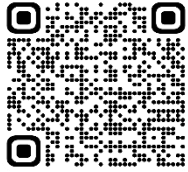


MONETARY & CREDIT INFORMATION REVIEW



MCIR

Volume XIX Issue 12 March 2024



I. Monetary Policy

Meeting Schedule of the Monetary Policy Committee

The Reserve Bank on March 27, 2024 decided as per Section 45ZI of Reserve Bank of India Act, 1934, Monetary Policy Committee will meet during 2024-25 on the dates mentioned below:

Dates of Meetings of Monetary Policy Committee for 2024-25

1 st	April 3-5, 2024
2 nd	June 5-7, 2024
3 rd	August 6-8, 2024
4 th	October 7-9, 2024
5 th	December 4-6, 2024
6 th	February 5-7, 2025

II. Regulation

Progress of NEFT and RTGS Systems

The Reserve Bank on March 1, 2024 released information on the progress of its retail and wholesale payment settlement systems National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS), respectively. The Bank released that NEFT system achieved a milestone on February 29, 2024 by processing 4,10,61,337 transactions, the highest number of transactions processed in a day so far. The Bank stated that during 2014-23, NEFT and RTGS systems registered growth of 700 per cent and 200 per cent, respectively in terms of volume and 670 per cent and 104 per cent, respectively in terms of value. The RTGS system processed its highest ever volume of 16.25 lakh transactions in a day on March 31, 2023. To read more, please click [here](#).

Amalgamation

The Reserve Bank on March 4, 2024 sanctioned the Scheme of Amalgamation of Fincare Small Finance Bank Ltd. (Transferor Bank) with AU Small Finance Bank Ltd. (Transferee Bank). The Scheme had been sanctioned in exercise of the powers contained in sub-section (4) of Section 44A of the Banking Regulation Act, 1949. The effective date of the amalgamation shall be April 1, 2024. All the branches of Fincare Small Finance Bank Ltd. will function as branches of AU Small Finance Bank Ltd. with effect from April 1, 2024. To read more, please click [here](#).

Action against Two Finance Companies

The Reserve Bank on March 4, 2024 in exercise of its powers under Section 45L(1)(b) of the Reserve Bank of India Act, 1934 directed IIFL Finance Ltd. to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/securing/selling any of its gold loans. However, the company was allowed to continue to service its existing gold loan portfolio through usual collection and recovery processes.

An inspection of the company was carried out by the Bank with reference to its financial position as on March 31, 2023. Certain material supervisory concerns were observed in the gold loan portfolio of the company, including serious deviations in assaying and certifying purity and net weight of the gold at the time of sanction of loans and at the time of auction upon default, breaches in Loan-to-Value ratio, significant disbursement and collection of loan amount in cash far in excess of the statutory limit, non-adherence to the standard auction process and lack

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Note from the Editor

Welcome to another edition of the Monetary and Credit Information Review (MCIR). This monthly periodical of the Reserve Bank helps keep abreast with new developments and important policy initiatives taken by the Reserve Bank during the month of March 2024 in the world of money and credit. MCIR can be accessed at <https://mcir.rbi.org.in> as well as by scanning the QR code.

Through this communication tool, we aim to share information, educate and stay in touch while ensuring factual accuracy and consistency in disseminating the information.

We welcome your feedback at mcir@rbi.org.in

Yogesh Dayal
Editor

607th Meeting of Central Board of the Reserve Bank of India

The Reserve Bank on March 22, 2024 conducted the 607th meeting of the Central Board of Directors at Nagpur under the Chairmanship of Shri Shaktikanta Das, Governor.

The Board reviewed the global and domestic economic situation and outlook, including the challenges posed by geopolitical developments and global financial market volatility. Further, the Board also discussed the Reserve Bank's activities including the progress made in digital payments, consumer education and awareness during the accounting year 2023-24. The Board also approved the Bank's budget for the accounting year 2024-25.

