

The Beginnings

(1926 - 1935)

- 1926
Royal Commission on Indian Currency (Hilton Young Commission) recommends the establishment of a central bank to be called the 'Reserve Bank of India'.
- 1931
Indian Central Banking Enquiry Committee revives the issue of the establishment of the Reserve Bank of India as the Central Bank for India.
- 5 March 1934
Reserve Bank of India Act, 1934, (II of 1934) constitutes the statutory basis on which the Bank is established.

The Early Years

(1935 - 1949)

- 1 Apr 1935
Reserve Bank of India commences operations. Sir Osborne Smith the first Governor of the Bank. The Bank was constituted as a shareholders' bank.
- 5 Jul 1935
Scheduled banks required to maintain the Cash Reserve Ratio, i.e., hold cash balances with the RBI equivalent to 5% of their Demand Liabilities and 2% of their Time Liabilities.
- Oct 1935
London Office of the Reserve Bank set up. This was closed on September 30, 1963.
- 1 Nov 1936
Resignation of the first Governor, Sir Osborne Smith, wef July 1, 1937.
- 15 Jan 1937
Indian Companies (Amendment) Act, 1936 devotes a separate chapter exclusively to Banks.
- 1 July 1937
Sir James Braid Taylor assumes office as Governor.
- 1937
RBI acts as banker to the Government of Burma and also responsible for note issue in Burma.
- Jan 1938
First Reserve Bank notes issued.
- 21 Jun 1938
The Failure of the Travancore National and Quilon Bank, the largest bank in the Travancore region, underlined the need for comprehensive banking reform and legislation.
- 3 Sep 1939
Introduction of Exchange Controls in India under Defence of India Rules.
- 11 Mar 1940
RBI Accounting Year changed from Jan-Dec to July-June.
- 1940
The silver rupee replaced by the quarternary alloy rupee. One Rupee note reintroduced. This note had the status of a rupee coin and represented the introduction of official fiat money in India.
- 11 Aug 1943
Sir C. D. Deshmukh assumes office of Governor.
- 1944
The security thread on notes introduced for the first time in India as a security feature.
- 1944
Laws relating to Government securities and to the management of Public Debt by the Reserve Bank of India consolidated on the basis of the Public Debt Act, 1944.
- 26 May 1945
Speculative activity in the financial and bullion markets. Defence of India Rules invoked to authorise the Reserve Bank to collect information from banks in respect of advances. This was to check advances against bullion for speculation.
- 9 Jun 1945
Reserve Bank of India entrusted with the Currency & Coinage of the British Military Administration of Burma as well as Banker to BMA.
- 12 Jan 1946

- High Denomination Bank Notes of Rs 500, Rs 1000 and Rs 10,000 Demonetised to curb unaccounted money.
- 1946
Interim arrangements for Bank Supervision were put in place by ordinances which were later replaced by the Banking Companies Act, 1949. These Ordinances empowered the Reserve Bank to inspect banks, as well as authorise the licensing of bank branches.
- 30 Jun 1948
RBI ceased to function as the Central Bank of Pakistan. State Bank of Pakistan commenced operations wef July 1, 1949.
- 1 Jan 1949
Reserve Bank of India nationalised.
- 16 Mar 1949
Coming into force of the Banking Companies Act, 1949. This formed the statutory basis of bank supervision and regulation in India. The Statutory Liquidity Ratio (SLR) requiring banks to maintain liquid assets was introduced for the first time. The Banking Companies Act was later renamed the Banking Regulation Act.
- 1 Jul 1949
Sir Benegal Rama Rau assumes office as Governor
- 19 Sep 1949
Rupee devalued by 30.5 % as a defensive measure consequent to the devaluation by other 'sterling area' countries.

