

MONETARY & CREDIT INFORMATION REVIEW



MCIR



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I. Regulation

Governor, Reserve Bank of India meets Managing Directors & Chief Executive Officers of select NBFCs, HFCs and Industry Representatives

Governor Shri Sanjay Malhotra, on January 5, 2026, met in Mumbai with the Managing Directors and Chief Executive Officers of select NBFCs, including government NBFCs, Housing Finance Companies, Microfinance Institutions, and industry representatives, as part of the Reserve Bank of India's ongoing engagement with regulated entities. The participating entities represent around 53% of the NBFC sector's assets, with involvement from self-regulatory bodies such as Sa-Dhan, the Micro Finance Institutions Network, and the Finance Industry Development Council. Deputy Governors and senior RBI officials, along with the MD & CEO of the National Housing Bank, also attended. In his remarks, the Governor emphasized the crucial role of NBFCs and HFCs in credit flow, highlighting sound underwriting, asset quality monitoring, customer-centricity, ethical conduct, responsible lending, and prompt grievance redressal. Participants provided feedback on policy and operational issues affecting the sector. To read more, please click [here](#).

Governor, Reserve Bank of India meets Chairpersons and Managing Directors & Chief Executive Officers of select UCBs and Industry Representatives

Governor Shri Sanjay Malhotra met the Chairpersons and Managing Directors & Chief Executive Officers of select Urban Cooperative Banks (UCBs) and industry representatives, including those from the National Urban Cooperative Finance and Development Corporation Limited and the National Federation of Urban Co-operative Banks & Credit Societies Limited, in Mumbai on January 19, 2026, as part of the Reserve Bank of India's continued engagement with regulated entities, following a previous meeting on March 19, 2025. The meeting was also attended by Deputy Governors, Shri Swaminathan J and Shri S C Murmu, apart from other senior officers of the Reserve Bank. In his remarks, Governor highlighted the continued relevance of UCBs in credit delivery particularly to the underserved areas and in expanding financial inclusion. The Governor also briefly touched upon the various policy initiatives that have been undertaken by Reserve Bank relating to the co-operative banking sector since the previous interaction and expressed confidence that these enablers will help the sector to become stronger and grow in a healthy manner. He underscored the importance of maintaining high standards of governance, robust underwriting practices and diligent oversight over asset quality. Further, he emphasised the necessity of adopting customer-centric approach, following ethical practices, and timely grievance resolution to maintain customer trust in the sector. To read more, please click [here](#).

Recognition of FEDAI as Self-Regulatory Organisation for Authorised Dealers

The Reserve Bank of India, on January 14, 2026, announced the recognition of the Foreign Exchange Dealers' Association of India (FEDAI) as a Self-Regulatory Organisation (SRO) for all Authorised Dealers, pursuant to its application submitted under the Omnibus Framework for recognition of SROs for Regulated Entities of the Reserve Bank issued on March 21, 2024. After examining the application and noting that FEDAI has been functioning in a manner akin to an SRO through rules governing the conduct of its members, the Reserve Bank decided to grant such recognition. FEDAI has been given a period of one year to align its functioning and governance framework with the Omnibus SRO framework and to take necessary steps to extend its membership to all categories of Authorised Dealers. To read more, please click [here](#).

RBI issues Amendment Directions on risk weighting framework for exposure of NBFCs to infrastructure projects

The Reserve Bank of India issued, on January 1, 2026, the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Amendment

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Note from the Editor

This edition of MCIR describes Governor Shri Sanjay Malhotra's strategic engagements with NBFCs and UCBs to reinforce governance and inclusive credit delivery, the inaugural Payments Regulatory Board meeting advancing Payments Vision 2028, MoU between RBI and ESMA on cooperation and exchange of information related to Central Counterparties, launch of the RBI Talks: Paisa to Policy podcast series which aims to simplify complex financial topics and make financial knowledge more accessible and inclusive. These initiatives highlight the RBI's focused efforts to reinforce governance and inclusive credit delivery, digital payments expansion, enhance public outreach, etc.

We remain committed to our goal of sharing accurate information and fostering deeper understanding. The 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.

Brij Raj
Editor

II. 1st Meeting of Payments Regulatory Board

The Reserve Bank held the first meeting of the Payments Regulatory Board (PRB) on January 5, 2026 in Mumbai under the Chairmanship of Shri Sanjay Malhotra, Governor. The PRB was constituted following an amendment to the Payment and Settlement Systems Act, 2007, which came into effect on May 9, 2025. The Board reviewed the functions of the Department of Payment and Settlement Systems and key focus areas covering both domestic and global payment systems. The draft Payments Vision 2028 was presented, and Members provided strategic guidance to support the continued development of India's payment ecosystem.