Deputy Governors Dr. Michael Debabrata Patra, Shri M. Rajeshwar Rao, Shri T. Rabi Sankar, Shri Swaminathan J. and other Directors of the Central Board, Shri Satish K. Marathe, Smt. Revathy Iyer, Prof. Sachin Chaturvedi, Shri Venu Srinivasan and Dr. Ravindra H. Dholakia attended the meeting. Shri Ajay Seth, Secretary, Department of Economic Affairs and Dr. Vivek Joshi, Secretary, Department of Financial Services also attended the meeting.

of transparency in charges being levied to customer accounts, etc. Over the last few months, the Bank had tried to address operational deficiencies with the company's management and auditors but didn't notice any meaningful corrective action. To read more, please click [here](#).

Furthermore, the Reserve Bank on March 5, 2024 in exercise of its powers under Section 45L(1)(b) of the Reserve Bank of India Act, 1934 directed JM Financial Products Ltd. to cease and desist, with immediate effect, from doing any form of financing against shares and debentures, including sanction and disbursement of loans against Initial Public Offering (IPO) of shares as well as against subscription to debentures. However, the company was allowed to continue to service its existing loan accounts through the usual collection and recovery process. This action was necessitated due to certain serious deficiencies observed in respect of loans sanctioned by the company for IPO financing as well as NCD subscriptions. The Bank carried out a limited review of the books of the company on the basis of the information shared by the Securities and Exchange Board of India. To read more, please click [here](#).

Credit Card and Debit Card

The Reserve Bank on March 7, 2024 amended the Master Direction (MD) on 'Credit Card and Debit Card-Issuance and Conduct Directions, 2022', asking card issuers to put in place an effective mechanism to monitor end use of funds.

Further, the Bank stated for the purpose of cardholder's convenience, card transaction related data may be drawn directly from the card issuer's system in an encrypted form and displayed in the co-branding partner (CBP) platform with robust security.

The amended provisions of the MD are applicable to:

- i) All credit card issuing Banks and Non-Banking Financial Companies (NBFCs).
- ii) Every bank operating in India. To read more, please click [here](#).

MoU between RBI and Bank Indonesia

The Reserve Bank and the Bank Indonesia on March 7, 2024 signed a Memorandum of Understanding (MoU) in Mumbai for establishing a framework to promote the use of local currencies, viz., the Indian Rupee (INR) and the Indonesian Rupiah (IDR) for cross-border transactions. The MoU was signed by Shri Shaktikanta Das, Governor, Reserve Bank of India, and Mr. Perry Warjiyo, Governor, Bank Indonesia.

The MoU covers all current account transactions, permissible capital account transactions and any other

economic and financial transactions as agreed upon by both countries. This framework would enable exporters and importers to invoice and pay in their respective domestic currencies, which in turn would enable the development of an INR-IDR foreign exchange market. To read more, please click [here](#).

Certificate of Registration

The Reserve Bank on March 11, 2024 under Section 45-IA (6) of Reserve Bank of India Act, 1934 cancelled Certificate of Registration (CoR) of seven Non-Banking Financial Companies (NBFC) that had surrendered their CoRs. To read more, please click [here](#).

The Bank on March 11, 2024 also cancelled CoR of four NBFCs under the same Section of RBI Act, 1934. To read more, please click [here](#).

Reconstitution of Committee of Advisors

The Reserve Bank on March 14, 2024 reconstituted the 'Committee of Advisors' of Abhyudaya Cooperative Bank Ltd. and appointed Shri Devendra Kumar as a member of the committee in place of Shri Mahendra Chhajed with immediate effect. The reconstituted 'Committee of Advisors' now comprise of following members:

- i) Shri Devendra Kumar (former Chief General Manager, SBI),
- ii) Shri Venkatesh Hegde (former General Manager, SBI) and
- iii) Shri Suhas Gokhale (former MD, COSMOS Co-operative Bank Limited). To read more, please click [here](#).

Omnibus Framework for SROs

The Reserve Bank on March 21, 2024 finalised the Omnibus Framework for recognising Self-Regulatory Organisations (SRO) for its regulated entities.

The framework contains broad parameters, viz., objectives, responsibilities, eligibility criteria, governance standards, application process and other basic conditions for grant of recognition, which will be common for any SRO proposed to be recognised by the Reserve Bank. Other sector-specific guidelines like number of SROs, membership, etc., shall be issued separately by the respective departments of the Reserve Bank wherever a sectoral SRO is intended to be set up. To read more, please click [here](#).

