.
 - **Remedial plan** mandatory if the qualifying-asset ratio stays below 60% for four consecutive quarters.
- **Project Finance Directions 2025 (effective October 1, 2025)**
 - **Date of Commencement of Commercial Operations (DCCO) extension:** infrastructure projects — up to three years, non-infrastructure — up to two years.
 - **Land availability:** at least 50% for Public-Private Partnership (PPP) projects and 75% for others.
 - **Funding of cost overruns:** up to 10% can be financed (structured window).
- **Depositors Education and Awareness (DEA) Fund — Guidelines 2025**
 - **Monthly transfer of unclaimed deposits older than ten years** through RBI's e-Kuber platform; annual audited certificate mandatory.
 - **Depositors may claim at any time** (no forfeiture of rights).
- **Framework for Responsible and Ethical Artificial Intelligence (FREE-AI)**
 - **Seven "Sutras":** Trust, People First, Innovation, Fairness, Accountability, Explainability, Safety.
 - **Six pillars:** Infrastructure, Policy, Capacity, Governance, Protection, Assurance.
 - **Survey:** 20.8% of entities use AI (NBFCs 27%).
 - **Mandates:** Board-approved AI policy, monitoring, bias checks, and emergency "kill-switches".
- **Regulatory Sandbox — Fifth Cohort (Neutral Theme)**

- **Winner: Indian Banks' Digital Infrastructure Company (IBDIC)** with partners ICICI Bank, HDFC Bank, Yes Bank, Aditya Birla Capital.
- **Use-case: blockchain-based deep-tier financing for Micro, Small and Medium Enterprises (MSMEs).**
- **Sandbox is now On-Tap via PRAVAAH Portal** (Platform for Regulatory Application, Validation and Authorisation).
- **Cheque Truncation System (CTS) Reform**
 - **Continuous clearing from October 2025 — Phase 1 (October–January), Phase 2 (January 2026).**
 - **Confirmation window: 10:00 a.m. to 7:00 p.m.** After this, T+3 hours settlement rule applies; **hourly real-time settlement.**
 - Issued under the **Payment and Settlement Systems Act, 2007 (PSS Act, 2007).**
- **Foreign Exchange Management Act (FEMA) — Draft on Cross-Border Guarantees**
 - **Proposes automatic route for most guarantees; public feedback due September 4, 2025.**
- **Special Rupee Vostro Accounts (SRVAs) — Simplification**
 - **Authorised Dealer (AD) banks may open SRVAs without prior RBI approval; fosters Indian Rupee (INR) trade settlement and rupee internationalisation.**
 - **Surplus SRVA balances can be invested in Central Government Securities (G-Secs).**
 - **Count to date mentioned: 156 SRVAs across 26 Indian banks.**
- **Payments Regulatory Board (PRB)**
 - **Replaces the Board for Regulation and Supervision of Payment Systems (BPSS) under PSS Act, 2007.**
 - **Members include RBI Governor (Chairperson), three ex-officio RBI members, three Government of India nominees; RBI Principal Legal Adviser is a permanent invitee.**
- **Revised Liquidity Management Framework**
 - **Operating target: Overnight Weighted Average Call Rate (WACR).**
 - **Interest-rate corridor: SDF at Repo minus 25 basis points, MSF at Repo plus 25 basis points.**
 - **Seven-day Variable Rate Repo (VRR) / Variable Rate Reverse Repo (VRRR) replace fourteen-day tools.**
 - **Standalone Primary Dealers (SPDs) get access to all repo facilities.**
 - **Banks must maintain at least 90% of CRR on a daily basis.**
- **State Cooperative Banks (StCBs) / Central Cooperative Banks (CCBs) — Investment in National Bank for Agriculture and Rural Development (NABARD) Shared Service Entity (SSE)**
 - **Permitted investment up to 5% of owned funds, exempt from prudential non-Statutory Liquidity Ratio (non-SLR) investment limits; effective September 30, 2025.**
 - **Issued under Banking Regulation Act, 1949 (Sections 35A and 56).**
- **Authentication Mechanisms for Digital Payment Transactions (2025 Directions)**
 - **Effective April 1, 2026; applicable to all banks and payment system providers.**
 - **Mandatory Two-Factor Authentication (2FA) for all domestic transactions with a dynamic factor** (for example, One-Time Password (OTP), cryptogram, token).
 - **Risk-based checks allowed** (location, device, behaviour patterns).
 - **Customer compensation clause** if losses arise due to **non-compliance.**
 - **Cross-border Card-Not-Present (CNP) transactions** to meet validation norms by **October 1, 2026.**
 - **Older fragmented circulars replaced by this consolidated direction.**
- **Ways and Means Advances (WMA) limit for Government of India — October 2025 to March 2026**
 - **Limit: ₹50,000 crore; interest rate at Repo for WMA, and Repo + 2% for Overdraft (OD); maximum duration 90 days.**

