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Note from the Editor

Welcome to the January 2025 edition of the Monetary and Credit Information Review (MCIR), highlighting the Bank's efforts in building a resilient domestic financial system and ensuring financial inclusion, digital literacy and affordability of credit.

We remain committed to our goal of sharing accurate information, fostering deeper understanding and to stay in touch. MCIR can be accessed at <https://mcir.rbi.org.in> as well as by scanning the QR code.

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

Puneet Pancholy
Editor

I. Regulation

Governor, Reserve Bank of India meets MD & CEOs of Public and Private Sector Banks

The Governor, Reserve Bank of India on January 27, 2025 held meetings with the MD & CEOs of Public Sector Banks and select Private Sector Banks in Mumbai. These interactions are part of the Reserve Bank's continuous engagement with the senior management of its supervised entities. The meetings were also attended by Deputy Governors Shri M. Rajeshwar Rao, Shri T. Rabi Sankar and Shri Swaminathan J., along with Executive Directors-in-Charge of Regulation and Supervision. The Governor, in his opening remarks, acknowledged the important role played by the banks in building resilience of the domestic financial system while highlighting some of the main vulnerabilities present globally that can pose downside risks. He exhorted the banks to ensure continued financial stability, deepen financial inclusion, improve digital literacy, enhance availability and affordability of credit, strengthen customer service and grievance redress mechanism and continue to invest in technology. He also flagged the rise in digital frauds and advised banks to establish robust and proactive systems to thwart such attempts. While dwelling upon IT risk management and cyber security, the Governor urged banks to have an enhanced oversight over third-party service providers for mitigation of the risks emanating from them. To read more, please click [here](#).

Amalgamation of The National Co-operative Bank Ltd., Bangalore with Cosmos Co-operative Bank Limited

The Reserve Bank of India on January 3, 2025 sanctioned the Scheme of Amalgamation of The National Co-operative Bank Ltd., Bangalore (Karnataka) with Cosmos Co-operative Bank Limited (Maharashtra). The Scheme has been sanctioned in exercise of the powers conferred under Sub-Section (4) of Section 44A read with Section 56 of the Banking Regulation Act, 1949. The Scheme will come into force with effect from January 06, 2025. To read more, please click [here](#).

Master Direction on Credit Information Reporting

The Reserve Bank on January 6, 2025 issued the [Master Direction – Reserve Bank of India \(Credit Information Reporting\) Directions, 2025](#). The Master Direction consolidates the existing instructions on credit information reporting and dissemination, issued to the regulated entities (REs) of the Reserve Bank. To read more, please click [here](#).

Draft Formats of Financial Statements of Co-operative Banks

The Reserve Bank on January 7, 2025 released draft formats and instructions for compiling the balance sheet and profit and loss account of the co-operative banks, reflecting updated standards and practices. In terms of Section 29, read with Section 56 of the Banking Regulation Act, 1949, co-operative banks are required to prepare a balance sheet and profit and loss account as on the last working day of the year in the Forms set out in the Third Schedule of the Banking Regulation Act, 1949. To read more, please click [here](#).

Action against NBFCs

The Reserve Bank on January 3, 2025 following Arohan Financial Services Limited's remedial actions and submission of compliance reports, along with its adoption of improved processes and systems, reviewed the situation and, satisfied with the company's commitment to adhering to regulatory guidelines, particularly regarding loan pricing fairness, has decided to lift the restrictions with immediate effect. To read more, please click [here](#).

The Reserve Bank on January 8, 2025 Reserve Bank has decided to lift the aforementioned restrictions placed on both, Asirvad Micro Finance Limited and DMI Finance Private Limited based on companies' submissions and in view of their adoption of revamped processes, systems and the companies' commitment to ensure adherence to the Regulatory Guidelines on an ongoing basis, especially for ensuring fairness in the loan pricing. To read more, please click [here](#).

The Reserve Bank of India in exercise of powers conferred on it under Section 45-IA (6) of the Reserve Bank of India Act, 1934 on January 9, 2025 cancelled the Certificate of Registration of the ten Non Banking Financial Companies. To read more, please click [here](#).

7 Non-Banking Financial Companies (NBFC) have surrendered the Certificate of Registration (CoR) granted to them by the Reserve Bank of India (RBI). The RBI, in exercise of powers conferred on it under Section 45-IA (6) of the Reserve Bank of India Act, 1934, has therefore cancelled their CoR. To read more, please click [here](#).

