

CONTENTS

	Page No.
PART ONE: THE ECONOMY - REVIEW AND PROSPECTS.....	1
I. ASSESSMENT AND PROSPECTS	1
Assessment of 2024-25	2
Prospects for 2025-26	10
II. ECONOMIC REVIEW	17
The Real Economy.....	18
Price Situation	33
Money and Credit	44
Financial Markets	54
Government Finances.....	64
External Sector.....	70
PART TWO: THE WORKING AND OPERATIONS OF THE RESERVE BANK OF INDIA	86
III. MONETARY POLICY OPERATIONS	86
Monetary Policy	87
The Operating Framework: Liquidity Management	90
Monetary Policy Transmission	96
Sectoral Lending Rates	98
IV. CREDIT DELIVERY AND FINANCIAL INCLUSION	101
Credit Delivery.....	103
Financial Inclusion.....	104
Financial Literacy	106
V. FINANCIAL MARKETS AND FOREIGN EXCHANGE MANAGEMENT	108
Financial Markets Regulation Department.....	108
Financial Markets Operations Department.....	111
Foreign Exchange Department	112
VI. REGULATION, SUPERVISION AND FINANCIAL STABILITY	119
Financial Stability Department	120
Department of Regulation	121
FinTech Department	132

CONTENTS

	Page No.
Department of Supervision	135
Enforcement Department	143
Consumer Education and Protection Department.....	144
Deposit Insurance and Credit Guarantee Corporation.....	146
VII. PUBLIC DEBT MANAGEMENT.....	148
Debt Management of the Central Government	149
Debt Management of State Governments.....	152
VIII. CURRENCY MANAGEMENT.....	156
Developments in Currency in Circulation	158
Currency Management Infrastructure	159
Expenditure on Security Printing	161
Bharatiya Reserve Bank Note Mudran Private Limited	162
IX. PAYMENT AND SETTLEMENT SYSTEMS AND INFORMATION TECHNOLOGY ...	164
Department of Payment and Settlement Systems	164
Department of Information Technology.....	173
X. COMMUNICATION, INTERNATIONAL RELATIONS, RESEARCH AND STATISTICS	179
Communication Processes	180
International Relations	183
Government and Bank Accounts	187
Managing Foreign Exchange Reserves	189
Economic and Policy Research	192
Statistics and Information Management.....	195
Legal Issues.....	198
XI. GOVERNANCE, HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT	200
Governance Structure	201
Human Resource Development Initiatives	202
Enterprise-Wide Risk Management	208

CONTENTS

	Page No.
Internal Audit/Inspection.....	212
Corporate Strategy and Budget Management	213
Rajbhasha	215
Premises Department	216
Annex	219
XII. THE RESERVE BANK'S ACCOUNTS FOR 2024-25	223
Balance Sheet as on March 31, 2025.....	226
Income Statement for the year ended March 31, 2025.....	227
Schedules forming part of Balance Sheet and Income Statement.....	228
Statement of Significant Accounting Policies for the year ended March 31, 2025.....	231
Notes to Accounts.....	236
Annex I: Chronology of Major Policy Announcements - April 2024 to March 2025	252
Annex II: Regulatory Measures Undertaken Post Public Consultations - April 2022 to March 2025	266
Annex III: Customer Centric Measures - April 2022 to March 2025	270
Appendix Tables	281

CONTENTS

	Page No.
BOXES	
II.2.1 : R&D Expenditure as a Driver of India's Productivity Growth	30
II.3.1 : Food Inflation Persistence and Shifting Household Consumption Pattern.....	35
II.4.1 : Drivers of Firm Demand for Credit	50
II.5.1 : What Drives the Money Market Term Spread?	56
II.7.1 : India's Outward FDI Trends: Insights from the Gravity Model.....	81
III.1 : Liquidity Management Challenges from Forex Market Operations	93
VI.1 : Reserve Bank - Climate Risk Information System (RB-CRIS)	126
VI.2 : Exploring Supervisory Dimensions Through Cross-border Cooperation	141
VII.1 : Review of Financial Accommodation Facilities for the State Governments	153
VIII.1 : Sustainable Use of Banknote Shreds/Briquettes	157
IX.1 : Project Nexus: A Multilateral Approach for Inter-linking Fast Payment Systems (FPS).....	168
X.1 : Podcasts by Central Banks - A Distinct Digital Communication Tool	183
X.2 : Framework on Currency Swap Arrangement for SAARC Countries, 2024-27	184
X.3 : Initiatives for Ushering in Efficiency in Government Transactions	188
X.4 : Reserve Management in an Era of Uncertainty	189
X.5 : Local Currency Settlement in the Changing Global Financial Order.....	191
XI.1 : Economic Capital Framework (ECF) of the Reserve Bank of India – Internal Review	208
XI.2 : ERM in the Reserve Bank - Reflections from More Than a Decade of Implementation.....	210
XI.3 : Audit Management System (AMS).....	213

CONTENTS

Page No.

APPENDIX TABLES

1.	Macroeconomic and Financial Indicators.....	281
2.	Growth Rates and Composition of Real Gross Domestic Product (At 2011-12 prices)	283
3.	Gross Savings.....	284
4.	Inflation, Money and Credit	285
5.	Capital Market – Primary and Secondary	286
6.	Key Fiscal Indicators	287
7.	Combined Receipts and Disbursements of the Central and State Governments	288
8.	India's Overall Balance of Payments	289
9.	Foreign Direct Investment Flows to India: Country-wise and Industry-wise.....	290