- **RBI Amendment Directions — September 30, 2025 (effective October 1, 2025)**
 - **Interest-rate spread resets:** greater flexibility for tenors below three years; option for borrowers to switch to fixed rate permitted by banks.
 - **Lending against gold/silver:** now allowed for all borrowers using gold as raw material; Tier-3 and Tier-4 Urban Cooperative Banks (UCBs) permitted to participate.
 - **Basel III Perpetual Debt Instruments (PDIs) overseas:** expanded limits for Additional Tier-1 (AT1) capital in foreign markets.
 - **Draft directions (feedback till October 20, 2025):**
 - **Gold Metal Loans (GMLs):** tenor extended to 270 days, wider eligibility.
 - **Large Exposure Framework (LEF):** alignment of Intra-Group Transactions and Exposures (ITE); Credit Risk Mitigation (CRM) benefits for foreign branches.
 - **Credit-information reporting:** weekly data submission; Central KYC Records (CKYCR) capture mandatory.
- **Framework for Formulation of Regulations**
 - **Twenty-one day public comment window** for draft rules across powers under RBI Act, Banking Regulation (BR) Act, Foreign Exchange Management Act (FEMA), Payment and Settlement Systems (PSS) Act, Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, etc.
 - **Impact analysis, global benchmarking, and periodic review** mandated; urgent/confidential public-interest cases may be exempt.
- **Inter-Operable Regulatory Sandbox (IoRS)**
 - Joint initiative of RBI, Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), International Financial Services Centres Authority (IFSCA), Pension Fund Regulatory and Development Authority (PFRDA), Department of Economic Affairs (DEA), and Ministry of Electronics and Information Technology (MeitY).
 - **Principal Regulator** leads case-by-case; sectors include FinTech, Regulatory Technology (RegTech), Supervisory Technology (SupTech), InsurTech, WealthTech, cross-border.
 - **Applications** accepted on-tap at iors@rbi.org.in.
- **Regulation of Payment Aggregators (PA) — Directions, 2025**
 - Categories: PA-P (Physical), PA-O (Online), PA-CB (Cross-Border).
 - **Net-worth requirement:** ₹25 crore (to be achieved in three years).
 - **Escrow accounts** with Scheduled Commercial Banks (SCBs) only; no Cash-on-Delivery (COD) pooling.
 - **Cross-border transaction limit:** ₹25 lakh.
 - **Customer KYC** based on Central KYC Records (CKYCR); simplified KYC permitted until December 31, 2025.
 - **Annual audit** by Indian Computer Emergency Response Team (CERT-In) empanelled auditor; data localisation mandatory.
 - **Certificate of Authorisation (CoA)** deadline December 31, 2025; non-compliant entities to close by February 28, 2026.
 - **Payment Gateways** aligned to similar guardrails; banks exempt from CoA.

4) Currency, Notes and Public Interfaces

- **Withdrawal of ₹2,000 Notes — Final Update (May 31, 2025)**
 - Circulation reduced from ₹3.56 lakh crore to ₹6,181 crore; 98.26% returned.
 - Still legal tender; exchange facility via RBI Issue Offices and India Post.

- **RBI Annual Report — Counterfeit and Circulation Data**
 - Counterfeit ₹500 notes: +37.3%, 1.18 lakh pieces, ₹5.88 crore value.
 - Counterfeit ₹200 notes: 32,660 pieces, +13.9%, ₹65.32 lakh value.
 - Banknotes in circulation: value +6%, volume +5.6%.
 - Denomination shares: ₹500 = 86% (value), 40.9% (volume); ₹10 = 16.4% (volume); lower denominations together = 31.7% (volume).
 - Currency in circulation to GDP: 14.4% (FY21) → 11.2% (FY25); Central Bank Digital Currency (CBDC) — e-Rupee: ₹1,016 crore, +334%.
 - Banknotes present: ₹2, ₹5, ₹10, ₹20, ₹50, ₹100, ₹200, ₹500, ₹2,000 (printing ceased for ₹2, ₹5 and ₹2,000).
 - Coins: 50 paise, ₹1, ₹2, ₹5, ₹10, ₹20.
- **RBI Banknotes Microsite**
 - indiancurrency.rbi.org.in: 360-degree note views, design and security features, interactive content; replaces paisaboltahai.rbi.org.in.
- **RBI Retail Direct Scheme (launched November 12, 2021)**
 - Retail Direct Gilt (RDG) account: free, fully digital access for individuals to invest in Government Securities (G-Secs), Treasury Bills (T-Bills), State Development Loans (SDLs), Sovereign Gold Bonds (SGBs).
 - Investment per security: ₹10,000 to ₹2 crore; T+1 liquidity, zero charges, risk-free sovereign exposure.

