

*The Reserve Bank adopted various innovations in its communication strategy, sharpened economic and statistical policy analysis and research, and strengthened information management during the year. International relations were deepened and diversified, high points being India taking the Chair of the SAARCFINANCE, co-chairing the G-20's Framework Working Group (FWG) and planning to take the BRICS Chair in 2021. Effective cash management services on behalf of the government and sound management of foreign exchange reserves were concurrent objectives. A number of legislative initiatives/amendments were pursued during the year to ensure a robust legal framework necessary for a sound and efficient financial system in the economy.*

X.1 This chapter discusses the implementation status of the agenda for 2019-20 in the areas of communication, research, statistics, international relations, banking services, foreign reserves management, and legal services. It also outlines the agenda for 2020-21 in these functional areas. Section 2 presents major initiatives of the Reserve Bank with regard to its communication strategy and processes. Section 3 discusses the Reserve Bank's international relations, including with international organisations and multilateral bodies. Section 4 dwells on the activities of the Reserve Bank as a banker to governments and banks. Section 5 reviews the conduct of foreign exchange reserves management with a focus on safety, liquidity and returns. Section 6 sets out research activities, including statutory reports and frontline research publications. Section 7 profiles the activities of the Department of Statistics and Information Management. Section 8 covers the activities of the Strategic Research Unit. Section 9 presents the activities of the Legal Department. The chapter ends with a conclusion.

## 2. COMMUNICATION PROCESSES

X.2 The Department of Communication (DoC) is driven by the goals of transparent communication, clear interpretation and precise articulation in the dissemination of the Reserve

Bank's policies. The objective is to build public confidence and anchor expectations. For this purpose, it employs the Reserve Bank's website, media interfaces including regional, informal workshops, and social media tools for effective communication and public awareness. This also involves strategies for communicating during vulnerable, uncertain, complex and ambiguous (VUCA) times through closed door briefings in order to enhance a shared understanding of the Reserve Bank's policy actions and stance.

### Agenda for 2019-20: Implementation Status

#### Goals Set for 2019-20

X.3 Last year, the Department had set out the following goals under *Utkarsh*:

- Expanding engagement with the multi-lingual and multi-cultural society through its public awareness campaign (Para X.7 - X.10); and
- Organise workshops for national and regional media (Para X.11).

#### Implementation Status of Goals

X.4 The Reserve Bank strengthened the search functionality of its website to make it more user-friendly and provided direct access to its Complaint Management System (CMS) portal on

the home page of its website ([www.rbi.org.in](http://www.rbi.org.in)) to make the grievance redressal procedure easier and faster. The 'Mobile Aided Note Identifier' (popularly known as MANI), a mobile application for aiding visually impaired persons to identify the denomination of Indian banknotes, was launched on January 1, 2020 and its link was also placed on the homepage of the Reserve Bank's website for ease of navigation. Digitised versions of the Reserve Bank's publications, namely, Annual Reports, Monthly Bulletins, Committee Reports, Development Research Group (DRG) Studies, Occasional Papers, Report on Currency and Finance, Staff Studies, Statistical Tables Relating to Banks in India and Report on Trend and Progress of Banking in India, dating back to as early as 1930s, were made available on the Reserve Bank's website.

#### *Monetary Policy Communication*

X.5 Under the Monetary Policy Framework introduced in October 2016, the Reserve Bank communicates the resolutions of the Monetary Policy Committee (MPC) on its website immediately after the MPC's meeting. This is followed by Governor's post-policy press conferences, which is also disseminated through YouTube along with live streaming on the Reserve Bank's website, Twitter handle and business television channels. During 2019-20, this protocol was assiduously followed under a pre-announced bi-monthly schedule as well as for off-cycle meetings on March 27 and May 22, 2020 necessitated by the unprecedented situation caused by COVID-19. Audio and transcripts of the press conferences were uploaded on the Reserve Bank's website. The minutes of the MPC's meetings were uploaded on the website on the 14<sup>th</sup> day after every meeting of the MPC as provided under Section 45ZL of the Reserve Bank of India Act, 1934. Post policy

briefing sessions were also organised for media, researchers and analysts.

X.6 During March 22 - May 26, 2020, due to nation-wide lockdown induced by COVID-19 pandemic, Governor's announcements on Monetary Policy and other regulatory and developmental measures were broadcast live from the Reserve Bank's official YouTube channel and Twitter handle for simultaneous dissemination to all the media and general public.

#### *Public Awareness Campaigns*

X.7 During the year, the Reserve Bank carried out 360 degrees multi media public awareness campaigns on Risk vs Returns. Films on farmers and MSMEs were broadcast on All India Radio and *Doordarshan* during two financial literacy weeks. Various modes of mass communication, viz., print media, television, radio, websites, hoardings, cinemas and SMS were used to propagate awareness messages. Films on Safe Digital Banking, Limited Liability, Banking Ombudsman and banking facilities for senior citizens were also broadcast in popular events such as *Kaun Banega Crorepati* (KBC), Pro *Kabaddi* League and Road Safety Series on television during the year. Films on financial education and other useful areas, featuring cricketers and badminton players, who are employees of the Reserve Bank, were also released on the *Doordarshan* and All India Radio as a part of a year-long campaign.

X.8 In a special video message to the Indian citizens, Governor advocated the increased use of various digital modes of payment as part of social distancing in view of COVID-19 pandemic. A special campaign on "Pay Digital, Stay Safe" starring Shri Amitabh Bachchan, was released in digital and social media in April 2020 as part of COVID-19 public awareness measures. It was

followed by a relay of the message on major television channels and radio channels.

X.9 Apart from films and print advertisements, messages were also released through SMS and Interactive Voice Response System (IVRS) [Box X.1].

*Social Media*

X.10 The Reserve Bank’s Twitter handle @RBI with its 8,92,000 followers as on June 30, 2020,

is the largest among the central banks of the world. The Reserve Bank’s YouTube channel had 56,100 subscribers as on June 30, 2020. During the year, the Reserve Bank also launched its second Twitter handle and Facebook page under the title @RBIsays to ensure wider dissemination and circulation of public awareness messages, benefitting the public. The awareness campaign started with a message from the Reserve Bank’s Governor on the importance of using digital

**Box X.1  
Public Awareness Campaign through SMS**

The Reserve Bank’s public awareness campaign through SMS was launched on November 10, 2017. The aim of the campaign is to broaden the reach in creating awareness among people on financial and banking matter without meeting physically. The unique feature of the SMS campaign is the missed call element: upon giving a missed call to the Reserve Bank’s short code number 14440, the caller will receive a call back to get more information on the subject of the SMS. The details of topic of SMSs released under this campaign during the year are provided below.