During the meeting, a presentation was made on the major findings of the Survey on Digital Payments recently conducted by the RBI. PRB Members in attendance included Shri S. Krishnan, Secretary, Ministry of Electronics and Information Technology; Shri Nagaraju Maddirala, Secretary, Department of Financial Services; Smt. Aruna Sundararajan, IAS (Retd.); Shri T. Rabi Sankar, Deputy Governor; and Shri Vivek Deep, Executive Director. The discussions focused on enhancing the efficiency, safety, and innovation in India's payment systems.

Directions, 2026 and the Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Amendment Directions, 2026. These follow the draft NBFC – Scale Based Regulation Amendment Directions, 2025, released on October 24, 2025, and on the Reserve Bank's website or alternatively forwarded to the Chief General Manager, Reserve Bank of India, with the actual risk characteristics of operational infrastructure projects, thereby enhancing risk assessment and capital allocation in the NBFC sector. To read more, please click [here](#).

Directions, 2026 and the Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Amendment Directions, 2026. These follow the draft NBFC – Scale Based Regulation Amendment Directions, 2025, released on October 24, 2025, and on the Reserve Bank's website or alternatively forwarded to the Chief General Manager, Reserve Bank of India, with the actual risk characteristics of operational infrastructure projects, thereby enhancing risk assessment and capital allocation in the NBFC sector. To read more, please click [here](#).

RBI issues Reserve Bank of India (Internal Ombudsman) Directions, 2026

The Reserve Bank of India issued the Reserve Bank of India (Internal Ombudsman) Directions, 2026 on January 14, 2026, following the issuance of the [draft Master Direction – Reserve Bank of India \(Internal Ombudsman for Regulated Entities\) Directions, 2025 on October 7, 2025](#), and examination of the feedback received from stakeholders and the public. Necessary modifications have been incorporated in the final Master Directions, and a statement on the feedback received and action taken has been provided. To read more, please click [here](#).

RBI grants 'In-principle' Approval to Sumitomo Mitsui Banking Corporation (SMBC), Japan for setting up a Wholly Owned Subsidiary (WOS) in India

The Reserve Bank granted 'in-principle' approval to Sumitomo Mitsui Banking Corporation (SMBC), Japan, on January 14, 2026, for setting up a Wholly Owned Subsidiary (WOS) in India under the Reserve Bank of India (Setting Up of Wholly Owned Subsidiaries by Foreign Banks) Guidelines, 2025. SMBC currently operates in India through four branches in New Delhi, Mumbai, Chennai, and Bengaluru, and the approval has been granted for setting up a WOS by converting its existing branches. The RBI will consider granting a licence for commencement of banking business in WOS mode under Section 22(1) of the Banking Regulation Act, 1949, once it is satisfied that SMBC has complied with the conditions specified as part of the 'in-principle' approval. To read more, please click [here](#).

RBI invites public comments on Discussion Paper - Licensing of Urban Co-operative Banks (UCBs)

The Reserve Bank announced on January 13, 2026, the publication of a [discussion paper on licensing of Urban Co-operative Banks \(UCBs\)](#), as indicated in the more, please click [here](#).

RBI invites public comments on the draft Amendment Directions on Net Open Position – Revised Instructions

The Reserve Bank, on January 14, 2026, released draft Amendment Directions on Net Open Position to revise the instructions on computation of Net Open Position and capital charge on foreign exchange risk under the Master Direction on Risk Management and Inter-Bank Dealings and the Prudential Norms on Capital Adequacy applicable to various Regulated Entities. The draft Amendment Directions cover Commercial Banks, Small Finance Banks, Regional Rural Banks, Local Area Banks, Urban Co-operative Banks, Rural Co-operative Banks, All India Financial Institutions and Standalone Primary Dealers. Comments are invited from Regulated Entities, market participants and other interested parties till February 3, 2026, and may be submitted through the 'Connect 2 Regulate' section on the Reserve Bank's website or forwarded to the Chief General Manager, Market Risk Group, Department of Regulation, Reserve Bank of India, Central Office, Mumbai, or by email with the subject line "Feedback on Net Open Position – Revised Instructions". To read more, please click [here](#).