5) External Sector: Balance of Payments, External Debt and International Investment Position

- **Balance of Payments (BoP) — Q1 FY26**
 - Current Account Deficit (CAD): USD 2.4 billion (0.2% of GDP).
 - Merchandise trade deficit: USD 68.5 billion; services surplus: USD 47.9 billion.
 - Remittances: USD 33.2 billion.
 - Forex reserves change: +USD 4.5 billion.
- **India's External Debt — June 2025**
 - Total external debt: USD 747.2 billion (+USD 11.2 billion over March 2025); Debt-to-GDP ratio: 18.9% (down from 19.1%).
 - Valuation effect: USD 5.1 billion loss owing to United States Dollar (USD) depreciation.
 - Long-term debt: USD 611.7 billion; short-term share: 18.1%; Debt-to-Forex reserves ratio: 19.4%.
 - By borrower: Non-financial corporations 35.9%, Deposit-taking corporations (excluding RBI) 27.4%, General Government 22.5%.
 - By currency: USD 53.8%, Indian Rupee (INR) 30.6%, Japanese Yen (JPY) 6.6%, Special Drawing Rights (SDR) 4.6%, Euro (EUR) 3.5%.
 - Debt-service ratio: 6.6% of current receipts (stable).
- **International Investment Position (IIP) — June 2025**
 - Net non-resident claims on India: USD 312.8 billion (decrease of USD 16.4 billion).
 - International assets/liabilities ratio: 79.2% (up from 77.6%).
 - Share of reserves in assets: 58.7%.
 - Main liability components: Direct Investment 45.5%, Loans 30.9%, Deposits 13.1%; Debt share in liabilities 54.5%.
- **Foreign Exchange Reserves — Reference Points**
 - FSR context: USD 642 billion.

- June 6, 2025 statement: USD 691.5 billion.
- All-time high on July 25, 2025: USD 736.1 billion (of which Foreign Currency Assets ~USD 680 billion, Gold ~USD 52 billion, SDR and International Monetary Fund reserves ~USD 4.1 billion), around twelve months of import cover, fourth-largest globally after China, Japan, Switzerland.
- August 15, 2025: USD 695.11 billion.

6) Banking, Credit, Interest Rates and Supervisory Data Quality

- **Sectoral Deployment of Bank Credit — August 2025**
 - Non-food credit growth 9.9% year-on-year (prior 13.6%).
 - Agriculture 7.6% (prior 17.7%).
 - Industry 6.5% (led by MSMEs, engineering, vehicles, rubber).
 - Services 10.6% (credit to NBFCs slowed; real estate, Information Technology, trade steady).
 - Personal loans 11.8% (prior 13.9%), with moderation in vehicles and credit cards.
- **Lending and Deposit Rates**
 - June 2025: Weighted Average Lending Rate (WALR) on fresh loans 9.20%, Marginal Cost of Funds based Lending Rate (MCLR) 8.90%, deposit rate (fresh) 6.11% — marginal decline implies cheaper credit.
 - September 2025: WALR (fresh) 8.75%, WALR (outstanding) 9.32%, one-year MCLR 8.60%; deposit rate (fresh) 5.56%, deposit rate (outstanding) 6.87%; External Benchmark Linked Rate (EBLR)-linked floating loans share 62.9%.
- **Supervisory Data Quality Index (sDQI) — June 2025**
 - Composite score 89.9 (from 89.3).
 - Segment scores: Public Sector Banks (PSBs) 90.0, Private Banks 90.0, Foreign Banks 89.7, Small Finance Banks (SFBs) 90.7.
 - Completeness 96.2% is strongest parameter; coverage spans 87 Scheduled Commercial Banks and key returns (CRILC, ALE, Risk-Based Supervision (RBS), RCA, etc.).