*SMSs Broadcast between July 2019 and June 2020*

**SMS 1:** Fast and high returns scheme? It may involve risk! Complain at [www.sachet.rbi.org.in](http://www.sachet.rbi.org.in) if any entity defaults in repaying deposits. To know more, call on 14440.

**SMS 2:** For identification of banknotes by visually impaired persons, download RBI’s MANI app from [bit.ly/RBI-MANI](http://bit.ly/RBI-MANI). To know more, call on 14440.

**SMS 3:** Would you be willing to provide feedback on RBI’s public awareness messages? If yes, click on <http://nmc.sg/b2FrYT>.

**SMS 4:** Complaint against Bank, NBFC, system participant not redressed? Lodge complaint on RBI’s Complaint Management System @<https://cms.rbi.org.in>. To know more, call on 14440.

**SMS 5:** Repeat of the MANI App campaign.

**SMS 6:** Fraudulent transaction in your bank account? Limit your loss. Notify your bank immediately. For more details, give a missed call on 14440.

Details of outreach through SMS campaign are set out in Table 1 below.

**Table 1: SMS Campaign - Outreach**

(As on June 30, 2020, in lakhs)

Details	SMS 1	SMS 2	SMS 3	SMS 4	SMS 5	SMS 6
1	2	3	4	5	6	7
Total Unique Messages Sent	6,157	6,263	127	6,443	4,573	5,370
Total Unique Messages Delivered	4,002	4,259	115	4,511	3,441	4,154
Total SMS Parts Sent	11,782	12,665	127	12,728	7,305	9,641
Total SMS Parts Delivered	7,296	8,377	115	8,771	5,449	7,407

**Source:** RBI.

The SMS on MANI App has a link to the App store/Play store to enable easy download of the App. The SMS on Complaint Management System (CMS) also provided a link to the CMS portal, resulting in a spike in the number of complaints lodged. The SMS on Risk vs Returns has a link to the ‘Sachet’ portal for lodging complaints against companies coming out with dubious schemes to defraud the public. An impact survey to gauge the feedback on the SMS campaign was carried out in February 2020. The SMS had a link to a page on the Reserve Bank’s website with five questions. The result of the survey was positive and encouraging.

**Source:** RBI.

modes of payments: 'Pay Digital, Stay Safe'. It was followed by dissemination of Graphics Interchange Formats (GIFs) and caricatures on social media handles conveying messages in English, Hindi and eleven regional languages.

#### *Workshops for Media Persons*

X.11 During the year, the Department conducted three workshops at Bengaluru, Patna and Jaipur as part of its awareness programme for regional media. One workshop for national media was also conducted in Mumbai.

#### *The RBI Museum*

X.12 The RBI Museum located at 6, Council House Street, Kolkata celebrated its first anniversary on March 11, 2020. The Museum has interesting sections on stories of money, gold and the genesis of the Reserve Bank, explained through artefacts and interactive exhibits. The mezzanine floor of the museum houses an interactive gaming zone. Since its inauguration on March 11, 2019 till March 19, 2020<sup>1</sup>, 8,463 people visited the Museum. In addition to its regular exhibits, a special exhibition of rare collection of currency, including banknotes and commemorative coins, was also organised at the Museum.

#### **Agenda for 2020-21**

X.13 In 2020-21, the Department will focus on the following goals under *Utkarsh*:

- Conduct workshops/sessions for the media on important regulatory and banking related issues;
- Deepen its engagement with the society through public awareness programmes and social media presence; and
- In line with international experience, efforts will be made to create a 'Social Media Command Centre' for social media monitoring and listening.

### **3. INTERNATIONAL RELATIONS**

X.14 During 2019-20, the Reserve Bank strengthened economic and financial relations, especially with the international organisations and multilateral bodies, through its International Department (ID). Engagements in several bilateral and multilateral dialogues, focusing on enhancing cooperation among central banks fostered international relations. Several regional initiatives were undertaken in terms of capacity building, providing technical support and strengthening information dissemination through databases and surveys.

#### **Agenda for 2019-20: Implementation Status**

##### ***Goals Set for 2019-20***

X.15 Last year, the Department had set out the following goals:

- Strengthen international cooperation in the area of Finance Track under G20 (Para X.16 - X.19);
- Focus on the agenda of international financial architecture (*Utkarsh*) [Para X.20 - X.22];
- Successful completion of Article IV 2019 discussions with the IMF (*Utkarsh*) [Para X.23];
- Provide analytical policy briefs at BIS and CGFS meetings (Para X.24 - X.25);
- Contribute inputs for the FSB related issues (Para X.26);
- Strengthen macroeconomic research capacity of the BRICS CRA (*Utkarsh*) [Para X.27];
- Consider revising framework on Currency Swap Arrangement for SAARC countries

<sup>1</sup> With restrictions imposed under the pandemic, the Museum was unavailable to visitors since March 20, 2020.

in consultation with Government of India and other SAARC central banks (*Utkarsh*) [Para X.28];

- Carry forward the agenda under the SAARCFINANCE roadmap in terms of capacity building, providing technical support and undertaking collaborative studies (*Utkarsh*) [Para X.28]; and
- Other initiatives (Para X.29 - X.31).

### **Implementation Status of Goals**

#### *Saudi Arabia's 2020 Presidency of G20*

X.16 An important engagement in 2019-20 was the G20 Finance Ministers and Central Bank Governors (FMCBG) and Finance and Central Bank Deputies (FCBD) Meetings of G20 under Saudi Arabia's Presidency in 2020, around the theme of 'Realising Opportunities of the 21<sup>st</sup> Century for All'. India supported the G20 Finance Track work program aimed at empowering people through access to opportunities for all and shaping new frontiers by reaping benefits of innovation, including through digital financial inclusion. India supported the work program, with the Reserve Bank's contributions in the form of financial inclusion initiatives such as a 24x7x365 retail payment system based on inter-operability achieved with the help of Unified Payment Interface (UPI) and the use of digital technologies. India also supported the G20 initiative to develop a roadmap for enhancing global cross-border payments arrangements, especially remittances.

X.17 In coordination with the government, the Department participated in the meetings of various working groups of the G20 such as the Framework Working Group (FWG), the Infrastructure Working Group (IWG) and the International Financial Architecture (IFA) Working Group.