Republic India: Towards a Planned Economy

(1950 - 1960)

- Oct 1950
Department of Banking Development created together with the new post of Executive Director.
- 1951
Reserve Bank of India (Amendment) Act, 1951 enabled the Bank to become Banker to Part B states after executing agreements with them.
- First Five Year Plan launched.
- 1 Jan 1952
Bill Market Scheme introduced to enable banks to obtain advances from the Reserve Bank against self liquidating bills. It was aimed at allowing currency to expand to meet seasonal requirements.
- 1 Aug 1952
State Financial Corporations Act, 1951 came into effect. It Enabled state governments to establish Financial corporations for meeting the credit needs of medium and small scale industries. Bank's Holdings of the capital of SFCs taken over by the IDBI in 1976.
- Aug 1954
All-India Rural Credit Survey Committee Report submitted. Its recommendations led to bringing rural credit onto the centre stage of central bank activism. Led to the formation of the State Bank of India.
- 14 Sep 1954
Bankers' Training College to provide training to banking personnel established at Bombay (Mumbai) inaugurated.
- 1 Apr 1955
Hali Sicca Rupees which had a circulation of about OS 48 crores ceased to be legal tender in the erstwhile Hyderabad State. These were replaced by Indian Rupees.
- 1 Jul 1955
Imperial Bank of India converted to a state owned institution, State Bank of India on July 1, 1955. One of the immediate objectives was to establish additional branches particularly at district headquarters. It was also expected to provide remittance and other facilities to co-operative and other banks and attempt to mobilise rural savings.
- Second Five Year Plan commences
- 17 May 1956
Selective Credit Controls were deployed for first time.
- 6 Oct 1956
System of Note Issue changed from Proportional Reserve System requiring the Reserve Bank to maintain 40% gold and forex reserves against note issue to a minimum reserve system. This was to enable the expanding currency requirements of the economy to be met.
- 14 Jan 1957
Resignation of Governor, Sir Benegal Rama Rau.
- 14 Jan 1957
K.G. Ambegaonkar appointed governor till February 28th.
- 1 Mar 1957

HVR Iengar appointed governor

- 31 Oct 1957
Minimum reserves against note issue relaxed further.
- 1959
State Bank of India (Subsidiary Banks) Act, 1959 made the banks of the erstwhile Princely States of India the subsidiaries of the State Bank of India. These were The Bank of Bikaner, The Bank of Jaipur, The Bank of Indore. The Bank of Mysore, The Bank of Patiala, The Bank of Hyderabad, The Bank of Saurashtra and The Bank of Travancore were made subsidiaries of The State Bank of India. The Bank of Bikaner and The Bank of Jaipur were amalgamated in 1963 to form the State Bank of Bikaner and Jaipur.

Institution Building

(1960 - 1971)

- May 1960
The failure of Laxmi Bank and the subsequent failure of the Palai Central Bank catalyzed the introduction of deposit insurance in India.
- 1960
Policy of reconstruction / compulsory amalgamation of banks introduced to consolidate the Banking sector. Powers to do so acquired by RBI Act amendment. Between 1960 to 1982 over 200 banks were merged or liquidated.
- 1961
Third Five Year Plan commences.
- 7 Dec 1961
Deposit Insurance introduced in India as a depositor protection measure. It was intended to increase the confidence of the depositors in the banking system, to facilitate the mobilisation of deposits and promote greater stability and growth of the banking system.
- 15 May 1962
The Reserve Bank of India Act, 1934, the Indian Coinage Act, 1906 and the Currency Ordinance, 1940 extended to Goa, Daman and Diu consequent to their liberation.
- 1 Mar 1962
P.C. Bhattacharyya appointed Governor.
- May 1962
New Bank Branch Licensing policy laid stress on opening of offices in 'unbanked' and 'underdeveloped' areas.
- 16 Sep 1962
Cash Reserve Ratio of banks was fixed uniformly at 3 % of their Demand and Time Liabilities with the flexibility to vary it between 3 and 15%.
- 1962
Chapter IIIA incorporated in RBI Act empowered the Bank to collect information in regard to credit facilities granted by individual banks and notified financial institutions to their constituents. 1974 the scope of the term credit information was enlarged to cover the means antecedents, history of financial transactions and the creditworthiness of any borrower or class of borrowers.
- 1962
The Banking Regulation Act amended. Scheduled Banks to maintain minimum liquid assets (SLR) of not less than 25% of the Demand and Time Liabilities.
- 1 Jul 1962
Agricultural Refinance Corporation (ARC) set up to provide Refinance to central land mortgage banks, state coop banks, scheduled commercial banks who were shareholders.
- 26 Aug 1963
Staff Training College established at Madras started a pilot course representing one of the early HRD endeavours in the services sector.
- 1 Feb 1964
RBI empowered to regulate the deposit acceptance activities of non banking institutions. New chapter IIIB inserted in RBI Act.
- Feb 1964
Unit Trust of India established to extend facilities for an equity type investment to small investors and also mobilize resources and channel them into investments so as to facilitate the growth of the economy. Commenced operations in July 1964.
- 1 Jul 1964
IDBI established as a subsidiary of the Reserve Bank of India with the purpose of providing long term industrial finance. Took over business of Refinance Corporation for Industry in September, 1964.