7) Payments, UPI and Market Infrastructure

- **Unified Payments Interface (UPI) and National Payments Corporation of India (NPCI) Updates**
 - August 2025: 20.01 billion transactions, ₹24.85 lakh crore value; Maharashtra highest state by volume/value.
 - Raised limits (effective September 15, 2025 in specified categories): Insurance, capital markets, government, travel up to ₹5 lakh per transaction; daily limit up to ₹10 lakh.
 - Other permitted limits noted: Initial Public Offer (IPO) bids ₹5 lakh, Government e-Marketplace (GeM)/taxes ₹5 lakh, loan repayments/Business-to-Business (B2B)/Equated Monthly Instalment (EMI) collections ₹5 lakh (with ₹10 lakh per day cap), credit card payments raised to ₹5 lakh; Person-to-Person (P2P) standard limit remains ₹1 lakh.
- **Digital payments momentum**
 - UPI share ~83.7% of retail digital volume; UPI transactions 185.8 billion (+41% year-on-year), value ₹261 trillion.
 - National Electronic Funds Transfer (NEFT): volume +32.4%, value +13.4%.
 - Total digital payments volume 221.9 billion (+35%), value ₹2,268 trillion (+17.9%).

- India ~48.5% of global real-time digital payments; NPCI International Payments Limited (NIPL) working to expand UPI to twenty countries by FY2028–29, including platforms underway in Namibia, Peru, Trinidad and Tobago, Jamaica.
- **Market infrastructure and timing**
 - Separate Trading of Registered Interest and Principal of Securities (STRIPS) permitted in State Government Securities (SGS).
 - Re-issue of ₹5,000 crore 6.98% Sovereign Green Bonds (SGrBs) maturing 2054.
 - Call money market hours 9:00 a.m. to 7:00 p.m. (effective July 1, 2025); market repo and tri-party repo (TREP) 9:00 a.m. to 4:00 p.m. (effective August 1, 2025).
 - Standing Deposit Facility (SDF) / Marginal Standing Facility (MSF) window: 7:00 p.m. to 11:59 p.m. daily (effective July 1, 2025).
 - Daily Variable Rate Repo (VRR) (started January 16, 2025, cumulative ₹43.61 lakh crore injected) discontinued from June 12, 2025 as liquidity improved; seven-day Variable Rate Reverse Repo (VRRR) auction of ₹1 lakh crore on June 27, 2025.
 - Authorised Dealer Category-III (AD Cat-III) Standalone Primary Dealers (SPDs) allowed to transact in Rupee Non-Deliverable Derivative Contracts (NDDCs) (improves hedging and liquidity).

8) Customer Protection, Claims and Unclaimed Deposits

- **Standardised Guidelines for Settlement of Claims of Deceased Depositors**
 - Banks cannot demand court-issued legal documents (such as Succession Certificate, Probate) from nominees/survivors.
 - No indemnity or surety bonds to be insisted upon — irrespective of deposit size.
 - Where there is no nominee or will: settlement up to ₹5 lakh for Cooperative Banks and ₹15 lakh for other banks upon claim form, death certificate, claimant identity, indemnity bond, and No-Objection Certificates (NOCs) from other legal heirs.
 - Above these limits: legal documents required; disputed claims require Probate/Legal order.
 - Term deposits may be closed prematurely without penalty to facilitate legal heirs.
 - Full implementation deadline: March 31, 2026.
 - (Related instruction elsewhere in your content: from January 1, 2026, claims to be settled within fifteen days, ₹15 lakh minimum settlement threshold, and ₹5,000 per day penalty for locker claim delays.)
- **Inoperative Accounts and Unclaimed Deposits**
 - Monthly transfer of deposits unoperated for more than ten years to the Depositors Education and Awareness (DEA) Fund via e-Kuber; annual audited certificate.
 - Snapshot provided: over ₹67,000 crore unclaimed; State Bank of India (SBI) ~₹19,329 crore, ICICI Bank ~₹2,063 crore; DEA Fund corpus ₹78,000 crore+.
 - UDGAM (Unclaimed Deposits – Gateway to Access Information) web portal to help customers search across multiple banks.
- **Scheme for Accelerated Settlement of Inoperative Accounts and Unclaimed Deposits (October 1, 2025 – September 30, 2026)**
 - Objective: timely reactivation of dormant accounts and return of funds from the DEA Fund; all banks covered.
 - Incentive structure for banks (lower of percentage or rupee cap):
 - Up to four years inactivity: 5% or ₹5,000.
 - Four–eight years: 6% or ₹10,000.
 - Eight–ten years: 7% or ₹15,000.
 - Above ten years: 7.5% or ₹25,000.