X.18 On the financial sector related issues, the G20 focused on transition of inter-bank offered rates (IBOR) benchmarks with the planned discontinuation of LIBOR at end-2021 besides issues relating to RegTech, SupTech and BigTech. India's view was that notwithstanding the steady progress towards the adoption of overnight (near) risk-free rates (RFRs) [e.g., Secured Overnight Financing Rate (SOFR) in the US, the European Short-term Rate (ESTER) in the Euro area, and Sterling Overnight Index Average (SONIA) in the UK], much remained to be done for a smooth transition away from the LIBOR, including outreach to stakeholders.

X.19 The Department provided inputs for the virtual FMCBG meetings held against the backdrop of the COVID-19 pandemic. India, being a co-chair of the G20's FWG, took the lead in formulating the Action Plan to tackle COVID-19 crisis.

#### *IMF and IFA Related Issues*

X.20 At the Annual Fund-Bank meeting in October 2019, it was clear that requisite support among the membership for a change in IMF quotas under the 15<sup>th</sup> General Review of Quotas (GRQ) was not coming forth as the US expressed its inability to contribute to any quota increase under the 15<sup>th</sup> GRQ. In February 2020, the Board of Governors of the IMF formally concluded the 15<sup>th</sup> GRQ with no increase in quotas and decided that the 16<sup>th</sup> GRQ will continue beyond December 15, 2020 and shall be concluded no later than December 15, 2023. During this extended period, the IMF would revisit the adequacy of quotas and continue with the process of governance reforms, including a new quota formula as a guide, and ensure the primary role of quotas in the IMF resources. The Board also called on the participants in the New Arrangements to Borrow

(NAB) for doubling of the NAB, effective January 1, 2021.

X.21 It has been felt that the IMF should continue to maintain its lending resources at least at the current level despite the fact that there was no quota increase under the 15<sup>th</sup> GRQ. Accordingly, India upheld support for the extension of 2016 Note Purchase Agreement (NPA) by one year under 2016 Bilateral Borrowing Agreements (BBAs) amounting to USD 10 billion, which will continue to be in effect till end-December 2020.

X.22 In the virtual International Monetary and Financial Committee (IMFC) meeting on March 27, the Reserve Bank proposed a non-stigmatised short-term liquidity swap facility that could be rapidly enacted for support to the member countries. The proposal gained traction and resulted in the IMF Executive Board approving a new “swap-like” Short-term Liquidity Line (SLL) that could be availed by countries with strong fundamentals, sound policies and institutional framework, facing international capital market volatility. The Department helped articulate India’s stance on various proposals relating to the IMF.

X.23 The Department also facilitated the successful completion of 2019 Article IV exercise, which is held under Article IV of the IMF’s Articles of Agreement. The IMF’s Staff Report was released in December 2019.

#### *BIS Activities*

X.24 With the Governor of Reserve Bank of India currently on the Board of the BIS, the Reserve Bank played an important role in shaping several new horizons of the BIS activities, with support and analytical inputs from the Department in Governor’s bi-monthly meetings of the BIS, including such virtual meetings conducted by the BIS in response to the spread of COVID-19.

X.25 The Department provided support to top management for various other meetings of the BIS Committees, especially the Committee on the Global Financial System (CGFS).

#### *FSB Initiatives on Global Financial Regulation*

X.26 The Financial Stability Board (FSB) assesses vulnerabilities in the global financial system and promotes international financial stability by coordinating with central banks, other national financial authorities and international standard-setting bodies. The Department prepared inputs for formulating India’s stance in the FSB on issues relating to the global financial system and associated risks to financial stability. The Department also coordinated with other units within the Reserve Bank and the regulatory bodies on India’s input to the FSB’s annual Non-Bank Financial Intermediation (NBFII) monitoring exercise and other surveys. The Department organised the FSB’s Regional Consultative Group (RCG) for Asia Conference call. The Department also contributed to reporting and discussions on major initiatives taken by the FSB to fight against the COVID-19 crisis.

#### *BRICS, SAARC and Bilateral Cooperation*

X.27 During the period under review, the BRICS central banks successfully conducted the second Contingency Reserve Arrangement (CRA) test-run. Operational aspects of the BRICS Bond Fund (BBF) were examined and mapped. Cooperation and dialogue on various areas like payment and settlement systems and information security, among the BRICS countries, were begun under the BRICS Russia Chair.

X.28 The Reserve Bank took over the Chair of the SAARCFINANCE (SF) from October 2019 for a period of one year. The Department

engaged in enhancing the cooperation among the SAARC central banks through various initiatives. These initiatives included work on development of SF Sync, a portal to facilitate a closed and secure channel for intra-SAARC central banks communication. The SF scholarship scheme for higher studies for officials in central banks and ministries of finance in SAARC countries, which was instituted in June 2013, was revised in May 2020. Under the revised scheme, *inter alia*, the ambit of eligible courses has been expanded and the scholarship amount and the number of scholarships that may be granted in a year have been enhanced. The recipient of the first SF scholarship in 2014 completed a Ph.D. from Jawaharlal Nehru University in 2019. The SF scholarship for 2019 was offered to two officials from Nepal Rastra Bank and Da Afghanistan Bank to pursue doctorate and post-graduation degrees in India, respectively. Technical support and exposure were provided to some member central banks under the SF roadmap of cooperation. Work towards standardising and enhancing SF

database progressed. A SF Survey on FinTech and Financial Inclusion was conducted, which enabled a stocktaking of FinTech and Financial Inclusion amongst SAARC countries. Based on this survey, the Reserve Bank has initiated a collaborative study on FinTech and Financial Inclusion with participation from all SAARC central banks, with a seminar in Udaipur in February 2020. With a new Framework on Currency Swap Arrangement for SAARC countries being put in place for the period 2019-22 (Box X.2), a swap agreement was signed with Royal Monetary Authority of Bhutan (RMAB) in January 2020 and swap support was extended in February. India also extended a swap line to Maldives in April 2020 and Sri Lanka in July to help bridge dollar liquidity needs on account of a collapse in tourism receipts and other disruptions in the aftermath of COVID-19.