The Reserve Bank of India in exercise of powers conferred on it under Section 45-IA (6) of the Reserve Bank of India Act, 1934 on January 14, 2025 cancelled the Certificate of Registration of the ten Non Banking Financial Companies. To read more, please click [here](#).

The Reserve Bank in exercise of the powers conferred under Section 45-IA (6) of the Reserve Bank of India Act, 1934 on January 21, 2025 cancelled the Certificate of Registration (CoR) issued to the X10 Financial Services Limited. To read more, please click [here](#).

NBFCs in the Upper Layer under Scale Based Regulation

The Reserve Bank on January 16, 2025 released the list of NBFCs in the Upper Layer under Scale Based Regulation for NBFCs for the year 2024-25. In terms of the framework, once an NBFC is classified as NBFC-UL, it shall be subject to enhanced regulatory requirement, at least for a period of five years from its classification in the layer, even in case it does not meet the parametric criteria in the subsequent year/s. To read more, please click [here](#).

Coverage of customers under the nomination facility

The Reserve Bank on January 17, 2025 advised all the supervised entities (SEs) to obtain nominations for all deposit accounts, safe custody articles and safety lockers to avoid inconvenience for the family members of deceased depositors. It has been observed that many deposit accounts lack nominations and banks are required to publicize the benefits of this facility and encourage its use among all existing and new customers. The Customer Service Committee of each bank must periodically review the nomination coverage and report progress on the DAKSH portal starting March 31, 2025. To read more, please click [here](#).

Guidelines on Settlement of Dues of borrowers by ARCs

The Reserve Bank on January 20, 2025 revised the guidelines on the settlement of dues payable by borrowers of Asset Reconstruction Companies (ARCs). The amended provisions, effective from the date of this circular, are issued under Sections 9 and 12 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. To read more, please click [here](#).

Measures to manage liquidity conditions

The Reserve Bank on January 27, 2025 announced plans to inject liquidity into the banking system through various operations: a ₹60,000 crore OMO purchase auction of Government of India securities in three tranches of ₹20,000 crore each on January 30, February

13 and February 20, 2025; a 56-day Variable Rate Repo (VRR) auction for ₹50,000 crore on February 7, 2025; and a USD/INR Buy/Sell Swap auction of USD 5 billion with a six-month tenor on January 31, 2025. To read more, please click [here](#).

Private Placement NCDs with HFCs

The Reserve Bank on January 29, 2025 decided to align the guidelines for private placement of Non-Convertible Debentures (NCDs) by Housing Finance Companies (HFCs) with those applicable to Non-Banking Financial Companies (NBFCs) as outlined in paragraph 58 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The revised guidelines will apply to all new private placements of NCDs with maturities over one year by HFCs, effective from the date of this circular. The Master Direction is being updated accordingly. To read more, please click [here](#).

II. Foreign Exchange

Liberalization of FEMA regulations

The Reserve Bank of India, in consultation with the Central Government, has reviewed and revised the existing FEMA, 1999 regulations to promote cross-border transactions in INR and local/national currencies. The changes allow overseas branches of Authorized Dealer banks to open INR accounts for non-residents to settle current and capital account transactions with residents in India. Non-residents can also use their repatriable INR account balances, such as Special Non-resident Rupee accounts and SRVAs, to settle transactions with other non-residents and for foreign investment, including FDI, in non-debt instruments. Additionally, Indian exporters are permitted to open foreign currency accounts abroad to settle trade transactions, including receiving export proceeds and paying for imports. The revised regulations have been issued to implement these changes. To read more, please click [here](#).

III. Financial Market

Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025

The Reserve Bank on January 7, 2025 under the powers conferred by Sections 6 and 47 of the Foreign Exchange Management Act (FEMA), 1999 issued regulations to regulate non-resident investment in debt instruments in India. These include the Foreign Exchange Management (Permissible Capital Accounts Transactions) Regulations, 2000; the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018; and the Foreign Exchange Management (Debt Instruments) Regulations, 2019. AD Category-I banks are instructed to inform their constituents about this Master Direction, which has been issued under Sections 10(4) and 11(1) of FEMA and Section 45W of the Reserve Bank of India Act, 1934 and does not affect any other permissions or approvals required under other laws. To read more, please click [here](#).

