Chapter - V

Department of Financial Services

1. Organisations/Institutions/ Regulators Under DFS

Under the administrative control of the Department of Financial Services (DFS), a total of 120 organizations fall into various categories, including Public Sector Banks, Public Sector Life Insurers, Public Financial Institutions, Regulators, Regional Rural Banks, DRTs/ DRATs, CERSAI, Office of Custodian, Office of Special Court, and Court Liquidator. Below are the details of these organizations:

Public Sector Banks(12)

- State Bank of India
- Punjab National Bank
- Bank of Baroda
- Canara Bank
- Union Bank of India
- Bank of India
- Central Bank of India
- Indian Bank
- Bank of Maharashtra
- UCO Bank
- Punjab & Sind Bank
- Indian Overseas Bank

Public Sector Insurers(7)

- Life Insurance Corporation of India (LIC)
- General Insurance Corporation of India (GIC)
- The New India Assurance company limited
- United India Insurance Company Limited (UIICL)
- The Oriental Insurance Company Limited (OICL)
- National Insurance Company Limited (NIC)
- Agriculture Insurance Company of India Limited (AICIL)

Public Financial Institutions(7)

- National Bank for Agriculture and Rural Development (NABARD)
- Export -Import Bank of India (Exim Bank)
- India Infrastructure Finance Company Limited (IIFCL)
- National Bank for Financing Infrastructure and Development (NaBFID)
- Industrial Finance Corporation of India Limited (IFCI)
- National Housing Bank (NHB)
- Small Industrial Development Bank of India (SIDBI)

Regulators (3)

- Reserve Bank of India (RBI)
- Pension Fund Regulatory and Development Authority (PFRDA)
- Insurance Regulatory and Development Authority of India (IRDAI)

Regional Rural Banks (43)

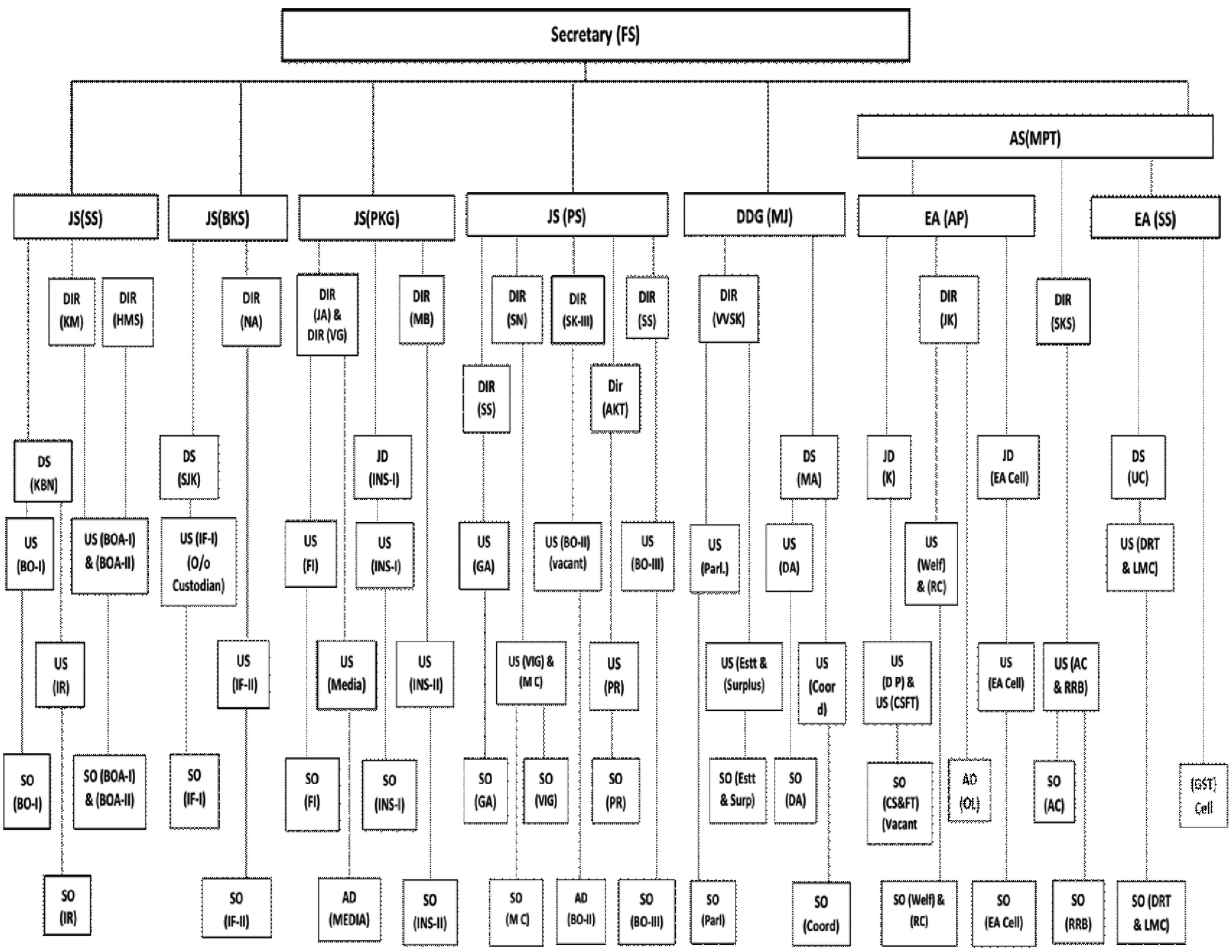
- Andhra Pragathi Grameena Bank
- Chaitanya Godavari Grameena Bank
- Saptagiri Grameena Bank
- Arunachal Pradesh Rural Bank
- Assam Gramin Vikash Bank
- Dakshin Bihar Gramin Bank
- Uttar Bihar Gramin Bank
- Chhattisgarh Rajya Gramin Bank
- Baroda Gujarat Gramin Bank
- Saurashtra Gramin Bank
- Sarva Haryana Gramin Bank
- Himachal Pradesh Gramin Bank
- Ellaquai Dehati Bank
- J&K Grameen Bank
- Jharkhand Rajya Gramin Bank
- Karnataka Gramin Bank
- Karnataka Vikas Grameena Bank
- Kerala Gramin Bank
- Madhya Pradesh Gramin Bank
- Madhyanchal Gramin Bank
- Maharashtra Gramin Bank
- Vidharbha Konkan Gramin Bank
- Manipur Rural Bank
- Meghalaya Rural Bank
- Mizoram Rural Bank
- Nagaland Rural Bank
- Odisha Gramya Bank
- Utkal Grameen Bank
- Puduvai Bharthiar Grama Bank
- Punjab Gramin Bank
- Baroda Rajasthan Kshetriya Gramin Bank
- Rajasthan Marudhara Gramin Bank
- Tamil Nadu Grama Bank
- Andhra Pradesh Grameena Vikas Bank
- Telangana Grameena Bank
- Tripura Gramin Bank
- Aryavart Bank
- Baroda UP Bank
- Prathama UP Gramin Bank
- Uttarakhand Gramin Bank
- Bangiya Gramin Vikash Bank
- Paschim Banga Gramin Bank
- Uttar Banga Kshetriya Gramin Bank