#### *Other Activities*

X.29 The Terms of Engagement (ToE) between the Reserve Bank and the Bank of Japan (BOJ) to foster dialogue and cooperation were signed on November 4, 2019. The first RBI-BOJ senior

### **Box X.2**

#### **Framework on Currency Swap Arrangement for SAARC Countries, 2019-22**

Bilateral and multilateral swap arrangements have become an integral part of the Global Financial Safety Net (GFSN). India, in consultation with other SAARC countries, put in place a bilateral Currency Swap Arrangement for SAARC countries in 2012 for a period of three years, which has been extended two times so far. The current Currency Swap Arrangement for SAARC countries is valid for a three-year period starting from November 14, 2019 till November 13, 2022. Under this framework, the Reserve Bank will continue to provide liquidity support to the tune of USD 2.0 billion under a swap facility to SAARC central banks. Within this overall amount, each SAARC country is allocated a maximum eligible swap amount that has been decided on the basis of various economic parameters of that country.

Drawals can be made in US dollar, Euro or Indian Rupee (INR) and in multiple tranches under the overall eligible limit.

A 'Standby Swap Arrangement' (SSA) was incorporated in the framework on December 20, 2018, under which, additional swap amounts aggregating up to USD 400 million could be provided to individual countries beyond their specified limits by operating on the unutilised balances available within the overall size of the facility. There are concessions for swap drawals in INR in terms of waiting period and second rollover. The RMAB and Central Bank of Sri Lanka (CBSL) entered into a bilateral swap agreement with the Reserve Bank under the new Framework on January 31 and July 24 of 2020, respectively.

**Source:** RBI.

level dialogue under this ToE was held in Mumbai on November 4, 2019. The third meeting of the Joint Technical Coordination Committee (JTCC) – an Executive Director level forum between the Reserve Bank and the Nepal Rastra Bank (NRB) – to discuss and resolve issues of mutual concern, was held in Mumbai during September 5-6, 2019.

X.30 The Department continued its close engagements with the Ministry of Commerce and Industry, Government of India, and participated in the deliberations that culminated in India's draft report of the World Trade Organisation (WTO) Secretariat for the 7<sup>th</sup> Review of the Trade Policies and Practices of India (TPR) by the WTO. The Department also undertook engagements with the World Bank on issues relating to regulation, supervision and payment systems.

X.31 The Reserve Bank continued its active engagement with South Asia Regional Training and Technical Assistance Centre (SARTTAC) and the South East Asian Central Banks (SEACEN) Centre. It also extended support for the G24 and G30. Deliberations at the South East Asia, New Zealand and Australia (SEANZA) central bank forum culminated in a resolution – backed by a majority of the members – to wind it down, particularly keeping in view the emergence of other regional fora/capacity building institutions, such as the SEACEN, IMF training institutes and the Executives' Meeting of East Asia-Pacific Central Banks (EMEAP), while acknowledging its immeasurable contribution towards central bank cooperation and human resource development since the late 1950s.

#### **Agenda for 2020-21**

X.32 In 2020-21, the Department will focus on the following:

- Follow up on issues relating to the international financial architecture (IFA), including the 16<sup>th</sup> GRQ, Bilateral Borrowing Agreements (BBAs) and New Arrangements to Borrow (NAB) of the IMF (*Utkarsh*);
- Completion of its activities as the current SAARCFINANCE Chair including swap support, capacity building, and joint research (*Utkarsh*);
- Strengthening cooperation amongst the BRICS central banks through BBF, CRA and other initiatives with India taking over the BRICS Chair in 2021 (*Utkarsh*);
- Article IV consultations with the IMF;
- Intensify its engagement with the G20 in the run-up to its taking over the Presidency in 2022;
- Continue to provide inputs to the various G20 working groups;
- Providing inputs to Governor for activities relating to the BIS Board and the Governors' bi-monthly meetings;
- Contributing inputs for other meetings such as those of Committee on the Global Financial System and on FSB related issues, including FSB's annual monitoring exercise 2020 to assess global trends and risks from non-bank financial intermediation; and
- Providing inputs on enhancing cross-border payments, digital economy, FinTech and BigTech for technology-enabled supervisory and regulatory solutions.

#### **4. GOVERNMENT AND BANK ACCOUNTS**

X.33 The Department of Government and Bank Accounts (DGBA) oversees the functions of the Reserve Bank as banker to banks and banker

to governments, besides formulating internal accounting policies of the Reserve Bank.

### **Agenda for 2019-20: Implementation Status**

#### **Goals Set for 2019-20**

X.34 Last year, the Department had set out the following goals:

- Integration of *e-Kuber* with the systems of central government as well state governments/UTs for direct collection of their e-receipts and making e-payments (*Utkarsh*) [Para X.35];
- Integrate all agency banks for e-receipts reporting to *e-Kuber* (*Utkarsh*) [Para X.36];
- Strengthening the Goods and Services Tax (GST) framework by extending the current online Memorandum of Error process of the central government to all state governments (*Utkarsh*) [Para X.37];
- Revamping the inspection process for government transactions conducted by agency banks (*Utkarsh*) [Para X.38];
- Automation of calculating daily position of government balances (*Utkarsh*) [Para X.39];
- Discontinuing the P2F arrangement in a phased manner (Para X.40); and
- Other initiatives (Para X.41 - X.43).

#### **Implementation Status of Goals**

X.35 During the year, three state governments were newly on-boarded to the Reserve Bank's core banking solution portal – *e-Kuber* – for e-payments and three state governments were migrated to the enhanced version of the e-payments portal. Integration with *e-Kuber* for

e-receipts and e-payments was pursued with the remaining state governments, after which certain state governments have shown willingness and are examining the technical documents for integration. In the case of the central government, the Indian Customs Electronic Gateway (ICEGATE) system of Central Board of Indirect Taxes and Customs (CBIC) was integrated with *e-Kuber* and implemented from July 1, 2019 for collection of indirect taxes [other than goods and services tax (GST)] by the Reserve Bank through national electronic funds transfer (NEFT)/ real-time gross settlement (RTGS).

#### *Integration of Agency Banks with e-Kuber for Online Reporting of Government Receipts*

X.36 All agency banks are integrated with *e-Kuber* for online reporting to the Reserve Bank of GST receipts collected by them. Banks which facilitate state government transactions were also on-boarded to *e-Kuber* for online reporting of receipts to the Reserve Bank.

#### *Extension of Memorandum of Error (MoE) Process in GST Framework to All State Governments*

X.37 During the year, while the online MoE process was extended to three state governments for reconciliation of GST transactions, three state governments have completed the testing for the same and are expected to go live shortly. However, the COVID-19 pandemic has slowed the testing process between the Reserve Bank and state governments. The Reserve Bank is actively pursuing the quick on-boarding of the remaining state governments.

#### *Oversight of Agency Banks*

X.38 A detailed check-list on issues to be considered during inspections was prepared and necessary instructions were issued to the regional

offices of the Reserve Bank, as part of revamping process of oversight on agency banks.