Investments in AIFs

The Reserve Bank on March 27, 2024 in reference to the Banks's [Circular dated December 19, 2023](#), with a view to ensure uniformity in implementation among the regulated entities (REs) and to address the concerns flagged in various representations received from stakeholders, advised that:

i) Downstream investments referred to in paragraph 2(i) of the Circular shall exclude investments in equity shares of the debtor company of the RE, but shall include all other investments, including investment in hybrid instruments.

ii) Provisioning in terms of paragraph 2(iii) of the Circular shall be required only to the extent of investment by the RE in the AIF scheme which is further invested by the AIF in the debtor company, and not on the entire investment of the RE in the AIF scheme.

iii) Paragraph 3 of the Circular shall only be applicable in cases where the AIF does not have any downstream investment in a debtor company of the RE. If the RE has investment in subordinated units of an AIF scheme, which also has downstream exposure to the debtor company, then the RE shall be required to comply with paragraph 2 of the Circular.

iv) Further with regard to paragraph 3 of the Circular:

a) proposed deduction from capital shall take place equally from both Tier-1 and Tier-2 capital.

b) reference to investment in subordinated units of AIF Scheme includes all forms of subordinated exposures, including investment in the nature of sponsor units.

v) Investments by REs in AIFs through intermediaries such as fund of funds or mutual funds are not included in the scope of the Circular. To read more, please click [here](#).

III. Payment and Settlement Systems

Arrangements with Card Networks

The Reserve Bank on March 6, 2024 based on a review on some arrangements existing between card networks and card issuers, directed that

i) Card issuers shall not enter into any arrangement or agreement with card networks that restrain them from availing the services of other card networks.

ii) Card issuers shall provide an option to their eligible customers to choose from multiple card networks at the time of issue. For existing cardholders, this option may be provided at the time of the next renewal. To read more, please click [here](#).

IV. Foreign Exchange Management

Money Transfer Service Scheme

The Reserve Bank on March 5, 2024 with the launch of the Bank's next generation data warehouse, viz., the Centralised Information Management System (CIMS), decided that the reporting of the quarterly statement of Money Transfer Service Scheme will be done on CIMS portal (<https://sankalan.rbi.org.in/>) with effect from the quarter-ending March 2024. To read more, please click [here](#).

Financial Literacy Ideathon – Extension of deadline

The Reserve Bank on March 21, 2024 extended the deadline of submission for entries of Financial Literacy Ideathon for post graduate students to April 15, 2024.

Additionally, to streamline the submission process and maintain consistency, participants are advised that:

i) The submissions should be in typed form and can be submitted online or by post.

ii) Each entry must be accompanied by the respective college/institution's ID card.

Leveraging Use of Technology

The Reserve Bank on January 31, 2024 advised the regulated entities to carry out a comprehensive review of the existing internal compliance tracking and monitoring processes and institute necessary changes to existing systems or implement new systems latest by June 30, 2024. To read more, please click [here](#).

V. Debt Management

WMA Limit for Government of India

The Reserve Bank on March 27, 2024 in consultation with the Government of India, decided that the limit for Ways and Means Advances (WMA) for the first half of the financial year 2024-25 (April to September 2024) will be ₹1,50,000 crore.

The Bank may trigger fresh floatation of market loans when the Government of India utilises 75 per cent of the WMA limit. The interest rate on WMA/Overdraft will be:

i) WMA: Repo Rate

ii) Overdraft: Two percent above the Repo Rate. To read more, please click [here](#).

Marketable Dated Securities

The Reserve Bank on March 27, 2024 in consultation with the Government of India, notified the indicative calendar for issuance of Government dated securities, including Sovereign Green Bonds (SGrB), for the first half of the fiscal year 2024-25 (April 1, 2024 to September 30, 2024). Based on market feedback and in line with global market practices, it was also decided to introduce a new dated security of 15-year tenor. To read more, please click [here](#).

Calendar of Market borrowings

The Reserve Bank on March 28, 2024 in consultation with the State Governments/Union Territories, announced that the quantum of total market borrowings by the State Governments/UTs for the quarter April–June 2024, is expected to be ₹2,54,040 crore. To read more, please click [here](#).