DRTs and Others

2. Organisational Chart

The Department is headed by the Secretary (Financial Services) who is assisted by one Additional Secretary, four Joint Secretaries (JS), two Economic Advisers (EA) and a Deputy Director General (DDG).The organisational chart of the department is shown below:

Flow Chart – Department of Financial Services



3. Work Allocation among Sections

At present, there are **28 sections** within this department, and their work allocation is as follows:

Banking Operation-I (BO-I)

- Appointment of Governor/Deputy Governor of RBI, Chairman & MDs of SBI, CMDs and EDs of Nationalised Banks, salary allowances and other terms and conditions of Whole Time Directors of PSBs.
- Constitution of Boards of Directors of RBI and PSBs: appointment of Workmen Employee Directors, appointment of Part Time Non-Official Directors and Officer Employee Directors of PSBs.
- Nomination of Directors on the Board of PSBs

Banking Operation-II (BO-II)

- Administration of all Acts/Regulations/Rules related to Financial Systems like the Negotiable Instruments Act, 1881, the Chit Funds Act, 1982 and the Price Chits and Money Circulation Schemes (Banning) Act, 1978, etc., Banning of Unregulated Deposit Scheme Act, 2019
- Deposit Insurance and Credit Guarantee Corporation (DICGC), Act, 1961.
- Coordination of work on matters related to Disaster management and crisis management.
- Payment and Settlement System Act, 2007,
- Matters relating to Digilocker, wherein the proposal is to enable the updation of the address of the account-holder in banks.

- Disposal of appeals received under section 9 of the Payment and Settlement Systems Act, 2007
- Factoring Regulation Act, 2011.
- State Legislations – Protection of Interest of Depositors Acts of State Governments
- Matters relating to Multi-Level Marketing and Ponzi Schemes.
- Setting up of IFSC – GIFT.
- International Relations (Banking) / Bilateral issues
- International Cooperation in. WTO, RCEP, JCCII and CEPAs/CECAs/FTAs of India with bilateral and multilateral partners.
- Matters relating to Financial Sector Development Council and its Sub-committees.
- Matters relating to Central Economic Intelligence Bureau (CEIB)
- Matters relating to office of Court Liquidator, Kolkata
- Work relating to Government Agency Business
- Financial Action Task Force (FATF);
- Setting up of Currency Chest by banks in border districts (within 80 KMs of International Border)
- Rationalization of Bank Holidays / declaration of bank holidays under section 25 of the Negotiable Instruments Act, 1881
- Know Your Customer (KYC) all matters – AML and CFT matters

Banking Operation-III (BO-III)

- Customer Service in Banks/FI/Ins.
- All kinds of complaints/representations received from individual/ associations for redressal of their grievances in these institutions such as delay in clearance of cheques, non-payment/non-issue of drafts, non-issue/delay in issue of duplicate drafts, misbehaviour/rude behaviour/harassment on the part of staff of the Institution, non-settlement/delay in settlement of deceased accounts, non-transfer/delay in transfer of accounts from one office to another, non-opening/delay in opening of new accounts, non-compliance with standing instructions of the customers, non-payment of term deposits before maturity, delay in payment to pensioners, including those related to credit cards, ATMs, etc.
- All kind of complaints received from DARPG/ DPG relating to Public/ Private Sector/Foreign Banks/FI/Ins.
- All kinds of complaints received from MPs/VIPs /PMO against Private Sector & Foreign Banks.
- Banking Customer Service
- Banking Ombudsman.
- Coordination of PRAGATI meetings

Banking Operation & Accounts-I (BOA-I)

- Preparation of annual consolidated review on the working of Public Sector Banks (PSBs) and laying it on the Tables of both Houses of Parliament.
- Pattern of accounting and final accounts in Public Sector Banks.
- Study and analysis of the working results of PSU Banks.
- Taxation matters of PSBs/FIs.
- Dividend payable to Central Government by PSBs.
- Scrutiny of the annual financial reviews of PSBs conducted by RBI under Section 35 of the Banking Regulation Act, 1949 and follow up action.
- Capital restructuring of PSBs (including restructuring of weak PSBs) and Government's contribution to share capital, public issue of banks.
- Release of externally aided grants to ICICI Bank under USAID.
- Disputes and arbitration between PSBs and between PSBs and other Govt. Departments/ PSEs.
- Appointment of advocates in PSBs.
- Residuary matters of Portuguese Banks in Goa.
- Opening and shifting of administrative offices of banks.
- All Policy matters related to Banking Operation such as Licensing, amalgamation, reconstruction, moratorium funds, and acquisition of private sector banks.
- Functioning of PSBs
- Notification regarding exemption from various sections of the Banking Regulation Act, 1949 and appointment of appellate authority to hear

appeals under BR Act and Banking Companies (Acquisition and Transfer of Undertakings) Act of 1970 and 1980

- Administration of all Acts/ Regulations/ Rules related to Public Sector Banks, RBI and State Level Banks
- Laying of annual reports and audit reports etc., of PSBs in Parliament

Banking Operation & Accounts-II (BOA-II)

- Credit Information Companies (CICs).
- Works relating to monitoring of NPAs and Recovery including compromises and OTS of all PSBs.
- Parliament matters, VIP/PMO references, complaints and other matters relating to above works.
- All matters related to NPA/Stressed Assets (other than Sectoral Stress), including relief measures by banks in area affected by natural calamities.
- Stressed Assets Stabilization Fund (SASF).
- Audit of banks, appointment and fixation of remuneration of auditors of PSBs/FIs.
- Bank guarantees, Letters of Credit and Letters of Undertaking / Comfort by PSBs and related complaints.
- Citizen's Charter of PSBs/RBI.
- Acquisition/Leasing/Renting/Vacation of premises, Estate Officers under Public Premises Act, 1971.
- Operation of foreign banks in India (including IDC and FDI Policy matters).
- Banking Sector Reforms (including EASE Index and PSB Reforms Agenda)
- NBFCs and Appellate Authority on NBFCs.
- Operational risk management (other than cyber-security and digital payments security), including frauds and fugitive offenders.
- Administration of all Acts/Regulations/Rules related to NBFCs and CICs.
- Statement of Intent / Key Performance Indicators / Performance evaluation of whole-time Directors.
- Insolvency Bankruptcy Code (IBC)
- Overseas branches of Indian banks

Industrial Relations (IR)

- Service matters of PSBs including IDBI/ RBI
- Industrial Disputes Act matters, HR matters relating to PSBs and RBI Unions and Associations in the Banking Industry, Bipartite settlements of policy of transfer, promotion, and HRD in banks
- IB reports about political activities of bank employees.
- Pay and Allowances of bank employees in overseas branches.
- HR Reforms.

Agriculture Credit (AC)

- Credit flow to Agriculture and allied sectors
- Agricultural Debt Waiver and Debt Relief Scheme, 2008.
- Matters relating to NABARD (including pension matters of NABARD), Agriculture Finance Corporation(except Service matters), State Legislations on the subject, Co-operative Banks (including Urban Co-operative Banks), external aided projects relating to rural/agriculture credit, appeals made by co-operative banks, financial assistance to persons affected by natural calamities, riots disturbances, etc. Bank credit to KVIC, handloom and handicraft sector.
- Citizen Charter of NABARD
- Appointment of CMDs & Directors of NABARD
- Kisan Credit Card (KCC) Scheme
- Secretarial assistance to the designated appellate authority in regard to appeal by Urban Cooperative banks against cancellation of license by RBI.