#### *Automation of Daily Position Process*

X.39 After the commencement of NEFT operations on a 24x7 basis from December 16, 2019 and extension of this service to government transactions, there was a need to bring some changes in the operational process for calculating daily position of government balances. Accordingly, the contours of this goal are being reviewed and necessary revisions are being carried out.

#### *Discontinuation of Paper-to-Follow (P2F) Arrangement for State Governments*

X.40 The P2F arrangement for clearing of government cheques was discontinued in 13 states, based on the consent given by the state governments.

#### *Other Initiatives*

X.41 The agency commission rates for eligible government transactions were revised with effect from July 1, 2019. The centralised system of reimbursement of GST on agency commission paid to agency banks was stopped and, with effect from July 1, 2019, GST at applicable rates is paid along with agency commission claims at the regional offices of the Reserve Bank. A framework has also been put in place to have tax deducted at source (TDS) under GST as per applicable laws at the time of making agency commission payments.

X.42 In order to strengthen the responsibility of the agency banks for timely reporting of government transactions and also to ensure correctness of submission of their agency commission claims, agency banks are required to submit certificates by the bank official and by Chartered Accountant certifying the correctness of agency commission claim and that no government

receipt is pending for remittance while submitting agency commission claims with effect from August 1, 2019. Subsequently, agency banks were also enabled to provide such certificate from Cost Accountants with effect from September 25, 2019.

X.43 From February 2020, the Reserve Bank began participating in the National Automated Clearing House (NACH) system of the National Payments Corporation of India (NPCI). Credit transactions of a state government were migrated to NACH system.

#### **Agenda for 2020-21**

X.44 For 2020-21, the Department proposes the following agenda under *Utkarsh*:

- Integrating the central government's systems with *e-Kuber* for direct collection of their e-receipts and making e-payments (Box X.3);
- Integrating remaining state governments' systems (excluding Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura) with *e-Kuber*;
- Putting in place an efficient reporting system for Non-GST transactions;
- Putting in place Dashboard for government transactions; and
- Integrating remaining state governments for online MoE resolution process for reconciliation of GST transactions.

#### **5. MANAGING FOREIGN EXCHANGE RESERVES**

X.45 The Department of External Investments and Operations (DEIO) manages the country's foreign exchange reserves (FER), with safety, liquidity and returns – in that order – as its strategic objectives. During the year, FER increased by 17.7 per cent in June 2020 as compared with 5.9 per cent in the corresponding period of the previous

**Box X.3**

***e-Kuber* and Tax Information System (TIN) 2.0: Integration for Direct Taxes**

The existing process of collection of direct taxes through Online Tax Accounting System (OLTAS) is being migrated to Tax Information System (TIN) 2.0, which is hosted by the Income Tax Department and Office of the Principal Chief Controller of Accounts (Pr. CCA), Central Board of Direct Taxes (CBDT). The accounting of government transactions will now be facilitated through “PRAKALP” (*Pratayaksh Kar Lekhankan Pranali*), an application of Public Financial Management System (PFMS) under Office of the Controller General of Accounts (CGA). Besides CBDT and CGA, authorised banks and the Reserve Bank are also part of this TIN 2.0 eco-system. The Reserve Bank will work as a collecting bank as well as aggregator for accounting and settlement of direct taxes through *e-Kuber*, which will be integrated with the systems of agency banks, TIN and PRAKALP.

TIN 2.0, which is broadly based on the Goods and Services Tax (GST) structure, requires taxpayers to generate online challans from a centralised system, thus doing away with

preparation and handling of physical challans. It enables tax payers to use various payment options such as Internet Banking of authorised banks, Over-the-Counter (OTC) payment through branches of authorised banks including designated offices of the Reserve Bank, payment through NEFT/RTGS through any bank directly to the Reserve Bank and payment through approved instruments like Internet Banking, Debit Card, UPI/BHIM of any bank.

With the introduction of TIN 2.0, the challan generation information and confirmation of taxes received will be shared in real-time with all concerned stakeholders. Just like in the case of GST, all tax payments received by agency banks will be aggregated by the Reserve Bank so that funds received from agency banks can be credited to the respective government accounts along with OTC/NEFT collections by the Reserve Bank, as per prescribed timelines. The Reserve Bank will also provide necessary accounting and settlement related reports to the government systems.

**Source:** RBI.

year. As a diversification strategy similar to last year, gold was purchased and added to the FER during the year.

**Agenda for 2019-20: Implementation Status**

**Goals Set for 2019-20**

X.46 Last year, the Department had set out the following goals:

- Efforts to be made to enhance the repo and forex swap capabilities (*Utkarsh*) [Para X.47];
- Undertake a review of risk management practices (Para X.47); and
- Enhancement of IT infrastructure and security measures for cyber risks (Para X.47).

**Implementation Status of Goals**

X.47 During the year, a comprehensive review

of existing risk management practices was conducted, given the scaling up of operations in the instruments like repo and forex swap. Internal systems were fortified to enhance cyber security. The Society for Worldwide Interbank Financial Telecommunication (SWIFT) system was upgraded to the latest version of SWIFT Alliance Access in line with the recommendations of the SWIFT. Security cover was enhanced with the adoption of additional payment control services under the SWIFT.

**Agenda for 2020-21**

X.48 For 2020-21, the Department will focus on the following goals:

- An enhanced risk management framework (*Utkarsh*);
- Dedicated research inputs (*Utkarsh*); and

- Effective diversification of reserves through gainful deployment without compromising the safety of investments.

## 6. ECONOMIC AND POLICY RESEARCH

X.49 As the knowledge centre of the Reserve Bank with a focus on issues relating to the economy and the financial system, the Department of Economic and Policy Research (DEPR) strives to provide research inputs and management information system (MIS) services for policy formulation. The Department also generates primary national level data, prepares the Reserve Bank's statutory reports, brings out frontline research publications, promotes collaborative policy-oriented research with external experts and provides technical support to various operational departments and to technical groups/committees constituted by the Reserve Bank from time to time.

X.50 While fully adhering to the "work-from-home" guidelines to ensure utmost safety of all staff, and despite certain logistic constraints during the period, the Department provided all information and analytical inputs required for policy measures on time. Research and analysis related work continued without much disruption, and all research related publications were released on time. The Central Library facilitated uninterrupted remote access to various databases and other reference resources required for undertaking research. The Department also hosted a number of knowledge sharing sessions on online platforms.