Standing External Advisory Committee (SEAC)

The Reserve Bank on January 20, 2025 announced the members of the Standing External Advisory Committee (SEAC) to evaluate applications for Universal Banks and Small Finance Banks. The SEAC will be chaired by Shri M. K. Jain, former Deputy Governor of RBI and include members such as Ms. Revathy Iyer, Director on the RBI Central Board; Smt. Parvathy V. Sundaram, former Executive Director of RBI; Shri Hemant G. Contractor, former MD of SBI and former Chairman of PFRDA; and Shri N. S. Kannan, former MD & CEO of ICICI Prudential Life Insurance. The committee will receive secretarial support from RBI's Department of Regulation. As per licensing guidelines, applications for these banks are initially screened by RBI for eligibility, after which the SEAC evaluates them.

IV. Supervision

Supersession of Board of Directors

The Reserve Bank on January 27, 2025 under Section 45-IE(1) of the Reserve Bank of India Act, 1934 and based on recommendations from the National Housing Bank (NHB), superseded the board of directors of Aviom India Housing Finance Private Limited due to governance issues and defaults in payment obligations. Shri Ram Kumar, former Chief General Manager of Punjab National Bank, has been appointed as the Administrator under Section 45-IE(2). The Reserve Bank plans to initiate the resolution process under the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 and will seek the appointment of the Administrator as the Insolvency Resolution Professional by the NCLT, New Delhi. To read more, please click [here](#).

V. Customer Education and Protection

Regulatory prescriptions and Institutional Safeguards

The Reserve Bank of India on January 17, 2025 advised Regulated Entities (REs) to utilize the Mobile Number Revocation List (MNRL) from the Department of Telecommunications (DoT) to clean their customer database and monitor fraud risks. REs should develop Standard Operating Procedures (SOPs) to update registered mobile numbers after verification and enhance monitoring of accounts linked to revoked numbers to prevent their misuse in cyber frauds. REs are also instructed to provide verified customer care numbers to DoT for listing on the "Sanchar Saathi" portal and to use specific numbering series for transactional and promotional calls as per TRAI guidelines. Additionally, REs are encouraged to raise awareness through various communication channels, including in vernacular languages and ensure compliance with these instructions promptly. To read more, please click [here](#).

VI. Fintech

HaRBInger 2024 – Results of third edition

The Reserve Bank on January 7, 2025 announced the results of third edition of its Global Hackathon – HaRBInger 2024. The hackathon received 534 proposals, including 39 from international teams and was conducted in three phases: shortlisting 70 entries,

selecting 28 for solution development and final evaluation. The final evaluation took place on January 2-3, 2025, in Bengaluru, where the finalists presented their solutions to an independent jury. To read more, please click [here](#).

Regulatory Sandbox

The Reserve Bank on January 29, 2025 announced the selection of Exto India Technologies Pvt. Ltd. for the Test Phase under the 'On Tap' application facility for the 'Retail Payments' theme of the Regulatory Sandbox. The company tested an offline digital payment solution that uses Distributed Ledger Technology (DLT) combined with private biometric authentication to facilitate offline card to-card and card-to-phone transactions. This innovation employs cryptography, on-card biometric verification and time-limited balances to prevent double spending. The product has been found acceptable under the Regulatory Sandbox and may be considered for adoption by Regulated Entities, subject to compliance with applicable regulatory requirements. To read more, please click [here](#).

VII. Index

RBI – Digital Payments Index for September 2024

The Reserve Bank on January 29, 2025 published the Reserve Bank of India – Digital Payment Index (RBI-DPI) for September 2024. The index for September 2024 stands at 465.33 as against 445.5 for March 2024, which was announced on July 26, 2024. The increase in RBI-DPI index was driven by growth in payment infrastructure and payment performance across the country over the period. To read more, please click [here](#).

VIII. Debt Manager to Government

Floating Rate Bond 2035

The Reserve Bank on January 24, 2025 announced the rate of interest on Government of India Floating Rate Bond 2035 (GOI FRB 2035) applicable for the period January 25, 2025 to January 24, 2030. As per the announcement, the rate of interest of GOI FRB 2035 shall be 6.66 per cent per annum. To read more, please click [here](#).