Regional Rural Banks (RRB)

- Legislative matters with regard to RRB Act, 1976 and framing of rules there under.
- Nomination of non-official directors on the Board of RRB, appointment of Chairman, Recommendation of RRBs, review of performance of RRBs, wage revision, manpower planning.
- Laying of Annual Reports of all RRBs along with review thereof.
- Formation of Staff Service Regulation and Promotion Rules for employees and officers of RRBs, IR matters of RRBs.

- Citizen's Charter of RRBs.
- Priority Sector Lending, Micro Finance and other related matters which includes lending to weaker sections including SC/ST, PM's New 15 Point Programme for the Welfare of Minorities, Credit to minorities, Follow up action of Select Parameters recommended by Sachar Committee, DRI Scheme.

Insurance-I (Ins.-I)

- Corporate governance, appointment and service matters pertaining to public sector insurers and AICIL, Insurance Regulatory and Development Authority of India, Council of the Institute of Actuaries of India, Insurance Ombudsmen, Council of Insurance Ombudsmen, recruitment and the terms and conditions of agents of the Life Insurance Corporation of India, and insurance appointment related matters pertaining to Banks Board Bureau Administration of the Actuaries Act, 2006 and related matters
- Matters of public entities relating to the Public Premises (Eviction of Unauthorized Occupants) Act, 1971
- Parliamentary, audit, right to information, court, arbitration and VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto

Insurance-II (Ins.-II)

- Administration of the Insurance Act, 1938; Life Insurance Corporation Act, 1956; General Insurance Business (Nationalisation) Act, 1972; Insurance Regulatory and Development Authority Act, 1999 and related matters, other than those related to corporate governance, appointment and service matters or those relating to recruitment and the terms and conditions of agents of the Life Insurance Corporation of India
- Policy matters relating to insurance, and to this end, analysis of the trends and development in and the performance of the insurance sector and various bodies established by or under the said Acts
- Administrative matters pertaining to public sector insures and Agriculture Insurance Corporation of India Limited (AICIL), other than governance, appointment and service matters
- Assessment of capital requirements, divided payouts and performance of public sector insurance and AICIL
- Social security schemes for insurance protection and other insurance schemes sponsored/ supported by the Government
- Insurance Ombudsmen Rules and administration thereof, other than corporate governance, appointment and service related matters pertaining to Insurance Ombudsmen and the Council of Insurance Ombudsmen
- Foreign investment in insurance sector
- Reforms in the sector and public sector insurers, including adoption of technology in insurance (except matters allocated to the Cybersecurity and FinTech Section)
- Supporting the section in charge of international cooperation matters on insurance related aspects of international cooperation
- Taxation matters relating to insurance sector
- Matters relating to the industry, including those raised by industry bodies/associations
- Implementation of Law Commission Reports
- All residual matters relating to insurance which are not enumerated specifically as an item of work allocated to either Insurance-I Section or Insurance-II Section
- Parliamentary, audit, right to information, court, arbitration, VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto.

Financial Inclusion (FI)

- National Mission for Financial Inclusion (NMFI) related matters including monitoring of flagship schemes of DFS:
  - (a) Pradhan Mantri Jan Dhan Yojana (PMJDY) (Policy & implementation)
  - (b) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) (Only implementation)
  - (c) Pradhan Mantri Suraksha Bima Yojana (PMSBY) (Only implementation)
  - (d) Pradhan Mantri Mudra Yojana (PMMY) (Policy & implementation)
  - (e) Stand Up India (SUPI) (Policy & implementation)
- Work relating to financial inclusion, coordination with other sections, offices, institutions etc on Financial inclusion.

- Branch expansion of banks
- Lead Bank Scheme and Service Area Approach.
- District and State Level Bankers' Committee (SLBC).
- Regional imbalances of banking network, matters related to Business Correspondents/Business Facilitators, Mobile Banking etc.,
- Deployment of banking touchpoints/BCs/ATMs and Jan Dhan Darshak App (JDD) related issues.
- BC related policy matters including monitoring of their activities.
- Matters relating to Minimum deposit balance, cash handling & digital payment charges;
- Administrative matters of Mission Office.
- Banking matters Pradhan Mantri Jan Dhan Yojana (PMJDY), Mission Office
- India Post Payment Banks (IPPB) and other payment bank related matters.
- Inter- State Zonal Council Meetings.
- Aspirational District, LWE and other interventions for financial inclusion by government.
- Financial Literacy, Coordination with RBI on National Strategy for Financial Inclusion (NSFI)/ Financial Inclusion Advisory Committee FIAC)/ TGFIFL and related issues
- Matter related to 75 Blocks – DoNER program (SAMBHAV), SVAMITVA Scheme, Antyodaya program, AKAM 2.0, SVANidhi. PM Vishwakarma Scheme etc.

Industrial Finance-I(IF-I)

- Administration of the Export-Import Bank Act-1981 and Scheme for financing Viable Infrastructure Projects (SIFTI) of IIFCL, Operational/Policy/Budgetary matters relating to Exim Bank, IIFCL, IWRFC and IIBI Ltd.
- Matters related to IFCI Ltd, IDFC Ltd, Winding up matter related of IIBI Ltd, and other related matters.
- Board level Appointments-Whole Time Directors-IIFCL, EXIM, IFCI Ltd and their personnel matters.
- Government Nominee Directors-EXIM Bank, IIFCL, IFCI Ltd. and IDFC Ltd.
- Non-Official Directors/Independent Director in - EXIM Bank, IIFCL and IFCI Ltd.
- Sector-specific matters like infrastructure, power, textiles, exports; steel, telecom, road, shipping (added) etc. matters related to sectoral issues
- Laying of annual reports of IIFCL, EXIM Bank, IFCI Ltd and Liquidator's report of IIBI Ltd. Before the parliament.
- Matters related to Ratnagiri Gas and Power Pvt. Ltd (RGPPL).
- Citizen's Charter of EXIM Bank and IIFCL.
- All matters related to resolution and registration issues of Asset Reconstruction Company (ARC) and to track the activities of the ARCs.
- All matters related National Investment and Infrastructure Fund.
- Appointment of Statutory Auditor in EXIM Bank
- Media and Publicity related matters of DFS
- Project Monitoring Group (PMG) Meeting
- Partial Credit Guarantee Scheme (PCGS)
- Joint Parliamentary Committee (JPC) (which enquired into irregularities in securities transactions).
- Disciplinary action against bank employees/ executives involved in irregularities in securities transactions.

Office of Custodian

- Establishment matters relating to Special Courts/ Office of the Custodian.
- All issues pertaining to continuation of posts, budget matters of the O/o Custodian and Special Court including extension of the O/o Custodian and appointment of Custodian.