VI. Currency Management

₹2,000 Denomination Banknotes

The Reserve Bank on April 1, 2024 released the status of withdrawal of ₹2,000 denomination banknotes. As per the data, the total value of ₹2,000 banknotes in circulation was declined to ₹8,202 crore at the close of business on March 29, 2024. Thus, 97.69 percent of the ₹2,000 banknotes in circulation as on May 19, 2023, has since been returned. To read more, please click [here](#).

VII. Banker to Governments and Banks

GST, ICEGATE and TIN 2.0

The Reserve Bank on March 13, 2024 stated that no extension will be granted by the Bank for submission of GST, ICEGATE and TIN 2.0 luggage files beyond the cut-off time of 1800 hours prescribed by O/o Principal Chief Controller of Accounts, Central Board of Indirect Taxes & Customs and O/o Principal Chief Controller of Accounts, Central Board of Direct Taxes. To read more, click [here](#).

VIII. Consumer Education And Protection

Annual Conference

The Reserve Bank on March 15, 2024 organised the Annual Conference of RBI Ombudsmen in Mumbai. The theme of the conference was 'Protecting the Consumers – Building Robust Systems and Procedures'.

Shri Shaktikanta Das, Governor, inaugurated the conference. Shri Dipak Misra, former Chief Justice of the Supreme Court of India graced the programme with his esteemed presence and delivered the keynote address. The Conference was also attended by Shri M Rajeshwar Rao and Shri Swaminathan J, Deputy Governors, Reserve Bank of India, Chairman/Managing Director and CEOs of regulated entities, RBI Ombudsmen and Deputy RBI Ombudsmen. To read more, please click [here](#).

Annual Report of Ombudsman Scheme, 2022-23

The Reserve Bank on March 11, 2024 released the Annual Report of the Ombudsman Scheme for the period April 1, 2022 to March 31, 2023. This is the first full-year report after the launch of Reserve Bank-Integrated Ombudsman Scheme (RB-IOS), 2021 in November 2021. The Annual Report covers the activities under the RB-IOS, 2021 as well as major developments during the year in consumer education and protection and the way forward.

Under the RB-IOS, 2021, 7,03,544 complaints were received at the ORBIOs and the CRPC between April 1, 2022 and March 31, 2023, showing an increase of 68.24 per cent over last year. Of these, 2,34,690 complaints were allocated to and handled by the 22 ORBIOs, whereas 4,68,270 complaints were closed by CRPC as non-complaints/non-maintainable complaints. Around 85.64 per cent of the total complaints were received through digital modes, including on the online Complaint Management System (CMS) portal, email and Centralised Public Grievance Redress and Monitoring System (CPGRAMS). The overall disposal rate for the year at the ORBIOs stood at 97.99 per cent with an average Turn Around Time (TAT) of 33 days. RB-IOS, 2021 envisages settlement of complaints through facilitation/conciliation/mediation and thereby, majority of the maintainable complaints (57.48 per cent) disposed by ORBIOs were resolved through mutual settlement/conciliation/mediation. During the year, a total of 122 Appeals were received against the decisions of the RBI Ombudsmen, of which 119 Appeals were received under the RB-IOS, 2021 and the remaining three were received under the erstwhile Ombudsman Schemes. To read more, please click [here](#).

IX. Publication

RBI Bulletin

The Reserve Bank on March 19, 2024 published the March 2024 issue of its monthly Bulletin. The Bulletin includes four speeches, three articles, and current statistics. The three articles covered are:

- State of the Economy,
- Pandemic-induced Policy Stimulus and Inflation: A Cross-Country Perspective and
- Seasonality in India's Key Economic Indicators. To read more, please click [here](#).

X. Data Releases

Important data released by the Reserve Bank during the month of March 2024 are as follows:

S/N	Title
1	Bank-wise ATM/POS/Card Statistics - February 2024
2	Overseas Direct Investment for February 2024
3	Sectoral Deployment of Bank Credit – February 2024
4	Entity-wise PPI Statistics - February 2024
5	Monthly Data on India's International Trade in Services for the Month of January 2024
6	Lending and Deposit Rates of Scheduled Commercial Banks – March 2024
7	India's International Investment Position (IIP), December 2023
8	Scheduled Commercial Banks' Investments
9	Consumer Price Index (Base: 2012=100)
10	Wholesale Price Index
11	Union Government Accounts at a Glance

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I, Yogesh Dayal, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Sd/-
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Signature of Publisher
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