- 20 Nov 1965
Credit Regulation introduced to align the growth of bank credit with Plan requirements. Later evolved into the Credit Authorisation Scheme (CAS).
- 1 Mar 1966
Operations of co-operative banking system brought under the regulatory ambit of the RBI. Banking Laws.
- Mar 1966
A new Department of Non Banking Companies established at RBI Calcutta.
- 6 Jun 1966
Rupee devalued by 36.5 % The US Dollar which earlier was equivalent to Rs 4.75 now rose to Rs 7.50.
- 2 Jul 1966
12 State Cooperative Banks included in Second Schedule of RBI Act.
- 17 Apr 1967
Size of Bank notes reduced.

Social Controls, the Nationalisation of Banks and the era of bank expansion

(1968 - 1985)

- Dec 1967
Introduction of Social Controls over banks with a view to securing a better alignment of the banking system to the needs of economic policy.
- 22 Dec 1967
National Credit Council set up to provide a forum to discuss and assess credit priorities on an all India basis. Council was to assist RBI and government to allocate credit.
- 01 Feb 1969
Gold Holdings of RBI revalued at the current official IMF rate of 0.118489 grammes of fine gold per rupee (to take into account the devaluation of the Rupee by 36.5 % in June 1966) The profit on revaluation transferred to the reserve fund.
- 19 Jul 1969
14 major Indian Scheduled Commercial Banks with deposits of over Rs 50 crores nationalised ' to serve better the needs of development of the economy in conformity with national policy objectives'. On February 10, 1970 the Supreme Court held the Act void mainly on the grounds that it was discriminatory against the 14 banks and that the compensation proposed to be paid by Govt was not fair compensation. A fresh Ordinance was issued on February 14 which was later replaced by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. (5 of 1970).
- 24 Sep 1969
National Institute of Bank Management (NIBM) established at Bombay (Mumbai). Shifted to its Pune campus in the mid 1980s.
- 29 Sep 1969
Cooperative Bankers Training College (CBTC) established at Poona (Pune) to provide training to the cooperative sector. Later renamed College of Agricultural Banking (CAB) in 1974.
- Dec 1969
Lead Bank Scheme introduced which envisaged an area approach to banking to meet the credit gaps in the economy.
- 01 Jan 1970
Special Drawing Rights (SDR) created by the IMF to enhance international liquidity.
- Jan 1970
RBI prescribed for the first time the minimum interest rate to be charged by banks on advances against sensitive commodities.
- Feb 1970
The Agricultural Credit Board set up with Governor as Chairman to formulate and review policies in the sphere of rural credit.
- 03 Apr 1970
The Managing Agency system abolished by the Companies Amendment Act, 1969.
- 04 May 1970
B.N. Adarkar appointed Governor till June 15
- 16 Jun 1970
S. Jagannathan appointed Governor.
- Between Feb & Aug 1970
Inflationary trends led to concern and strong measures including increasing bank rate and raising SLR from 25 to 28%
- 01 Nov 1970

New Bills Rediscounting Scheme introduced was expected to impart flexibility to the Money Market, even out liquidity within the banking system and enable the Reserve Bank to exercise more effective control over the money market.