Industrial Finance-II (IF-II)

- Administration of National Housing Bank Act, 1987.
- Administration of Small Industries Development Bank of India Act
- Administration of National Housing Bank Act Administration of State Financial Corporation Act.
- Operational, Policy and Budgetary matter relating to SIDBI and NHB
- Matters relating to NHB and Housing Policy.
- Post winding up of BIFR & AAIFR matters.
- Matters related to Micro, Small and Medium Enterprises (MSMEs), TReDS. SIDBI, SFCs,

Credit Guarantee Fund for Micro and Small Enterprises, CGFMU, CGFSI, CGTMSE, CGFF,

- MLIs, Credit Guarantee Scheme and other related matters on the subject.
- Citizens Charter of NHB and SIDBI.
- All matters related to Educational Loans including Vidyalakshmi Portal, Govt. Sponsored Schemes-PMEGP, Education, employment generation scheme of SJSRY, SGSY and other poverty alleviation programmes and other related matters, VIP references, Audit Paras, CPGRAM, RTI, Parliament Questions, Assurances, Grievances, Budget Announcements, Coordination with RBI and State Govts.
- Appointment and all personnel matters of Whole Time Director in SIDBI and NHB.
- Appointment of Non-Official/Independent Directors and Government Nominee Directors in SIDBI and NHB
- Laying of annual reports of SIDBI and NHB before the parliament
- All matters related to Pradhan Mantri Mudra Yojana (PMMY).
- Micro Finance (IF-II) - Matters related to Micro Finance Institutions and Legislation thereon, Self Help Groups as well as NABARD's Micro Finance, etc.
- Matter related to psbloansin59minutes portal

Vigilance

- Consultation with CVC/CTE.
- Nomination of CVOs for PSBs/FIs/PSICs.
- Correspondence with CBI.
- Annual Action Plan on Anti-Corruption measures
- Investigation of cases of frauds by CBI & RBI.
- Matters under Prevention of Corruption Act.
- Preventive vigilance.
- Vigilance systems and procedures in RBI/PSBs/ FIs and Insurance Companies PFRDA and IRADI/RBI
- Inquiry into complaints against GMs/EDs and CMDs of PSBs/FIs/PSICs/PFRDA and IRADI/ RBI and Vigilance Surveillance over them.
- Major frauds in PSBs (in India and abroad).
- PMO references on anti-corruption measures.
- Bank security, robberies & loss prevention in banks.
- Sanction of prosecution in case of ED/CMDs.
- War Book Matters.
- Annual Reports of CVC.
- Conduct Regulation in PSBs/FIs, employment after retirement regulations in PSBs.
- CVC/CBI references relating to DRTs/DRATs.
- Vigilance clearance, sanction of prosecution and any other matter of Board level appointees of PSBs, FIs, PSICs, PFRDA, IRDA and RBI
- Vigilance matters of Officials in DFS, Officers of Office of Custodian and Government Officials in DRTs/DRATs

Cybersecurity and FinTech (IT)

- Matters relating to overall cybersecurity for the financial services sector and in the Department.
- Coordination of FinTech and Deep Tech (artificial intelligence, big data, block chain, etc.) matters related to the financial services sector and the Department (including matters related to e-payments in the banking system).
- Matters relating to e-Governance in all FIs and e-Payments in banking system and computerisation of PSBs.
- Promotion of digital payment including National Common Mobility Card (NCMC) scheme of MoHUA, Direct Benefit Transfer (DBT), Digital Payment Infrastructure (DPI), matter related to NPCI and its subsidiaries.
- Matters relating to Payment Regulatory Board (PRB) constitution and matters related to PRB.
- Incentive scheme for Promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (person-to-merchant).
- Scorecard of banks for promotion of digital payments.
- On-boarding of merchants on digital payment platforms.
- Matters related to various modes of digital payments including UPI, BHIM - QR, RuPay Debit and Credit cards, IMPS, USSD, PoS, etc.
- Charges levied on various modes of payments including Merchant Discount Rate (MDR).
- Frauds related to various modes of digital payments including online frauds.

- Matters related to app based digital payment and digital lending platforms except regulation.
- Banking matters relating to digital payment platforms.
- Coordination with NIC for the Department
- Management of the Department's website and web services

Debts Recovery Tribunals (DRT)

- Establishment of DRTs/DRATs under the Recovery of Debts due to Banks and Financial Institutions Act, 1993.
- Administration of Recovery of Debts and Bankruptcy (RDB) Act, framing or amending rules for implementing of the provisions of the Act.
- Filling up of the posts of Chairpersons, Presiding Officers, Registrars, Assistant Registrars, Recovery officers, and other posts in DRTs/ DRATs.
- Issuing clarifications/guidelines etc. on administrative matters/review.
- Progress and disposal of cases by DRT/DRATs.
- Budget provisions, monitoring, etc relating to DRTs/DRATs.
- Administration of SARFAESI Act, appointment of Registrar/MD & CEO, CERSAI, ease of doing business agenda- flowing from recent amendments.
- CKYC matters under Prevention of Money Laundering Act, 2002.
- Policy matters relating to Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI), a PSU, including the Central Registry under the SARFAESI Act, 2002

Pension Reforms (PR)

- Reforms in the Pension Sector
- Policy matters with respect to NPS, Atal Pension Yojna and Swavalmban Scheme
- Administration of PFRDA Act, 2013
- Framing of rules under PFRDA Act, 2013
- Appointments of Chairperson and Board member of PFRDA, CVO in PFRDA, Budget and Funds of PFRDA and Legislative and policy prescriptions to PFRDA

Parliament

- Collection, identification and marking of Parliament Questions, Notices, admitted Questions, and getting the files approved from the Minister.
- Preparation of facts and replies for pads of Ministers.
- Keeping track and record of pending Assurances, Special Mentions and References under 377 and other matters as mentioned in the Induction Material.
- Presidential address to the Joint Session of Parliament
- Compilation and submission of material for Parliament Questions to other Ministries/ Departments
- Parliamentary Committee Matters

Welfare Section (SCT)

- Matters relating to recruitment, promotion and welfare measures of SC/ST/OBC/PH and Ex-servicemen in Public Sector Banks/Financial Institutions and Public Sector Insurance Companies (PSBs/FIs/PSICs).
- Matter of policy regarding reservation for these categories in PSBs/FIs/PSICs, reservation matters in RRBs etc.
- Inspection/examination of Reservation Roster for SCs/STs/OBCs in PSBs/FIs/PSICs

Establishment (Estt.)

- Matters pertaining to the Officers and Staff of DFS including RRs, appointment, ACRs, deputation (including abroad), training, IWSU, SIU, welfare, review of officers under FR 56(J), internal vigilance, staff grievances, pension, etc.
- Grant of various advances to officers and staff, payment of fees to advocates, settlement of medical claims and CGHS matters, family welfare programme.

Coordination (Coord.)

- Organisation of FM's meetings with CEOs of PSBs and regional consultative committee meetings.
- Staff Meeting of Secretary (FS)/ Senior Officers Meeting (SOM).
- Monitoring & Review of disposal of VIP references, PMO references, coordination of RBI pending matters.