### Agenda for 2019-20: Implementation Status

#### Goals Set for 2019-20

X.51 Last year, the Department had set out the following goals:

- Release various statutory and flagship publications (Para X.52);

- Compile and disseminate primary and secondary data (Para X.53);
- Deepening analysis and research on important areas of central banking (*Utkarsh*) [Para X.54];
- Explore big data applications for improving inflation and growth projections (*Utkarsh*) [Para X.54];
- Extend accessibility of digitised contents of the Central Library (Para X.55); and
- Organise events and expert talks (Para X.56 - X.57).

#### Implementation Status of Goals

X.52 During the year, the Department brought out the flagship publications, viz., the Annual Report, Report on Trend and Progress of Banking in India, and State Finances: A Study of Budgets of 2019-20 in a timely manner. The coverage of the monthly publication – Reserve Bank of India Bulletin – was expanded during the year to include quick research articles on issues of topical interest.

X.53 Compilation and dissemination of primary statistics on monetary aggregates, balance of payments, external debt, effective exchange rates, combined government finances, household financial savings and flow of funds on established timelines and quality standards engaged the Department during the year. This year's State Finances report also contained an 'e-State database' for the benefit of users, providing historical data from 1990-91 to 2019-20. In line with the G-20 Data Gaps Initiative, and also recognising the increasing demand from various stakeholders, the Department released quarterly data on consolidated states' (23 states) finances and combined finances of the centre and states during the year. Similarly, the data on Financial

Stocks and Flows of the Indian Economy from 2011-12 to 2017-18, a compilation of sectoral accounts, for the first-time, included sector-wise outstanding positions in line with the international standards.

X.54 During 2019-20, the Department expanded and deepened the scope of research activities by creating two new divisions, viz., Payment Systems Division (PSD) and New Frontiers Unit (NFU). The Department published 54 research papers/articles during the year, of which 17 were published outside the Reserve Bank in international and domestic journals; and 10 working papers were posted on the Reserve Bank's website. The published studies covered a wide range of issues like macroeconomic forecasting; big data analytics; inflation dynamics; banking sector; financial cycle; investment behaviour; payments system and fiscal issues. Furthermore, the DEPR Study Circle, an in-house discussion forum, organised 46 seminars/presentations during the year on diverse research themes, of which 11 were hosted online during the lockdown period. The Department also brought out two issues of the RBI Occasional Papers (Volume 40, Number 1 & 2), a peer-reviewed research journal of the Reserve Bank.

X.55 The Central Library and the Reserve Bank of India Archives (RBIA) are two key units of DEPR that provide reference materials on various subjects for conducting research and publishing reports, including the Reserve Bank's history. The Library has a comprehensive collection of books/e-books, including some rare books, journals/e-journals, and online databases on banking, economics and finance. The efforts during the year were focused on providing a unified interface for its users of online resources such as books, journals and data. The RBIA is responsible for implementation of the Archival and Records Management Policy in the Reserve Bank. It also

provides research facilities to the Reserve Bank's staff as well as to scholars from different parts of the country and abroad. The Archives has digitised 5 lakh more pages in 2019-20, taking the total digitised pages to 13 lakh.

X.56 The Department organised a number of events/expert talks during the year, including two memorial lectures. The 17<sup>th</sup> L. K. Jha Memorial Lecture was delivered by Shri N. K. Singh, Chairman, 15<sup>th</sup> Finance Commission on "Fiscal Federalism: Ideology and Practice" on November 22, 2019. On January 7, 2020, the 3<sup>rd</sup> Suresh Tendulkar Memorial Lecture was delivered by Mr. Tharman Shanmugaratnam, Senior Minister, Republic of Singapore on "Broad-based Prosperity: Tackling the Fundamentals".

X.57 The expert talks organised by the Department during the year included talks by Professor Arvind Panagariya, Columbia University on "A Reform Agenda for a New India" on July 11, 2019 and Shri Amitabh Kant, CEO of NITI Aayog on "Reaccelerating India's Economic Growth" on January 22, 2020. On November 26, 2019, researchers of the Reserve Bank had a fruitful interactive session with the Nobel Laureate Professor Robert Engle.

#### **Agenda for 2020-21**

X.58 The Department's agenda for 2020-21 will focus on the following goals:

- Analysis and research – exploring alternative models for improving inflation and growth projections, and a study on municipal finances (*Utkarsh*);
- Release of data on bilateral trade in services (*Utkarsh*);
- Studies in the areas of contemporary relevance such as spillover effects of

non-deliverable forward (NDF) market on onshore forex market in India; rural-urban inflation dynamics; determinants of discretionary spending of the states; and relationship between volatility index (VIX) and stock index;

- Revival of the publication titled the Report on Currency and Finance with the theme of “Reviewing Monetary Policy Framework”;
- Release of the History of the Reserve Bank, Volume-5 for the period spanning 1997 to 2008;
- Easy access to the Central Library’s digitised contents for the public; and
- Development of a document management software for better management of digital records available in the Archives.

## 7. STATISTICS AND INFORMATION MANAGEMENT

X.59 The Department of Statistics and Information Management (DSIM) provides high quality statistical services, including compilation, analysis and dissemination of macro-financial statistics to the public, and statistical support and analytical inputs for meeting the policy and operational needs of the Reserve Bank. DSIM maintains multi-dimensional statistical systems related to banking, corporate and external sectors; undertakes structured surveys relating to enterprises and households as inputs for monetary policy formulation; manages the centralised submission of returns through XBRL system and dissemination through the Reserve Bank’s data warehouse; and provides statistical analysis and forecasts.

X.60 The COVID-19 outbreak posed challenges on the data collection process, which was impacted mainly due to the non-availability of granular data

that comes from primary sources. During the initial phases of lockdown with travel restrictions, instead of computer aided personal interview (CAPI) method for conducting household/enterprise surveys, telephonic mode was used, which resulted in considerably lower responses than the usual one. Regarding the data reported by regulated entities, the Reserve Bank extended the timeline for submission, thereby, the timeliness of data availability was compromised to some extent. In addition, the pandemic has also slowed down the work related to operationalisation of the Centralised Information Management System (CIMS) – a next generation data warehouse of the Reserve Bank. Notwithstanding these difficulties, processing of data, which were already submitted, was continued with full vigour and dissemination of core statistics and forwarding of data to international agencies was carried out in accordance with schedule.

