

CONTENTS

	Page No.
PART ONE: THE ECONOMY- REVIEW AND PROSPECTS	1
I. ASSESSMENT AND PROSPECTS	1
Assessment of the 2019-20 Experience	2
Prospects for 2020-21	7
II. ECONOMIC REVIEW	20
The Real Economy	20
Price Situation	39
Money and Credit	49
Financial Markets	61
Government Finances	73
External Sector	76
PART TWO: THE WORKING AND OPERATIONS OF THE RESERVE BANK OF INDIA ..	93
III. MONETARY POLICY OPERATIONS	93
Monetary Policy	94
The Operating Framework: Liquidity Management	98
Monetary Policy Transmission	103
Sectoral Lending Rates	105
IV. CREDIT DELIVERY AND FINANCIAL INCLUSION	108
Credit Delivery	109
Financial Inclusion	113
Financial Literacy	115
V. FINANCIAL MARKETS AND FOREIGN EXCHANGE MANAGEMENT	118
Financial Markets Regulation Department	118
Financial Markets Operations Department	122
Foreign Exchange Department	125
VI. REGULATION, SUPERVISION AND FINANCIAL STABILITY	130
Financial Stability Unit	131

CONTENTS

	Page No.
Department of Regulation	
Commercial Banks	132
Cooperative Banks	141
Non-Banking Financial Companies	144
Department of Supervision	
Commercial Banks	148
Urban Cooperative Banks	152
Non-Banking Financial Companies	153
All Supervised Entities	155
Enforcement Department	159
Consumer Education and Protection Department	160
Deposit Insurance and Credit Guarantee Corporation	165
VII. PUBLIC DEBT MANAGEMENT	168
Debt Management of the Central Government	170
Debt Management of State Governments	173
VIII. CURRENCY MANAGEMENT	179
Developments in Currency in Circulation	179
Currency Management Infrastructure	181
Expenditure on Security Printing	182
Bharatiya Reserve Bank Note Mudran Private Limited	185
IX. PAYMENT AND SETTLEMENT SYSTEMS AND INFORMATION TECHNOLOGY	187
Department of Payment and Settlement Systems	187
Department of Information Technology	198
X. COMMUNICATION, INTERNATIONAL RELATIONS, RESEARCH	
AND STATISTICS	201
Communication Processes	201
International Relations	202
Government and Bank Accounts	208
Managing Foreign Exchange Reserves	210

CONTENTS

	Page No.
Economic and Policy Research	212
Statistics and Information Management	214
Strategic Research Unit	216
Legal Issues	217
XI. GOVERNANCE, HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT	220
Governance Structure	221
Human Resource Development Initiatives	223
Enterprise-Wide Risk Management	228
Internal Audit/Inspection	229
Corporate Strategy and Budget Management	231
Rajbhasha	234
Premises Department	236
Annex	239
XII. THE RESERVE BANK'S ACCOUNTS FOR 2019-20	244
Balance Sheet	248
Statement of Significant Accounting Policies for the year ended June 30, 2020	253
Income	266
Expenditure	269
Annex I: Chronology of Major Policy Announcements: July 2019 to June 2020	272
Annex II: Chronology of Major Policy Announcements to Mitigate the Impact of COVID-19	287
Appendix Tables	299

CONTENTS

	Page No.
BOXES	
II.1.1 : Macroeconomic Impact of COVID-19	23
II.1.2 : Climate Change - The Challenges for Indian Agriculture	29
II.3.1 : Impact of COVID-19 on Monetary and Credit Aggregates	58
II.4.1 : Impact of Special Operations by the Reserve Bank on Financial Markets	64
II.4.2 : India's Financial Markets: Impact of COVID-19	69
II.6.1 : Global Value Chains in Pandemic Times	81
II.6.2 : Capital Flows and Foreign Exchange Reserves: An Analytical Perspective on..... Absorptive Capacity of the Domestic Economy	86
III.1 : Voting Diary of the Monetary Policy Committee, 2016-20	97
IV.1 : Report of the Internal Working Group to Review Agricultural Credit and Implications for Agriculture Sector	111
V.1 : Foreign Exchange Market: Improving Access, Transparency and Pricing	119
V.2 : Unconventional Tools of Liquidity Management: The Recent RBI Experience	123
VI.1 : Secondary Market for Corporate Loans	134
VI.2 : Governance in Primary (Urban) Cooperative Banks (UCBs)	142
VI.3 : Core Investment Companies (CICs)	147
VI.4 : Environment, Social and Governance (ESG) Policy	151
VI.5 : Benchmarking to G20 High Level Principles on Financial Consumer Protection	161
VI.6 : Survey of Customer Satisfaction from the Offices of Banking Ombudsmen (OBOs)	164
VI.7 : The Significance of Reserve Ratio in Deposit Insurance (DI): A Cross-Country Perspective	166
VII.1 : Consolidated Sinking Fund (CSF) and Guarantee Redemption Fund (GRF) Schemes of States: Relevance in Current Scenario	175
VIII.1 : Mobile Aided Note Identifier (MANI) for the Visually Impaired	185
IX.1 : COVID-19 Crisis: Implications for Payment Systems	189
IX.2 : NEFT 24X7	200
X.1 : Public Awareness Campaign through SMS	203
X.2 : Framework on Currency Swap Arrangement for SAARC Countries, 2019-22	207
X.3 : <i>e-Kuber</i> and Tax Information System (TIN) 2.0: Integration for Direct Taxes	211

CONTENTS

	Page No.
XI.1 : Progress on Implementation of Strategy Framework – <i>Utkarsh 2022</i>	232
XI.2 : Reserve Bank's Business Continuity Plan (BCP) for COVID-19 Pandemic	233

APPENDIX TABLES

1. Macroeconomic and Financial Indicators	299
2. Growth Rates and Composition of Real Gross Domestic Product (At 2011-12 Prices)	301
3. Gross Savings	302
4. Inflation, Money and Credit	303
5. Capital Market - Primary and Secondary	304
6. Key Fiscal Indicators	305
7. Combined Receipts and Disbursements of the Central and State Governments ...	306
8. India's Overall Balance of Payments	307
9. Foreign Direct Investment Flows to India: Country-wise and Industry-wise.....	308