- Parliament Questions regarding VIP references.
- Monthly DO letter to Cabinet Secretary from Secretary (FS).
- Appointment of CPIOs, ACPIOs, AA and Nodal Section for RTI matters of DFS and to deal with CIC for Annual Report etc.
- Updation of Induction Material for DFS; Co-ordination of VIP, PMO, President-Sectt.,etc, references involving more than two Divisions of DFS.

General Administration (GA)

- Housekeeping/Security matters, cleanliness, stores, canteen, R&I, library.
- Staff Car Drivers, vehicles to the officers of DFS.
- Purchase of Computer Hardware and maintenance of Computers, Printers and other equipment
- Maintenance of furniture and electricity items
- Logistic support for arranging farewell of staff of DFS.
- Providing of Identity Cards to the Staff of DFS and CMDs/EDs/PROs of Public Sector Banks/ Financial Institutions/Insurance companies, etc.

Hindi

- Implementation of Official Language Policy of the Government.
- Translation work relating to Parliament Questions.
- Standing Committees, Minutes of the Meetings.
- Hindi Teaching Scheme and other miscellaneous work as mentioned in induction material of DFS.

Reservation Cell

- Assistance to the Liaison Officer for smooth functioning and discharging of his duties and responsibilities as Liaison Officer for SC/ST/ OBC/EWS/PwD, preparation / maintenance of reservation roster of SC/ST/OBC/EWS/PwD for the proper secretariat of this Department, reply to Parliament Questions/National Commission for SC/ST/OBC/PwD in respect of SC/ST/OBC/ EWS/PwD staff of the Department, maintenance of data of SC/ST/OBC/EWS/PwD staff of the Department, submission of all reports/ information to other Ministries/Departments/ Parliamentary Committees, etc. in the related matters.

Data Analysis (DA)

- Reserve Bank of India Credit Policy - Busy Season - Slack Season and selective credit control.
- Financial sector assessment and sectoral credit analysis.
- Banking Statistics regarding bank deposits and advances.
- Deposits and advances of banks.
- Rates of interest on bank deposits and advances.
- Dissemination of results and important information relating to RBI, IBA, studies on banking reforms.
- Analysis of other international reports relevant to banking sector in India.
- Analysis of Reports of committees on Financial Sector Reforms etc.
- Management Information System - collection, collation of data relating to Banking Industry.
- Result Framework Document (RFD), Speeches of FM/MOS on different occasions.
- Audit Paras.
- UN e-Government Index & Digital Services
- Work related to committee of Financial Sector Statistics
- Coordination of budget proposals of DFS. Matters related to Budget Announcements, Output-outcome Monitoring Framework
- Sustainable Development Goals – Indicators pertaining to DFS

GST Cell

- Overseas preparedness of all institutions under DFS to implement GST, to provide inputs to the " Banking, Financial and Insurance" Sectoral Group with reference to GST.
- Other matters related to coordination, rollout and implementation of GST w.r.t institutions under administrative control of DFS etc.

Surplus Cell

- All service matters and day to day administrative matters related to surplus staff of AAIFR & BIFR including their redeployment,
- Consultation with DoPT, handling of court cases of surplus staff, RTI and personal matters of surplus staff such as leave, retrial benefits, perks & allowances etc.

Legal Monitoring Cell

- Monitoring of court cases and follow-up with concerned Sections to effectively meet the timelines.
- Management and updation of court cases of the Department on LIMBS portal and keeping track of court cases of the Department on the websites of Hon'ble Supreme Court/Hon'ble High Courts/ Hon'ble Central Administrative Tribunal etc.
- Receiving of court cases/correspondence related to court cases and their marking/distribution to concerned Sections.
- Payment of legal bills and matters related to appointment of Central Government Standing Counsel for the Department.

4. Developments in Banking Sector

4.1 Overall condition of Banking Sector

As a result of implementation of Reforms in the financial system, and particularly in Public Sector Banks (PSBs) by the Government, performance of banking sector has significantly improved, as indicated below:

a) Asset quality has improved significantly with

- Gross Non-Performing Asset (NPA) ratio of Scheduled Commercial Banks (SCBs) declining to 3.25% (Rs.5.28 lakh Crore) in Sep-23 from 4.28% (Rs. 3.23 lakh Crore) in Mar-15 and from a peak of 11.18% (Rs. 10.36 lakh Crore) in Mar-18.
- Gross NPA ratio of PSBs declining to 4.17% (Rs3.77 lakh crore) in Sep-23 from 4.97% (2.79 lakh crore) in Mar-15 and from a peak of 14.58%(8.96 lakh crore) in Mar-18
- Net NPAs ratio of SCBs declining to Rs.1.20 lakh Crore(0.76%) in Sep-23 from Rs. 2.31 lakh crore(3.13%) in Mar-15 and from a peak of Rs. 5.2 Lakh Crore(5.94%) in Mar-18
- Net NPAs of PSBs declining to 0.85 lakh crore (0.96%) in Sep-23 from 2.15 lakh crore (3.92%) in Mar-15 and from a peak of 4.54 lakh crore(7.97%) in Mar-18

b) Resilience has increased with-

- Provision coverage ratio of SCBs rising to 92.01% in Sep-23, from 49.31% in Mar-15.
- Provision coverage ratio of PSBs increasing from 46.04% in Mar-15 to a healthy 92.19% in Sep-23

c) Capital adequacy has improved significantly, with-

- Capital Adequacy Ratio (CRAR) of SCBs improving by 385 Basis Points (bps) to reach 16.79% in Sep-23 from 12.94% in Mar-15.
- CRAR of PSBs improved by 373 bps to reach 15.18% in Sep-23 from 11.45% in Mar-15.

d) During FY 22-23, SCBs have recorded highest ever aggregate net profit of Rs. 2.63 lakh crore against net profit of Rs. 1.82 lakh crore in FY 21-22. PSBs have also recorded highest ever net profit of Rs. 1.05 lakh crore in FY 22-23. Further, PSBs have recorded aggregate net profit of Rs. 0.68 lakh crore in the first half of FY 2023-24

e) PSBs declared dividend of 27,830 crore to shareholders (Government of India share 18,088 crore) in FY 2023-24 against total dividend of 20,964 crore to shareholders (Government of India share 13,804) in FY 2022-23.

f) Enabled by implementation of comprehensive reforms, the financial health of PSBs has improved significantly, enhancing their ability to raise capital (in the form of both equity and bonds) from the market. PSBs have mobilized capital of 3.96 lakh crore from the market from FY 2014-15 to FY 2023-24(up to 30.09.2023).

g) Banks, earlier placed under Prompt Corrective Action (PCA) framework by RBI, have made significant improvement resulting in removal of each one of them from the PCA restrictions.

4.2 National Asset Reconstruction Company Limited (NARCL) and India Debt Resolution Company Ltd. (IDRCL)

NARCL and IDRCL have been set up to consolidate and take over the existing stressed debt and then manage and resolve the accounts by implementation of various resolution strategies including disposing of the assets to Alternate Investment Funds and other potential investors for eventual value realization. As on March 2024, NARCL has already acquired 9 borrower entities, with an aggregate debt exposure of 59,897 crores. (Out of these 9, NARCL is acting as Resolution Applicant in 2 cases with total debt exposure of 32,815 crore). NARCL has given offers in 18 accounts (Debt Exposure of 58,713 crore) where Swiss Challenge has been completed in 6 accounts having total debt exposure of 16,994 crores and initiation of Swiss challenge by lenders is under way in 7 accounts with aggregate debt exposure of 14,182 crores.