### Agenda for 2019-20: Implementation Status

#### Goals Set for 2019-20

X.61 Last year, the Department had set out the following goals:

- Implementation of CIMS towards full operationalisation with Granular Data Access Lab (GDAL) and regulatory sandbox environment (*Utkarsh*) [Para X.62];
- Development of a system for creating Public Credit Registry (PCR) (*Utkarsh*) [Para X.63];
- Deepening research and analysis using big data analytics (*Utkarsh*) [Para X.64];
- Expand the coverage of Central Information System for Banking Infrastructure (CISBI) (Para X.65);

- Examine the scope of extending the coverage of IESH to rural and semi-urban areas (Para X.66);
- Development of Central Fraud Registry (CFR) portal for primary urban cooperative banks (Para X.67); and
- Release of regular publications (Para X.68).

### **Implementation Status of Goals**

X.62 The implementation of the Centralised Information Management System (CIMS) was taken forward in a phased manner under the guidance of Technical Advisory Group (TAG) (Chairman: Professor G. Sivakumar) towards its operationalisation. Extensive consultations were held with the stakeholders, and Control Specification Documents (CSDs), including Functional Specification Documents (FSDs) of stakeholder departments, were prepared. Also, Hardware infrastructure, Data Structure Definitions (DSDs) for Statistical Data and Metadata Exchange (SDMX) implementation and selection of third-party vendor for performance test (PT), user acceptance test (UAT) and Data Migration Audit (DMA) were completed. A sandbox environment was created and operationalised with 16 returns from 10 banks on a pilot basis. However, the applicable returns from other banks are also being brought under its ambit.

X.63 With a draft Public Credit Registry (PCR) of India Bill under finalisation, implementation of PCR was initiated during the year.

X.64 The Department undertook research and analysis using advanced forecasting and nowcasting techniques for assessment of macroeconomic developments. The Department also applied big data analytics, artificial intelligence (AI) and machine learning (ML) techniques to gauge media sentiments on economic indicators.

In this regard, the assessment of food inflation based on online retail prices was completed using a big data approach.

X.65 The CISBI, which supports banking network and financial inclusion policies, was expanded during the year by including co-operative banks, ATMs and fixed-location business correspondents (BCs). The database of the external commercial borrowings (ECBs) was shifted to the Commonwealth Secretariat's MERIDIAN application for debt management to meet the new global definitions/standards.

X.66 A pilot round of the Inflation Expectations Survey of Households (IESH) was conducted to explore the issue of extending the coverage of IESH to rural and semi-urban areas.

X.67 A new XBRL web-logic environment with the feature of digitally-signed return filing workflow was made operational. This would obviate paper-based submission of statutory returns in a phased manner. The environment was extended to returns relating to non-banking financial companies (NBFCs). The Central Fraud Registry (CFR) portal of SCBs was augmented with new features like e-mail based login, removing threshold-amount based processing and facilitating better user management by bank administration. The CFR portal for primary urban cooperative banks is in the advanced stage of development.

X.68 During the year, the Department brought out its regular publications, viz., Handbook of Statistics on the Indian Economy, 2018-19; Statistical Tables Relating to Banks in India, 2018-19; Basic Statistical Returns of SCBs in India (BSR1, BSR2 and BSR7), Weekly Statistical Supplement (WSS) and the 'Current Statistics' portion of the Reserve Bank's Bulletin in a timely manner.

### Agenda for 2020-21

X.69 Going ahead, the Department will focus on the following goals:

- To make CIMS fully operational and migrate the existing databases – advanced analytic environments for use in GDAL and Data Science Lab (DSL) will be taken up; and element-based repository will be implemented in a phased manner following Statistical Data and Metadata eXchange (SDMX) standards, which will lead to operationalisation of metadata driven data maintenance and dissemination system (*Utkarsh*);
- Develop an end-to-end system for PCR and roll out of the registry in a phased manner (*Utkarsh*);
- Undertake policy-related research in the areas of modelling, nowcasting and forecasting of macroeconomic indicators, including the use of web-crawling using AI, ML, and big data analytics (*Utkarsh*);
- Operationalise the Data Sciences Lab (DSL) (*Utkarsh*);
- Develop a state-of-the-art single searchable CFR portal consisting of frauds reported by SCBs, UCBs and NBFCs to assist them in taking informed decision on providing credit; and
- Extend the consumer confidence survey (CCS) to all the urban centres, where IESH is currently being conducted.

### 8. STRATEGIC RESEARCH UNIT

X.70 The Strategic Research Unit (SRU) was established in February 2016 with the objective of undertaking research on contemporary issues

that are relevant across various verticals of the Reserve Bank. The Unit's research agenda consists of short, medium, and long-term goals.

#### Agenda for 2019-20: Implementation Status

##### Goals Set for 2019-20

X.71 Last year, the Unit had set out the following goals:

- Focus on data-intensive policy research (*Utkarsh*) [Para X.72];
- Address policy research questions (Para X.72);
- Continue to monitor macroeconomic developments (Para X.73); and
- Publish research findings and conduct joint studies with other departments (Para X.74).

##### Implementation Status of Goals

X.72 The Unit closely monitored different sectors of the economy and provided in-depth research inputs for bi-monthly Monetary Policy Strategy Meetings. During the year, the major output of the Unit included a dynamic factor model-based indicator for India that nowcasts overall GDP growth using available high-frequency data on the Indian economy. In addition, the bi-monthly presentations covered regular surveillance and market intelligence.

X.73 The medium-term research of the Unit involved analysis of issues relating to monetary policy transmission, financial market, India's growth outlook and financial vulnerability. The research findings were regularly presented to the top management and operational departments such as Department of Supervision (DoS) and Financial Market Regulation Department (FMRD).

X.74 SRU's collaboration with other departments included research on 'Price

Discrimination in Over-the-Counter (OTC) Currency Derivatives; yield curve forecasting; overnight index swap (OIS) surprises; and the impact of recent policy instruments such as Long-term Repo Operations (LTRO) and Operation Twist. As part of its long-term research agenda, SRU regularly disseminates its research findings with the academic and policy community.

#### **Agenda for 2020-21**

X.75 Going ahead into 2020-21, the Unit will continue to focus on the following:

- Issues of contemporary importance – tracking real time economic outlook/sentiment based on machine learning tools (*Utkarsh*);
- In-depth micro-analysis of the impact of policy reforms, e.g., green finance in India (*Utkarsh*); and
- Deepening collaborations with other operational and research departments within the Reserve Bank as well as outside scholars.