IX. Statistics and Information

OBICUS Survey

The Reserve Bank on January 6, 2025 launched the 68th round of its Order Books, Inventories and Capacity Utilisation Survey (OBICUS). The survey is for

the reference period October – December 2024 (Q3:2024-25). The information collected in the survey includes quantitative data on new orders received during the reference quarter, backlog of orders at the beginning of the quarter, pending orders at the end of the quarter, total inventories with a breakup between finished goods (FG), work-in-progress (WiP) and raw material (RM) inventories at the end of the quarter, item-wise production in terms of quantity and value during the quarter vis-à-vis the installed capacity from the targeted group and the reasons for changes in production / installed capacity during the quarter. To read more, please click [here](#).

Services and Infrastructure Outlook Survey

The Reserve Bank on January 15, 2025 launched the 44th round of the quarterly Services and Infrastructure Outlook Survey (SIOS) for the reference period January-March 2025. The survey assesses the business situation for the current quarter (Q4:2024-25) from selected companies in the services and infrastructure sectors in India and their expectations for the ensuing quarter (Q1:2025-26) based on qualitative responses on a set of indicators pertaining to demand conditions, financial conditions, employment conditions and the price situation. The outlook on key parameters for the two subsequent quarters (Q2:2025-26 and Q3:2025-26) are also covered. To read more, please click [here](#).

Industrial Outlook Survey (IOS): January-March 2025

The Reserve Bank on January 15, 2025 launched the 109th round of the quarterly Industrial Outlook Survey (IOS) of the Indian manufacturing sector for the reference period January-March 2025. The survey assesses business sentiment for the current quarter (Q4:2024-25) and expectations for the ensuing quarter (Q1:2025-26), based on qualitative responses on a set of indicators pertaining to demand conditions, financial conditions, employment conditions and the price situation. The outlook on key parameters for the two subsequent quarters (Q2:2025-26 and Q3:2025-26) are also covered. To read more, please click [here](#).

Annual Report of Ombudsman Scheme, 2023-24

The Reserve Bank of India on January 24, 2025 released the Annual Report of the Ombudsman Scheme for the period April 1, 2023 to March 31, 2024. The Annual Report covers the activities under the Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2021 as well as major developments during the year in consumer education and protection and the way forward. The Annual Report of the Ombudsman Scheme 2023-24 under the Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2021 provides an insight into the activities of the 24 Offices of the RBI Ombudsman (ORBIOs), Centralised Receipt and Processing Centre (CRPC) and the Contact Centre (CC) during the year. To read more, please click [here](#).

Payment System Report, December 2024

The Reserve Bank on January 27, 2025 published the Payment System Report - December 2024. This report, in addition to analysing the trends in payment transactions carried out using various payment systems in India during the last five calendar years up to CY-2024, covers important developments in the payment ecosystem and provides an in-depth analysis into UPI. Henceforth, the Report will be published on RBI website on half yearly basis. Over the past few years, digital payments in India have witnessed a phenomenal growth buoyed by the spectacular progress of Unified Payments Interface (UPI) and the plethora of digital payment options available. From the nascent digital payment ecosystem, comprising mostly of traditional card based digital payments, it has transformed to an ecosystem offering a bouquet of digital payment options catering to every need of the Indian consumer – instant payment systems (UPI, IMPS), small value payment systems (PPI, UPI Lite), large value payment (RTGS), bill payment (BBPS), bulk payment (NACH), offline payment (UPI Lite X), government payments (NACH, APBS), toll payments (NETC) and many more. To read more, please click [here](#).

X. Publication

RBI Bulletin

The Reserve Bank on January 17, 2025 released the January 2025 issue of its monthly Bulletin. The Bulletin includes seven articles and current statistics. The seven articles are:

- I. State of the Economy;
- II. Measuring Monetary Policy Communication: The Indian Experience;
- III. Foreign Exchange Intervention: Efficacy and Trade-offs in the Indian Experience;
- IV. A Suite of Approaches for Estimating Equilibrium Exchange Rates for India 2.0;
- V. Geopolitical Risk and Trade and Capital Flows to India;
- VI. Financial Stocks and Flow of Funds of the Indian Economy 2022-23
- VII. Fiscal-Inflation Nexus: Is there a Feedback Loop?

To read more, please click [here](#).

XI. Data Releases

Important data released by the Reserve Bank during the month of January 2025 are as follows:

S/N	Title
1	Scheduled Banks' Statement of Position in India as on Friday, January 10, 2025
2	Overseas Direct Investment for December 2024
3	Lending and Deposit Rates of Scheduled Commercial Banks – January 2025
4	Sectoral Deployment of Bank Credit – December 2024
5	Monthly Data on India's International Trade in Services for the Month of December 2024