4.3. Regional Rural Banks

Revitalizing Regional Rural Banks (RRBs)

The RRBs were established under the provisions of the ordinance promulgated on 26th September, 1975 and RRBs Act, 1976. The first 5 Regional Rural Banks (RRBs) were established on 2nd October 1975 to commemorate the birth anniversary of Mahatma Gandhi with the objective to create an alternative channel to cooperative credit structure with a view to ensure sufficient institutional credit for rural and agriculture sector. The RRBs, with focus on serving the rural areas, are an integral segment of the Indian banking system. Sponsored by the Commercial Banks, the equity of RRBs is held by the Central Government, concerned State Government and the Sponsor Bank in the proportion of 50:15:35. These banks are envisaged to be State-sponsored, regionally based and rural-oriented. The purpose of establishment of the RRBs is to develop the rural economy by providing credit and other facilities to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs. As on 31 March 2024, 43 RRBs are operating through a network of 21,995 branches with operations extending to 31.33 Crore deposit accounts and 3.03 Crore loan accounts in 26 States and 3 Union Territories (Puducherry, Jammu & Kashmir, Ladakh) covering 700 districts of the country. All branches of RRBs are on Core Banking Solution (CBS) Platform.

4.3.1 Unprecedented Capital Support for RRBs

FY 2021-22 was a watershed year in the context of RRBs as Government of India(GoI) decided to infuse 10,890 crore (GoI share: 5,445 crore) of capital in RRBs during FY 2021-22 and FY 2022-23.

The total recapitalisation assistance budgeted for RRBs during FY 2021-22 and FY 2022-23 amounted to 10,890 crore including the proportionate share capital contribution by State Governments (15%) and Sponsor Banks (35%). This is in comparison to the total capital infusion of 8,393 crore by all stakeholders from 1975 till FY 2020-21.

4.3.2 Objectives of the Recapitalisation scheme

RRBs have been regularly infused with capital in the past to help them meet the regulatory capital requirement of 9% CRAR (Capital to Risk Weighted Assets Ratio). However, this latest scheme aims to rejuvenate and revitalise the RRBs with sufficient growth capital to facilitate reinventing themselves as sustainably viable and self-sufficient financial institutions and for leading the growth process. The capital infusion is to help RRBs in technology adoption and to efficiently cater to the financial inclusion needs of the rural populace.

The recapitalisation scheme is accompanied by operational and governance reforms under the broad ambit of Sustainable Viability Plan with a well-defined implementation mechanism aimed at credit expansion, business diversification, reduction in Non Performing Assets (NPA), cost rationalisation, technology adoption, improvement in corporate governance etc.

4.3.3 Status of Receipt of Sanctioned Recapitalisation Assistance

4.3.3.1. Status of receipt of recapitalisation assistance sanctioned in FY 2021-22 and FY 2022-23

An amount of 8,168 crore (GoI Share: 4,084 crore) was sanctioned as recapitalisation assistance to 22 RRBs during FY 2021-22. Department of Financial Services (DFS), GoI vide their sanction letter dated 28 March 2022 accorded approval for placing GoI's share of 4,084 crore towards recapitalization of 22 RRBs at the disposal of NABARD, with the advice to release the GoI's share to RRBs on pro-rata basis, depending upon the proportionate prior release of the funds by the Sponsor Banks and the State Governments. All the 22 RRBs received the entire amount of recapitalisation assistance sanctioned during FY 2021-22 by March 2023 from all the stakeholders.

An amount of 2,722 crore (GoI Share: 1,361 crore) was sanctioned as recapitalisation assistance to 22 RRBs during last week of FY 2022-23. As on 31 March 2024, all the 22 RRBs have received the entire amount of recapitalisation assistance from Sponsor Banks and State Governments.

19 RRBs have received the entire amount of GoI's share amounting to 1,097.05 crore. Out of the remaining 3 RRBs, 2 RRBs in Uttar Pradesh received the proportionate share of State Government in February 2024 and have received a partial GoI share amounting to 2.95 crore against the sanctioned amount of 198.63 crore. The proportionate State Government share was released by Government of Kerala in March 2024 and the GoI share is yet to be released to Kerala Gramin Bank.

4.3.4. Progress in Achievement of Objectives of Recapitalisation Scheme

Post sanction of recapitalisation assistance during FY 2021-22, all RRBs rolled out a 3-year Board approved Viability Plan (VP) in FY 2022-23 with a well-defined implementation mechanism aimed at achieving sustainable viability through credit expansion, business diversification, asset quality improvement, cost rationalization, technology adoption and improvement in corporate governance.

In this backdrop, the performance of RRBs has improved significantly during FY 2023-24 and has reached historic highs on several parameters. RRBs posted highest ever consolidated net profit of 7,556 crore during FY 2023-24 and their consolidated Capital to Risk Weighted Assets Ratio (CRAR) was at an all-time high of 14.21% as on 31 March 2024. The asset quality measured by GNPA (Gross Non-Performing Assets) at 6.12% was the lowest in the previous 7 years. Credit expansion led to an increase in consolidated CD ratio to 71.44%, which was the highest in over 15 years. The pace of technology adoption has increased as more RRBs have started rolling out digital services to their customers. Also, RRBs have shown renewed interest in financial inclusion activities as their share in the implementation of flagship schemes has increased during the year.

4.3.5 Role of RRBs

RRBs have a mandate to ensure rural development and foster financial inclusion. Over the years, the RRBs have traversed a long journey. The contributions being made by RRBs as a whole at present, are briefly as under:

(i) Of the total loans extended by the RRBs, over 88% of loans are extended to the priority sector and about 69% goes to agriculture. Of the total loans, about 60% is extended to weaker sections of society.

(ii) RRBs play a significant role in extending micro credit. They account for 30% of the SHG accounts and 26% of the loan amount. 19% of total KCCs have been issued by the RRBs.

(iii) Share of RRBs in total accounts/enrolments under Government Sponsored Schemes like Pradhan Mantri Jan Dhan Yojana(PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Surksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), etc., varies from 14% to 19%.

(iv) 92% of the branches of RRBs are in rural and semi urban areas. Though RRBs have 14% of total bank branches in the country, their share in total number of rural branches is about 29%. In the banking network of rural areas in aspirational districts, RRBs have about 40% of the branches. Moreover, many RRBs have branches in remote areas and they are providing financial services to vulnerable sections.

(v) In rural areas, the share of deposit accounts of RRBs is about 26% and RRBs have the highest average balance in PMJDY accounts amongst all categories of banks. In North-eastern region, RRBs cater to the banking needs of about 38% of the rural people. As against the overall rural CD Ratio of 67% for all the Scheduled Commercial Banks, RRBs had a rural CD Ratio of 76% as on 31 March 2023.