- 14 Jan 1971
Credit Guarantee Corporation of India Ltd. established. To facilitate bank lendings to the priority sectors. It guaranteed credit extended by scheduled commercial banks to small borrowers and for other priority purposes.
- 12 Apr 1971
Concerns related to Industrial sickness led to the establishment of the Industrial Reconstruction Corporation of India Ltd.
- 01 Jul 1971
Deposit Insurance cover extended to cooperative banks.
- 15 Aug 1971
Convertibility of USD suspended. This brought to an end the system of fixed exchange rates embodied in the Bretton Woods System. After an interim arrangement which lasted up to 1973, the world shifted to a floating exchange rate regime.
- Oct 1971
State Level Bankers' Committees set up to consider problems requiring inter-bank coordination.
- Hindi Version of RBI Annual Report and Trend and Progress of Banking in India for the year ended 30 June, 1971.
- 25 Mar 1972
Differential Interest Rate Scheme Introduced which envisaged concessional interest rates on advances made by Public Sector Banks to selected low income groups.
- 03 Apr 1972
Import Policy for 72-73 stressed the importance of achieving self reliance reflecting the views of the times.
- 03 Nov 1972
Special payment arrangements with the erstwhile COMECON group of countries where payments were settled in rupees through bilateral trade which was a type of barter arrangement.
- 1973
"Oil Shock" when oil prices quadrupled. This led to double digit inflation as well as global recession. As a response the Bank deployed a series of restricted measures to contain / moderate the expansion of bank credit. Call money rate rose to an all time high of 30% prompting the Indian Banks' Association to intervene and fix a ceiling of 15%.
- 01 Sep 1973
Miscellaneous Non Banking Companies (Reserve Bank) Direction, 1973 sought to regulate the acceptance of deposits by companies conducting prize chits, lucky draws savings schemes, etc.
- 08 Sep 1973
Quantitative credit ceiling on non food bank credit prescribed for the first time for the busy season of 1973-74.
- Nov 1973
Restrictions on SBI and its subsidiaries removed to bring them on par with other commercial banks.
- 01 Jan 1974
Foreign Exchange Regulation Act, 1973 came into force to conserve foreign exchange. Its administration was entrusted to the Reserve Bank.
- 09 Dec 1974
Asian Clearing Union (ACU) established to facilitate payments for current international transactions on a multilateral basis. Clearing operations were to be denominated in member's currency or AMU which would be equivalent to 1 SDR. Clearing operations commenced November, 1975.
- 13 Dec 1974
Reserve Bank of India (Amendment) Act, 1974 widened the powers of the Bank.
- 19 May 1975
N. C. Sengupta appointed governor up to August 19.
- 09 Aug 1975
Tandon Committee Report emphasized need to correlate bank credit to the business/ production plans and own resources of borrowers. Entailed a shift from 'security based' to 'need based' approach to bank credit. The new norms formed the basis of bank lending for working capital requirements.
- 20 Aug 1975
K.R. Puri appointed governor
- 25 Sep 1975
Exchange value of Rupee linked to movements in a basket of selected foreign currencies (major trading partners)
- 26 Sep 1975
Regional Rural Banks were set up as alternative agencies to provide credit to rural people in the context of the 20 Point Programme. These were expected to "combine the rural touch and local feel,with the modern business organisation...".
- 01 Nov 1975

Foreign Currency (Non Resident) Account Scheme introduced in USD and GBP To encourage private remittance from abroad.