#### **9. LEGAL ISSUES**

X.76 The Legal Department is an advisory department established for examining and advising on legal issues, and for facilitating the management of litigation on behalf of the Reserve Bank. The Department vets circulars, directions, regulations, and agreements for various departments of the Reserve Bank with a view to ensuring that the decisions of the Reserve Bank are legally sound. The Department provides the secretariat to the First Appellate Authority under the Right to Information Act and represents the Bank in the hearing of cases before the Central Information Commission, with the assistance of operational

departments. The Department also extends legal support and advice to the Deposit Insurance and Credit Guarantee Corporation (DICGC), CAFRAL, and other RBI-owned institutions on legal issues, litigation and court matters.

#### **Agenda for 2019-20: Implementation Status**

##### ***Goals Set for 2019-20***

X.77 Last year, the Department had set out the following goals:

- Pursue the scope of amendments to various Acts of the Reserve Bank (Para X.78 - X.80);
- Manage litigation on behalf of the Reserve Bank (Para X.81 - X.87); and
- Continue to advise various departments of the Reserve Bank on legal matters (Para X.81 - X.87).

##### ***Implementation Status of Goals***

X.78 Several important legislations/regulations concerning the financial sector were brought in/amended during the year. The Finance Act (No. 2), 2019, *inter alia*, amended the Reserve Bank of India (RBI) Act, 1934 and the National Housing Bank Act, 1987. The amendment in the RBI Act incorporated an increase in the threshold of net owned funds of NBFCs and empowered the Reserve Bank to (a) remove directors and supersede the board of directors of NBFCs; (b) take action against auditors of NBFCs; (c) frame schemes for resolution of NBFCs; and (d) direct NBFCs to furnish statements relating to group companies of NBFCs. The amendment in NHB Act conferred powers to the Reserve Bank for regulation of Housing Finance Companies (HFCs). The above amendments came into force on August 9, 2019.

X.79 The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019 was promulgated on December 28, 2019. The Ordinance was replaced by the Insolvency and Bankruptcy (Amendment) Act, 2020. The Amendment Act introduces an additional threshold for certain classes of financial creditors such as allottees under real estate projects for initiating corporate insolvency resolution process and empowers the resolution professional to require suppliers to continue providing goods and services. It also provides that the company will not be liable for any offence committed prior to the insolvency resolution process, if there is a change in the management or control of the company. The Personal Data Protection Bill, 2019 was introduced in Parliament on December 12, 2019. The Bill has been referred to a Joint Parliamentary Committee for detailed examination. The Bill seeks to bring out (a) protection of personal data of individuals; (b) the role and responsibility of data fiduciaries in processing personal and sensitive personal data; (c) a framework for processing such personal data; and (d) a Data Protection Authority for the purpose of monitoring and enforcement.

X.80 The Banking Regulation (Amendment) Ordinance, 2020 was promulgated by the President of India on June 26, 2020. The Ordinance amends the Banking Regulation Act, 1949 as applicable to cooperative banks with a view to protect the interests of depositors and strengthen cooperative banks. By this Ordinance, the regulatory and supervisory powers of the Reserve Bank over cooperative banks stand substantially expanded. The Ordinance has also brought about certain minor changes in Section 45 of the Banking Regulation Act.

X.81 The Supreme Court *vide* its decision dated March 4, 2020 in the case of Internet and Mobile Association of India v. Reserve Bank of

India has, on the ground of proportionality, set aside the Reserve Bank's direction in dealing with virtual currencies, where entities regulated by the Reserve Bank were directed not to deal in virtual currencies or provide services for facilitating any person or entity in dealing with or settling virtual currencies and to exit the relationship with such persons or entities, if they were already providing such services to them.

X.82 In another landmark decision, the Supreme Court, held *vide* its decision dated May 5, 2020 that SARFAESI Act is applicable to cooperative banks.

X.83 On an application filed by certain banks in the case of Reserve Bank of India v. Jayantilal N. Mistry & Anr, the Supreme Court directed the Reserve Bank *vide* order dated December 18, 2020 not to release Inspection Reports/Risk Assessment Reports/Annual Financial Inspection Reports of certain banks, including the State Bank of India, until further orders.

X.84 In a few writ petitions filed before the High Court of Bombay challenging the directions issued by the Reserve Bank against Punjab and Maharashtra Co-operative Bank, the Court *vide* order dated December 5, 2019, declined to interfere, observing that the business of banking and its regulation should be left to the wisdom of the Reserve Bank.

X.85 The High Court of Kerala *vide* order dated November 29, 2019, dismissed the challenge on the approval given by the Reserve Bank for amalgamating thirteen District Central Cooperative Banks (DCCBs) in Kerala with the Kerala Bank.

X.86 Three writ petitions were filed before the Bombay High Court against the order dated April 28, 2020 passed by the Reserve Bank cancelling the banking license issued to the CKP Co-

operative Bank Limited (CKP). The interim reliefs sought against the operation of the order of the Reserve Bank were declined by the court.

X.87 As on June 30, 2020, thirty three writ petitions have been filed in various High Courts and the Supreme Court, either challenging the Reserve Bank's circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 related to COVID-19 pandemic or seeking relief under them. The Reserve Bank has taken necessary steps to clarify its position before various courts.

#### **Agenda for 2020-21**

X.88 In 2020-21, the Department will continue to focus on the following:

- Automate its workflow process and function, which in turn will enhance research, e-discovery and data analytics (*Utkarsh*);
- Provide a guidance note for its Central Public Information Officers to discharge their functions more effectively and expeditiously, keeping in view the Department's responsibilities as a secretariat to the Appellate Authority under the Right to Information Act (*Utkarsh*);
- Proactively perform its functions in close coordination with the operational departments of the Reserve Bank; and

- Manage litigation on behalf of the Reserve Bank.

#### **10. Conclusion**

X.89 In sum, the Reserve Bank adopted several innovative channels of communication during the year, in order to enhance shared understanding of the Reserve Bank's policy actions and stance, necessary to build public confidence. In the international arena, the Reserve Bank strengthened economic and financial relations, especially with the international organisations, multilateral bodies and other central banks, especially in the SAARC region. More state governments were integrated with the Reserve Bank's Core Banking Solution – *e-Kuber*, along with other agency banks for processing Goods and Services Tax (GST) transactions. Foreign exchange reserves were managed and guided by the consideration of safety, liquidity and returns. During the year, research activities were sustained by undertaking studies on a wide range of contemporary issues. Statistics and information management system was further strengthened by implementation of CIMS, expanding CISBI and usage of big data, among others. In order to ensure a robust legal framework for the banking and financial sector, a number of financial laws/bills were introduced/amended during the year.