RBI issues Reserve Bank - Integrated Ombudsman Scheme, 2026

The Reserve Bank issued the revised Ombudsman framework on January 16, 2026, following the issuance of the draft Reserve Bank – Ombudsman Scheme, 2025 on October 7, 2025, and examination of the feedback received from stakeholders and the public. Necessary modifications have been suitably incorporated in the final Scheme, and a statement on the feedback received and action taken has been provided in the Annex. The revised Scheme, to be called the Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2026, which will come into force from July 1, 2026, is expected to strengthen the Reserve Bank Ombudsman framework and bring about further efficiency in the resolution of complaints. To read more, please click [here](#).

III. Reserve Bank of India and European Securities and Markets Authority sign a Memorandum of Understanding on cooperation and exchange of information related to Central Counterparties

The Reserve Bank of India and the European Securities and Markets Authority signed a Memorandum of Understanding on January 27, 2026 to strengthen cooperation and exchange of information relating to Central Counterparties regulated and supervised by the RBI, replacing the earlier MoU of February 28, 2017. The MoU enables RBI and ESMA to cooperate regarding CCPs, in line with their respective laws and regulations. The MoU establishes a framework for ESMA to place reliance on RBI's regulatory and supervisory activities while safeguarding the European Union's financial stability. The MoU also demonstrates the importance of cross-border cooperation to facilitate international clearing activities. The MoU was signed by RBI Executive Director Vivek Deep and ESMA Chair Verena Ross.

RBI Issues Amendment Directions on Priority Sector Lending - Targets and Classification

The Reserve Bank issued the Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 on January 19, 2026, amending certain provisions of the Master Directions – Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025. The amendments have been undertaken to align with certain regulatory changes notified separately, to include the National Cooperative Development Corporation (NCDC) as an eligible entity under the on-lending provisions of the priority sector lending framework subject to specified conditions, and to update references to certain existing instructions, apart from providing clarification on some existing provisions. The amended Directions shall come into effect from the date specified therein. To read more, please click [here](#).

Relief Measures in areas affected by Natural Calamities

The Reserve Bank of India on January 27, 2026, issued draft directions seeking public comments on rationalised relief measures for areas affected by natural calamities, in line with the Statement on Developmental and Regulatory Policies dated June 08, 2023, with the objective of harmonising prudential norms across regulated entities. The draft guidelines, applicable to banks, co-operative banks, NBFCs and all-India financial institutions, propose a principle-based resolution framework granting discretion to regulated entities, eligibility for standard exposures in SMA-0 category, dedicated timelines for invocation and implementation of resolution plans, continued standard asset classification with reduced provisioning for restructured exposures, and alternate banking service arrangements in affected areas. The guidelines will come into force from April 01, 2026, and public comments are invited by February 17, 2026. To read more, please click [here](#).

IV. Banker to Government

Ways and Means Advances for State Governments/ UTs

The Reserve Bank of India, on January 9, 2026, announced a revision in the Ways and Means Advances (WMA) limits following the assumption of general banking business of the Government of National Capital Territory of Delhi (GNCTD) pursuant to an agreement

entered into on January 5, 2026. The limits for financial accommodation to State Governments and Union Territories through Special Drawing Facility (SDF), WMA and Overdraft (OD) were last reviewed on June 28, 2024. With the WMA limit for GNCTD fixed at ₹890 crore effective January 9, 2026, the aggregate WMA limit for State Governments and Union Territories stands revised to ₹61,008 crore from the existing ₹60,118 crore. To read more, please click [here](#).

V. Surveys

RBI launches Quarterly Order Books, Inventories and Capacity Utilisation Survey: October - December 2025

The Reserve Bank launched the 72nd round of its Order Books, Inventories and Capacity Utilisation Survey (OBICUS) on January 7, 2026. The survey is for the reference period October – December 2025 (Q3:2025-26). The Reserve Bank has been conducting the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) of the manufacturing sector on a quarterly basis since 2008. 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. The level of capacity utilisation (CU) is estimated from these responses. The survey provides valuable input for monetary policy formulation. To read more, please click [here](#).

Launching of 113th Round of Quarterly Industrial Outlook Survey (IOS) - Q4:2025-26

The Reserve Bank on January 14, 2026 launched the 113th round of the quarterly Industrial Outlook Survey (IOS) of the Indian manufacturing sector for the reference period January-March 2026. The survey assesses business sentiments for the current quarter (Q4:2025-26) and expectations for the ensuing quarter (Q1:2026-27), 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 (Q2:2026-27 and Q3:2026-27) are also covered. To read more, please click [here](#).