- 16 Nov 1975
Agricultural Refinance Corporation (ARC) renamed Agricultural Refinance and Development Corporation (ARDC) and its activities widened.
- 1975
20 point economic programme introduced.
- 01 Feb 1976
Duty Draw back credit scheme introduced as an export promotion measure.
- 1976
Village Adoption Scheme for banks introduced.
- Apr 1977
A new series of Money supply introduced the concepts of M1, M2, M3 etc. Money supply with the public consisted of (a) currency with the public, (b) demand deposits of all commercial banks, of state, central and urban cooperative banks and of salary earners societies, and (c) 'Other deposits with Reserve Bank of India'.
- 02 May 1977
M. Narasimham appointed Governor up to November 30.
- 1977
Integrated Rural Development Programme (IRDP) initiated as a poverty alleviation measure.
- 01 Dec 1977
I.G. Patel appointed Governor.
- 16 Jan 1978
Notes of Rs 1,000/-, Rs 5,000/- and Rs 10,000/- denominations demonetised to curb 'the illicit transfer of money for financing transactions which are harmful to the national economy...'
- 03 May 1978
RBI commenced gold auctions on behalf of Government of India out of government stock at fortnightly intervals.
- 27 May 1978
The Deposit Insurance Corporation (DIC) took over the undertaking of the Credit Guarantee Corporation of India Ltd. (CGCI) to form the Deposit Insurance and Credit Guarantee Corporation (DICGC) wef July 15, 1978.
- 03 June 1978
RBI Act amended. The amendments were made mainly to enable the more effective utilization of foreign exchange reserves.
- 12 Dec 1978
Prize Chit and Money Circulation Schemes (Banning) Act, 1978 came into force wef 12 December, 1978.
- 1978
Annual Appraisal of Banks introduced in the nature of management audit introduced. Emphasis mainly on the examination of the organizational set-up, manpower planning , machinery for supervision and control over branches, systems & procedures in key areas, funds management and management of credit.
- 30 Mar 1979
Penalty for non-compliance of CRR & SLR introduced to give the Reserve Bank teeth to implement Monetary Policy measures more effectively.
- 1979
Rural Planning and Credit Cell set up in the Reserve Bank of India to ensure proper implementation of the multi-agency approach to credit in rural areas.
- Aug 1979
Credit Information Review started being published every month To disseminate in simple language and without delay the credit and banking policy decisions of the Reserve Bank.
- 17 Jan 1980
International gold prices soar to all time highs.
- Mar 1980
Banks required to provide financial support to implementation of 20 point programme to improve lot of weaker sections.
- Sixth Five Year Plan.
- 15 Apr 1980
Six private sector banks nationalised "...in order further control the heights of the economy, to meet progressively, and serve better, the needs of the development of the economy and to promote the welfare of the people in conformity with the policy of the State..."
- Dec 1980
Recommendations of Chore Committee related to the cash credit system, adopted. Emphasis on increasing contribution for working capital requirements by borrowers out of internal resources.

- 01 Jan 1981
Neighbourhood Travel Scheme (NTS) introduced.
- 15 Jan 1981
GOI announced special bearer bond To mop up unaccounted money and channelise it to productive purposes.
- Apr 1981
Major Organisational internal restructuring in the Reserve Bank. New Departments set up.
- 1981
Build up of inflationary pressures and adverse movement in foreign trade following the hike in oil prices. Bank rate raised to 10%, CRR raised to 7.5%, SLR to 35%.
- 11 July 1981
Ordinance prohibiting companies (including Banking Companies) cooperative societies, firms, to repay any person any deposit otherwise than by an account payee cheque / bank draft when such repayment amounted to Rs. 10,000 or more.
- 01 Jan 1982
Export Import Bank of India established with the objective of providing comprehensive package of financial and allied services to exporters and importers.
- 01 Jan 1982
New 20 point programme announced by the PM.
- 12 July 1982
National Bank for Agriculture and Rural Development (NABARD) established on the basis of the National Bank for Agriculture and Rural Development Act, 1981. '...For providing credit for the promotion of agriculture, small scale industries, cottage and village industries, handicrafts, and other rural crafts for promoting integrated rural development and securing rural prosperity...'
- 16 Sep 1982
Manmohan Singh appointed Governor.
- 1983
C D Deshmukh Memorial Lecture introduced as an annual event in Governor Deshmukh's honour
- Nov 1983
National Clearing Cell (NCC) set up by the bank to introduce mechanised cheque processing and the national clearing of cheques.
- 12 Jan 1984
Banking Laws (Amendment) Act, 1983 widened the activities that banks could undertake (such as leasing), provided nomination facilities to account holders, strengthened the powers of the Reserve Bank, streamlined returns and prohibited unincorporated bodies from accepting deposits from the public except to a specified extent amongst others.
- 01 Feb 1984
Urban Banks Department formed to supervise the affairs of Urban Cooperative Banks.
- 01 May 1984
Authorised capital of the Deposit Insurance and Credit Guarantee Corporation raised to Rs 50 crores
- 15 Jan 1985
A Ghosh appointed Governor up to February 4
- 04 Feb 1985
RN Malhotra appointed