4.3.6 Important Developments in the context of RRBs in FY 2023-24

(i) Region-wise review meeting of RRBs by Hon'ble Union Finance Minister: Hon'ble Union Finance Minister chaired meetings in different regions of the country to review the functioning of RRBs, with a special focus on the status of technology upgradation of the RRBs. The details of the review meetings are as under:

S. No	Region	Place	Date of Review
1	Northeastern Region	Agartala, Tripura	21 July 2023
2	Southern Region	Chennai, Tamil Nadu	04 August 2023
3	Northern Region	New Delhi	30 August 2023

(ii) **Review of Progress Under Viability Plans by Secretary, DFS :** A symposium on 'Strengthening financial sustainability and operational viability of RRBs' was organised for Chairpersons of all RRBs at College of Agricultural Banking, Pune on 11th & 12th May 2023. As a part of the symposium, Secretary, DFS, chaired a meeting to review the progress made by RRBs on various parameters fixed in their respective viability plans. It was noted that there has been substantial improvement in the financial performance of RRBs in 2023-24 as compared to 2022-23.

(iii) **Review of Status of Technology Upgradation in RRBs by Additional Secretary, DFS**: During FY 2023-24, DFS has conducted 4 review meetings (4 May 2023, 31 October 2023, 19 January 2024 and 22 March 2024) under the Chairmanship of Additional Secretary, DFS specifically to review the status of technology upgradation in RRBs in which representatives from RBI, NABARD and Sponsor Banks participated. As a result of the emphasis on the technology upgradation in RRBs, the number of RRBs which have acquired license to launch internet banking facility has increased from 11 as on 31 March 2022 to 29 as on 29th February 2024. The number of RRBs which have acquired license to launch mobile banking facility has increased from 29 as on 31 March 2021 to 34 as on 29th February 2024. More RRBs are also offering customer centric digital services viz. Unified Payment Interface (UPI), Video Know Your Customer (KYC), Bharat Bill Payment Service etc.

(iv) **RRBs included as Member lending Institutions (MLIs) of Credit Guarantee Fund Scheme for Education Loans (CGFSEL)**: In order to address the issue of declining loan portfolio of RRBs under priority sector loans to education, Ministry of Education, vide gazette notification dated 18 April 2023 has included RRBs which are members of Indian Banks' Association (IBA) as eligible Lending Institutions of the CGFSEL administered by National Credit Guarantee Trustee Company Ltd (NCGTC).

(v) **Increase in Ceiling of Guarantee under Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGTMSE):** CGTMSE vide notification dated 15 December 2023 has increased the ceiling of guarantee for RRBs from 50 lakh to 2 Crore for RRBs under the CGTMSE for all guarantees approved on or after 01 January 2024.

(vi) **Review of Instructions on Bulk Deposits:** RBI vide notification dated 26 October 2023 has enhanced the bulk deposit limit for RRBs. Previously, Single Rupee term deposits of Rupees fifteen lakh and above for RRBs was categorised as "Bulk Deposit". The limit has been enhanced to Rupees one crore and above vide the aforesaid notification.

4.3.7 Key Financial Parameters

(Amount in ₹ crore)

Particulars	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24
No. of RRBs (No.)	43	43	43	43
Branch Network (No.)	21,856	21,892	21,995	21,995
Share Capital	8,393	14,880	17,232	19,042
Reserves	30,348	34,359	40,123	46,642
Deposits	5,25,226	5,62,538	6,08,509	6,59,727
Borrowings	67,864	73,881	84,712	92,444
Investments	2,75,658	2,95,665	3,13,401	3,04,545
Gross Loans & Advances O/s	3,34,171	3,62,838	4,10,738	4,71,393
No. of RRBs earning Profit	**30**	**34**	**37**	**40**
Amount of Profit (A)	3,550	4,116	6,178	7,791
No. of RRBs incurring Losses	**13**	**9**	**6**	**3**
Amount of Losses (B)	1,867	897	1,205	235
Net Profit of RRBs (A – B)	1,682	3,219	4,974	7,556
GNPA (Amount)	31,381	33,190	29,894	28,869
GNPA (%)	9.4	9.1	7.3	6.1

4.4 Financial Security Initiatives for Enterprises

4.4.1 Emergency Credit Line Guarantee Scheme (ECLGS)

- Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises in meeting their operational liabilities and restarting their businesses in context of the disruption caused by the COVID-19 pandemic. This scheme covered all the sectors of the economy.
- Under ECLGS, 100% guarantee was provided to Member lending Institutions (MLIs) in respect to the credit facility extended by them to eligible borrowers. In view of the evolving situations in the light of Covid waves and its effect on the various sectors of the economy, scope of the scheme was extended to include more sectors, by the introduction of ECLGS 2.0, 3.0 and 4.0 as well as changes from time to time. The scheme was valid till 31.3.2023.
- As informed by National Credit Guarantee Trustee Company Limited (NCGTC), guarantees amounting to Rs. 3.68 lakh crore have been issued benefiting 1.19 crore borrowers. The share of MSMEs is 95% by number of guarantees and about 65% in terms of amount of guarantees issued.

Amount of Guarantee Issued	No. of Borrowers befitted	Amount of Guarantee issued for MSMEs
Rs 3.68 Lakh Crore	1.19 Cr.	Rs. 2.39 Lakh Crore

* *As informed by National Credit Guarantee Trustee Company Limited (NCGCTC)*

- As per a research report dated 23.1.2023 of the State Bank of India on ECLGS, almost 14.6 lakh MSME accounts, of which about 98.3% of the accounts were in the micro and small enterprises categories, were saved. In absolute terms, MSME loan accounts worth Rs. 2.2 lakh crore improved since inception of ECLGS for entire banking industry. This means that around 12% of the outstanding MSME credit has been saved from slipping into non-performing asset (NPA) classification due to ECLGS.

No. of MSME account saved since the inception of ECLGS	Worth of MSME loan accounts improved since inception of ECLGS (in Rs. Lakh crore)	% of outstanding MSME credit saved from slipping into NPA
14.6 lakh	2.2	~12

* *As per a research report by SBI dated 23.1.2023 on ECLGS*

4.4.2. Loan Guarantee Scheme for Covid affected Sectors (LGSCAS)

The Loan Guarantee Scheme for Covid affected Sectors (LGSCAS) was formulated as a specific response to an exceptional situation the country witnessed due to lack of adequate health infrastructure in the light of second wave of Covid-19.

The Scheme aimed at upscaling the medical infrastructure in the country, specifically targeting underserved areas. Under the scheme, guarantee coverage is being provided for the funding provided by Scheduled Commercial Banks to eligible projects in the healthcare sector for setting up of or modernising / expanding (i) hospitals/dispensaries/ clinics/medical colleges/pathology labs/ diagnostic centers; (ii) facilities for manufacturing of vaccines/oxygen/ ventilators/ priority medical devices; (iii) public healthcare facilities.

The Scheme provided guarantee cover to both brownfield and greenfield projects subject to a maximum loan of Rs.100 crore per project. Guarantee cover was 50% in brownfield projects and 75% in case of greenfield projects and all projects in aspirational districts. The scheme was valid till 31.3.2023.