VI. RBI's Official Podcast - RBI Talks: Paisa to Policy

The Reserve Bank of India launched its official podcast series, *RBI Talks: Paisa to Policy*, on January 1, 2026, following the announcement in the Monetary Policy on December 6, 2024, to use podcasts for wider public outreach. The series aims to simplify complex financial topics and make financial knowledge more accessible. The first episode titled "Demystifying KYC," can be accessed [here](#).

Launching of 48th Round of Quarterly Services and Infrastructure Outlook Survey (SIOS) Q4:2025-26

The Reserve Bank on January 14, 2026 launched the [48th round](#) of the quarterly Services and Infrastructure Outlook Survey (SIOS) for the reference period January-March 2026. The survey assesses the business situation for the current quarter (Q4:2025-26) from selected companies in the services and infrastructure sectors in India and their expectations for the ensuing quarter (Q1:2026-27) 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 (Q2:2026-27 and Q3:2026-27) are also covered. To read more, please click [here](#).

VII. Publication

RBI Bulletin – January 2026

The Reserve Bank released the [January 2026](#) issue of its monthly Bulletin on January 21, 2026. The Bulletin includes three speeches, two articles and current statistics.

Three speeches are:

- I. [Regulation and Supervision – Adapting to the Digital Age - Shri Sanjay Malhotra](#)
- II. [Issues and Challenges in Banking Supervision in the Digital Era - Shri Swaminathan J](#)
- III. [Regulation in the Digital Era – Issues, Opportunities and Challenges - Shri Shirish Chandra Murmu](#)

The two articles are:

I. State of the Economy: Global growth remained resilient in 2025 despite heightened uncertainties. Though elevated, global uncertainty witnessed further moderation in December. The first advance estimates of real GDP growth for 2025-26 reflected the resilience of the Indian economy, driven by domestic factors amidst a challenging external environment. High-frequency indicators for December suggest continued buoyancy in growth impulses with demand conditions remaining upbeat. Headline CPI inflation edged up in December but remained below the lower tolerance level. The flow of financial resources to the commercial sector has increased over the past year, with both non-bank and bank sources contributing to the credit pick-up.

II. Financial Stocks and Flow of Funds of the Indian Economy 2023-24: This article presents underlying trends in the financial stocks and flows (FSF) across the institutional sectors of the Indian economy during 2023-24 on a from-whom-to-whom (FWTW) basis. The analysis of financial flows provides insights into inter-linkages across sectors by tracking the sources and uses of funds reflecting the macroeconomic trends.

Highlights:

- The financial assets of the domestic sectors registered a growth of 13.9 per cent in 2023-24, up from 9.9

percent in 2022-23, while financial liabilities increased by 12.7 per cent higher than that of 10.4 per cent in the previous year.

- The financial resource balance of the domestic economy indicates reduction of deficit to 0.9 per cent of GDP in 2023-24 from 2.3 per cent of GDP in 2022-23.
- Households and financial corporations remained as surplus sectors, financing the general government's and non-financial corporations' deficits.
- Net financial wealth of domestic sectors rose to 28.6 per cent of GDP in 2023-24 from 24.8 per cent in 2022-23, signalling a broad-based strengthening of financial balance sheets of households, general government, and non-financial corporations.
- Despite global uncertainties, financial assets and liabilities of the rest of the world (RoW) increased in 2023-24, indicating the increased openness on the external front.
- Currency and deposits, loans and advances, and debt securities accounted for nearly two-thirds of the total financial assets and liabilities at end-March 2024. To read more, please click [here](#).

State Finances: A Study of Budgets of 2025-26

The Reserve Bank of India (RBI) released the Report '[State Finances: A Study of Budgets of 2025-26](#)' on January 23, 2026. The theme of this year's Report is 'Demographic Transition in India - Implications for State Finances'. It provides a comprehensive assessment of the finances of State governments for 2025-26 against the backdrop of actual and revised/provisional accounts for 2023-24 and 2024-25, respectively. To read more, please click [here](#).

VIII. Data Release

Important data released by the Reserve Bank during the month of January 2026 are as follows:

S/N	Title
1	Scheduled Banks' Statement of Position in India as on January 15, 2026
2	Overseas Direct Investment for December 2025
3	Lending and Deposit Rates of Scheduled Commercial Banks – January 2026
4	Sectoral Deployment of Bank Credit – December 2025
5	Monthly Data on India's International Trade in Services for the Month of December 2025