Developing the Markets : Seeds of Liberalisation

(1985 - 1991)

- 10 Apr 1985
S. Chakravarty Committee was set up to review the working of monetary system. Its recommendations had far reaching consequences.
- 1985
By mid-1985, the statutory preemption on banks' resources in the form of the Statutory Liquidity Ratio (SLR) and the Cash Reserve Ratio (CRR) exceeded 45%.
- Nov 1986
182 day TB introduced.
- Jan 1987
Board for Industrial and Financial Reconstruction set up and became operational wef May 1987 reflecting concerns related to Industrial Sickness.
- Mar 1987
Magnetic Ink Character Recognition (MICR) technology introduced for cheque clearing. Efforts at mechanising cheque clearing operations.

- 28 Dec 1987
Indira Gandhi Institute of Development Research (IGIDR) was established by Reserve Bank as an advanced studies institute to promote research on Development issues from a multi-disciplinary point of view.
- Apr 1988
Security & Exchange Board of India (SEBI) established to deal with the development and regulation of the securities market and investor protection.
- Apr 1988
The Discount and Finance House of India, set up as a money market institution, commenced operations.
- Jul 1988
The National Housing Bank established as an apex body of housing finance and to promote activities in housing development.
- Aug 1988
Stock Holding Corporation of India Ltd. (SHCIL) a depository institution commenced operations.
- Oct 1988
Maximum lending rate abolished. Banks free to charge customers according to their credit record.
- Mar 1989
Certificates of Deposit (CDs) and Commercial Paper (CPs) introduced in India to widen the monetary instruments and give investors greater flexibility.
- Apr 1989
Banking, Public Financial Institution and Negotiable Instruments Laws (Amendment) Act, 1988 enacted to encourage the culture of use of cheques in India. It introduced penalties for the dishonour of cheques.
- Apr 1989
Service Area Approach for rural lending became operational.
- 1 Jul 1989
CRR raised to 15 per cent taking statutory preemptions of banks' resources in the form of the Statutory Liquidity Ratio (SLR) and the Cash Reserve Ratio (CRR) to over 53%.
- 15 May 1990
Agriculture and Rural Debt Relief Scheme, 1990 providing debt relief upto Rs 10,000 to small borrowers from Public Sector Banks and Regional Rural Banks announced.
- 22 Dec 1990
S. Venkitaramanan Governor.

Crisis and Reforms

(1991 - 2000)

- 1 & 3 Jul 1991
External Payments Crisis. Rupee Devalued in two stages. Cumulative devaluation about 18 percent in USD terms.
- Nov 1991
The Narsimham Committee Report suggested far reaching reforms in the Indian Banking sector. These included a phased reduction in the SLR and CRR as well as accounting standards, income recognition norms and capital adequacy norms.
- Mar 1992
A dual exchange rate system called Liberalised Exchange Rate Management System (LERMS) introduced. This was the initial step to enable a transition to a market determined exchange rate system.
- Apr 1992
Income recognition and asset classification norms introduced. Provisioning and Capital adequacy standards specified. Indian Banks required to fulfill these norms by 1994 and 1996.
- 22 Dec 1992
C. Rangarajan appointed Governor.
- 1992
SEBI formulated 'Insider Trading Regulations'.
- 1993
Unified Exchange rate.
- 1993
Guidelines for the establishment of private sector banks issued. This heralds a new policy approach aimed at fostering greater competition.
- 15 Jul 1994
Nationalised Banks allowed to tap the capital market to strengthen their capital base.
- Jun 1994