- Quarterly claims to be submitted within one month after quarter-end; RBI to settle within thirty days; audit provisions included.

9) Enforcement: Penalties and Licences

- ICICI Bank: ₹75 lakh penalty for property valuation and current account rule violations (Inspection for Supervisory Evaluation (ISE) 2024, action under Banking Regulation Act, 1949).
- Indian Overseas Bank: ₹31.8 lakh penalty for Priority Sector Lending (PSL) non-compliance (charging fees on loans ≤ ₹25,000; ISE 2024; Section 47A(1)(c) of BR Act).
- FY2024–25: 353 penalties, ₹54.78 crore collected.
- Karwar Urban Cooperative Bank: licence cancelled.
- Datta Finance and Trading Private Limited: NBFC licence cancelled.

10) Governance, Committees, Appointments and Conferences

- RBI Central Board: Ms. Anuradha Thakur appointed from July 24, 2025, replacing Ajay Seth (Secretary, Department of Economic Affairs — DEA).
- Deputy Governor: Shirish Chandra Murmu appointed for three years from October 9, 2025.
- Financial Stability and Development Council — Sub-Committee (FSDC-SC) — 32nd Meeting (September 2025)
 - Chaired by RBI Governor Sanjay Malhotra; focus on KYC simplification, financial inclusion, National Strategy for Financial Inclusion (NSFI) 2025–30, inter-regulatory coordination, geopolitical risk management.
- Regulatory Review Cell (RRC) and Advisory Group on Regulation (AGR) (from October 1, 2025)
 - Periodic reviews every five–seven years.
 - AGR Chair: Rana Ashutosh Kumar Singh (Managing Director, State Bank of India); members include T. T. Srinivasaraghavan, Gautam Thakur, Shyam Srinivasan, Ravi Duvvuru, N. S. Kannan.
- Thirty-Fifth Conference of State Finance Secretaries — September 18, 2025 (RBI, Mumbai)
 - Theme: “Economic Prosperity through Fiscal Consolidation.”
 - Emphasis on fiscal prudence, quality of expenditure, reducing off-budget borrowings, and State–RBI cooperation on Uniform Local Infrastructure (ULI), financial inclusion, and currency management.

11) Government Borrowing, Agency Commission and Centrally Sponsored Schemes (CSS) via SPARSH

- Government Borrowing Programme — Second Half FY26
 - Gross borrowing ₹6.77 lakh crore (through twenty-two weekly auctions), including ₹10,000 crore Green Bonds.
 - Ways and Means Advances (WMA) limit ₹50,000 crore.
 - Treasury Bills (T-Bills) issuance in Q3 FY26: ₹19,000 crore weekly.

- **Routing of Centrally Sponsored Scheme (CSS) Funds via RBI SPARSH Platform — from November 1, 2025**
 - **Scale:** ₹5 lakh crore of CSS flows to be routed.
 - **Outcome:** eliminates ₹1–1.5 lakh crore idle float, expected annual saving ~₹6,000 crore, improves transparency and timeliness.
 - **Revised Agency Commission for Government Business — effective April 1, 2025**
 - **Electronic revenue receipts/payments:** ₹12 per transaction (from ₹9).
 - **Physical revenue mode:** ₹40 per transaction (unchanged).
 - **Pension payments:** ₹80 per transaction (from ₹75).
 - **Other government payments:** seven paise per ₹100 turnover (from 6.5 paise).
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12) Priority Sector Lending (PSL) and Co-Lending Framework

- **Priority Sector Lending (from April 1, 2025)**
 - **Small Finance Banks (SFBs) and Urban Cooperative Banks (UCBs):** overall PSL target 60% of Adjusted Net Bank Credit/Credit Equivalent Amount of Off-Balance Sheet Exposure (ANBC/CEOBSE).
 - **Education loans** up to ₹25 lakh; **social infrastructure** up to ₹8 crore (schools, sanitation, drinking water).
 - **Housing loans** ceilings by city size: ₹50 lakh (population ≥50 lakh), ₹45 lakh (10–50 lakh), ₹35 lakh (<10 lakh).
 - **Renewable energy:** up to ₹35 crore for public utilities (for example, solar lighting), ₹10 lakh per household borrower.
 - **UCB sub-targets:** Micro Enterprises ≥7.5%, Weaker Sections ≥12% of ANBC.
 - **Co-Lending (effective January 1, 2026)**
 - **Eligible lenders:** all Commercial Banks (except SFBs), Financial Institutions (FIs), NBFCs, Housing Finance Companies (HFCs).
 - **Minimum 10% loan exposure** to be retained by lender; **originating entity may provide Default Guarantee up to 5%.**
 - **Loan transfer to co-lender within fifteen days is mandatory.**
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13) Savings Instruments and Capital-Market Issuances