- National Stock Exchange commenced operations
- 1994
'Committee on Reform of the Insurance Sector', RN Malhotra.
- Aug 1994
Rupee made convertible on the Current Account. Acceptance of Article VIII of the Articles of Agreement of the IMF.
- Oct 1994
Lending rates of commercial banks deregulated. Banks required to declare their Prime Lending Rates (PLR).
- 3 Feb 1995
Bharatiya Reserve Bank Note Mudran Limited established as a fully owned subsidiary of the Reserve bank. Commenced printing of Notes at Mysore on June 1 and at Salboni on December 11.
- Jun 1995
The Office of the Banking Ombudsman established for expeditious & inexpensive resolution of customer complaints related to Banking services.
- Oct 1995
Banks are allowed to fix their own interest rates on domestic term deposits with maturity of two years.
- 17 Sep 1996
RBI Web site made operational.
- 1 Apr 1997
RBI & Government of India agree to replace the system of ad hoc Treasury Bills with Ways and Means Advances ending automatic monetisation of fiscal deficits.
- 6 Jun 1997
RBI Conducts first auction of 14 day Treasury Bills. In October, auction of 28 day Treasury Bills was introduced.
- 10 Jul 1997
Foreign Institutional Investors (debt funds) permitted to invest in dated Government Securities.
- 22 Nov 1997
Bimal Jalan appointed Governor.
- 28 Nov 1997
A series of measures introduced in response to the Asian Currency Crisis.
- 28 Nov 1997
Fixed rate repos in G-Secs introduced to give maneuverability in liquidity management; and to bring orderly conditions in money and forex markets.
- 19 Dec 1997
Capital Index Bonds introduced for first time. Inflation hedged instrument linked to Wholesale Price Index.
- Apr 1998
Recommendations on the harmonisation of the Role and Operations of Development Financial Institutions and Banks paved the way for universal banking in India.
- 11 Dec 1998
RBI Monetary Museum Web Site launched.
- 20 Apr 1999
Interim Liquidity Adjustment Facility introduced.
- Jul 1999
Interest Rate Swaps (IRS) and Forward Rate Agreements (FRAs) introduced as OTC derivatives.
- Nov 1999
RBI issued guidelines to banks for the issuance of debit cards and smart cards to ease pressure on physical cash.
- 1999
Foreign Exchange Management Act, 1999 replaces FERA, 1973 with the objective of 'facilitating external trade and payments' and 'promoting the orderly development and maintenance of foreign exchange market in India'. The new act became operative from June 2000 along with a sunset clause.

Consolidating the Gains

(2000 Onwards)

- Jun 2000
Stock Index Futures introduced by as an exchange traded derivative.
- Mar 2001
Kissan Credit Cards introduced.
- 19 Apr 2001
Effective week commencing August 11, inter-bank term liabilities greater than 15 days maturity exempt from CRR.
- 19 Apr 2001

Banks allowed to formulate special Fixed Deposit Schemes for senior citizen offering higher rates of interest.

- 30 Apr 2001
Clearing Corporation of India established to address the need for an integrated clearing and settlement system across different markets, viz., government securities, forex and money markets. Commenced operations wef February 2002.
- Jun 2001
RBI issues guidelines for internet banking heralding in a new era in banking.
- 21 Nov 2001
Floating Rate Bonds auctioned for the first time.
- 1 Jan 2002
RBI commenced announcing the reference rate for Euro, which replaced the currencies of Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain and The Netherlands.
- 21 Jun 2002
The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Ordinance came into force, paving the way for setting up asset reconstruction companies and for faster recovery of money by banks and financial institutions.
- 7 Sep 2002
Schemes to open Offshore Banking Units in Special Economic Zones by banks introduced. These units would be virtually foreign branches of Indian Banks but located in India.
- 11 Dec 2002
Auction format of 91 day Treasury Bills changed from uniform price auction to the multiple price auction method
- Jan 2003
Select stock exchanges commence retail trading in Government securities.
- Apr 2003
Risk based supervision of Banks introduced.
- 3 Jun 2003
Guidelines for exchange traded interest rate derivatives issued.
- 7 Aug 2003
Clearing Corporation of India launches its forex clearing system FX CLEAR
- 6 Sep 2003
Y V Reddy assumes office as Governor