- **Floating Rate Savings Bonds (FRSB) — July to December 2025**
 - **Coupon 8.05%** (unchanged from January–June 2025).
 - **Minimum investment ₹1,000, no maximum, seven-year tenure; premature withdrawal available for senior citizens** (lock-in applies; penalty 50% of interest due for last six months).
 - **RBI Floating Rate Bond (FRB) 2033: 6.82%.**
 - **Sovereign Green Bonds (SGrBs): ₹5,000 crore re-issue of 6.98% SGrBs maturing 2054.**
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14) International and Bilateral Support

- **Maldives:** India extends USD 50 million Treasury-bill repayment (due September 18, 2025) — part of a USD 200 million package (2019); also extends USD 750 million currency swap



facility; supports Greater Malé Connectivity Project (GMCP) under India's Line of Credit (LoC).

15) Fifteenth Finance Commission (XV FC) Grants

- Rural Local Bodies (RLBs) Grants
 - Tamil Nadu: ₹127.586 crore; Assam: ₹214.542 crore.
 - Tied grants for sanitation, water, solid-waste management.
 - Untied grants for twenty-nine subjects (excluding salaries).
 - Tenure: FY2021–22 to FY2025–26; Chairman: N. K. Singh.

16) Organisation Snapshot and Financials of the Reserve Bank of India

- Reserve Bank of India (RBI): Headquarters — Mumbai; Governor — Sanjay Malhotra (Twenty-Sixth); Deputy Governors — Swaminathan Janakiraman, T. Rabi Sankar, M. Rajeshwar Rao, Poonam Gupta; Established — 1935.
- RBI Balance Sheet and Financials — FY2024–25
 - Balance sheet size ₹76.25 lakh crore (+8.2%).
 - Net income ₹2.11 lakh crore (+27%).
 - Contingency fund provisioning ₹50,994 crore (from ~₹38,000 crore).
 - Surplus transfer to Government of India ₹1.28 lakh crore.
 - Total gold holdings 879.58 metric tonnes.
 - Income ₹3.38 lakh crore (+22.77%); Expenditure ₹69,714.02 crore (+7.76%).
 - Security printing cost ₹6,372.8 crore (about +25% from ₹5,101.4 crore in FY2023–24).
- Digital Lending and Payments — Additional Governance Points
 - Default Loss Guarantee (DLG): lenders must exclude DLG cover when making provisions for bad loans.
 - Reserve Bank — Climate Risk Information System (RBI-CRIS) launched.
 - Worldline ePayments India authorised by RBI as Payment Aggregator for import/export flows.
 - FinTech Association for Consumer Empowerment (FACE) recognised as first Self-Regulatory Organisation for FinTech (SRO-FT) in August 2024; membership ~275 firms by August 2025; minimum net worth requirement ₹2 crore.
 - Frauds: bank frauds ₹36,014 crore in FY2024–25 (from ₹12,230 crore in FY2023–24); Public Sector Banks (PSBs) ₹25,667 crore (from ₹9,254 crore).

17) Quick Reference Recaps

- GNPA (March 2025) 2.3% → 2.5% (March 2026) → 2.6% (March 2027); CRAR 17.3%.
- Digital Payments Index (March 2025) 493.22; Financial Inclusion Index (March 2025) 67.0.
- UPI (August 2025): 20.01 billion transactions, ₹24.85 lakh crore.
- Rates (September 2025): WALR fresh 8.75%, one-year MCLR 8.60%, deposit fresh 5.56%, EBLR share 62.9%.
- BoP Q1 FY26: CAD USD 2.4 billion (0.2% of GDP); merchandise deficit USD 68.5 billion; services surplus USD 47.9 billion; remittances USD 33.2 billion; reserves +USD 4.5 billion.



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- External Debt (June 2025): USD 747.2 billion; Debt-to-GDP 18.9%.
- Forex reserves key marks: USD 642b (FSR), USD 691.5b (June 6), USD 736.1b (July 25 all-time high), USD 695.11b (August 15).

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