Performance under LGSCAS scheme is as below:

Project Type	Districts	No of Guarantees Issued	Loan Amount Guaranteed (In Rs. crore)
Brownfield Project	Aspirational Districts	138	163.40
	Non - Aspirational Districts	999	3,506.80
Greenfield Project	Aspirational Districts	300	920.65
	Non - Aspirational Districts	2,392	11,373.46
Total		**3,829**	**15,964.30**

4.4.3 Credit Guarantee Scheme for Micro Finance Institutions (CGSMFI)

The Credit Guarantee Scheme for MFIs (CGSMFI) was launched in June, 2021 as part of the Economic Relief Package announced to support Indian economy in fight against COVID-19 pandemic. It was a Credit Guarantee Scheme for loans by Scheduled Commercial banks (SCBs) or other Institutions (as decided from time to time) to NBFC-MFIs and Micro Financial Institutions (MFIs) in the country for onward lending to small borrowers and was valid till 31.03.2022. As informed by National Credit Guarantee Trustee Company Limited (NCGTC), as on 31.03.2022, loans amounting to Rs 10,000 crores have been sanctioned under the scheme as per details as under.

(Amount in Rs. crores)

As reported	Sanction by MLIs to MFI reported by NCGTC	Disbursement by MLIs to MFI reported by NCGTC	No of Beneficiaries under CGPAN as reported by NCGTC	Sanctioned by MFI to Small Borrowers as reported by NCGTC	Disbursement by MFIs to Small Borrowers as reported by NCGTC
Total	10,000	9,765.04	24,28,127	9,478.89	9,464.44

4.5 DigitalPayments

The Government has been taking various initiatives for promotion of digital transactions in the country, especially the creation of digital public infrastructure (Aadhar, UPI, Account Aggregator Framework, Digi Locker, CBDC, ONDC etc.). The digital payment transactions in the country has seen tremendous growth, especially after FY 2013-14. As per the 2023 Prime Time for Real-Time report from ACI Worldwide and Global Data, India has the highest digital transactions globally with a share of 46 percent global real time transactions in 2022. The digital payment transactions have grown from 220 crore in FY2013-14 to 18,737 crore in FY2023-24. During the same period, the value of transactions has grown from 952 lakh crore to 3,659 lakh crore. The monthly transactions for March 2024 stood at 13.44 billion totaling to an amount of INR 19.78 trillion. The volume of Unified Payment Interface (UPI) online transactions witnessed a 57 percent YoY growth in FY23-24.

In July 2023, Promotion of Digital Payments has been transferred from MeitY to Department of Financial Services vide Cabinet Notification No.1/21/6/2023-Cab. dated 17th July 2023. Department of Financial Services is coordinating with various stakeholders for proliferation of digital payment ecosystem in the country.

1. Progress in Digital Payment Transactions:

Digital payments have significantly increased in recent years as a result of coordinated efforts of the Government with all stakeholders. The total digital payment transactions volume increased from **2,071 crore** in FY 2017-18 to **18,737 crore** in FY 2023-24 at **CAGR** of **44%.**

Digital Payment Transactions has seen a tremendous growth especially after FY 2013-14. The digital payment transactions have grown from **220 crore** in FY2013-14 to **18,737 Crore** in FY2023-24. During the same period, the value of transactions has grown from **₹ 952 lakh crore** to **₹ 3,659 lakh crore**.

Financial Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Volume (in crore)	2,071	3,134	4,572	5,554	8,839	13,462	18,737
Value (in ₹ lakh crore)	1,962	2,482	2,953	3,000	3,021	3,355	3,659

a. **Unified Payments Interface (UPI)** is an indigenous digital payment system which provides the facility of quick and easy payments from multiple bank accounts in a single mobile application. **UPI** has revolutionized digital payments in the country, UPI transactions have grown from **92 crore** in FY 2017-18 to **13,116 crore** in FY 2023-24 at **CAGR** of **129%**. It is estimated that the UPI transactions are expected to cross **20,000** crores in FY2024-25.

- The introduction of the UPI in FY 2016-17 has helped India establish itself as one of the global leaders in real-time payment systems and overall growth of digital transactions. As per ACI Worldwide Report 2023, around **46%** of the global real-time payment transactions is happening in India.

- UPI has been the major driving force in the overall growth of digital payment transactions in the country accounting for **70%** of digital payment transactions in FY 2023-24.
- **In March 2024**, UPI reached another milestone recording over **1,344** crore transactions in a single month for the first time.

Internationalization of Digital Payments:

- India's indigenously developed UPI and RuPay cards are world class platforms for enabling digital payments. Government is making efforts to promote these products globally.
- At present UPI is fully functional and live in **UAE, Bhutan, Nepal, Mauritius, France, Sri Lanka and Singapore**,
- RuPay cards acceptance is live in **Nepal, Bhutan, Mauritius, Singapore, and UAE**
- NPCI International Payments Limited (NIPL) signed an MoU with Google wherein both entities will work together to enable the use of UPI for Indian citizens travelling internationally, create an UPI like digital payment system which will internationally interoperable, and make cross border remittances quick and cost effective.
- Further, a Task Force on Digital Public Infrastructure has been set up by the Government to oversee and accomplish India's G20 Presidency goals on digital public infrastructure and promoting innovative technology-based services such as UPI along with the governance frameworks.

b. Digital Payment Infrastructure: Coordinated efforts of ecosystem partners have led to an exponential growth in digital payments acceptance infrastructure in the country, increasing from **0.31 crore** in FY 2017-18 to **36.14 crore** in FY 2023-24.

	POS	Bharat QR	UPI QR	Total
FY2017-18	0.31	-	-	**0.31**
FY2022-23	0.78	0.54	25.64	**26.95**
FY2023-24	0.89	0.63	34.62	**36.14**

* *Source: RBI*

RBI has, vide circular dated January 5, 2021, operationalised the Payments Infrastructure Development Fund (PIDF) Scheme from January 1, 2021, for a period of three years. On December 29, 2023, The scheme was further extended up to December 31, 2025. The objective of the Scheme is to encourage acquirers (banks and non-banks) and merchants by subsidising deployment of inter-operable payment acceptance infrastructure in Tier-3 to Tier-6 centres with special focus on the North-Eastern states of the country and Union Territories of Jammu and Kashmir and Ladakh. The Scheme envisages creation of 30 lakh new touch points for digital payments every year. Since August 2021, eligible street vendors of the PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi Scheme) in Tier-1 and Tier-2 centres have been included as beneficiaries of the PIDF Scheme. Further, now with the extension of the scheme, the beneficiaries of PM Vishwakarma Scheme, across the country, have been included as merchants for deployment under the PIDF Scheme since its inception. As on March 31, 2024, 2024, a total of 3.14 crore payment acceptance devices have been deployed at eligible locations under the PIDF Scheme.

Location	Physical Devices*	Digital Devices**	Aadhar enabled biometric devices
Tier 3 & 4 Centres	4,83,804	1,02,56,155	393
Tier 5 & 6 Centres	3,87,682	1,63,87,522	2,419
North-eastern States	82,761	15,19,697	102
UTs of J&K and Ladakh	42,885	8,18,780	2
Tier 1 & 2 Centres (PM SVANidhi Scheme)	325	14,44,271	0
Tier 1 & 2 Centres (PM Vishwakarma Scheme)	7	45	0
Total	9,97,464	3,04,26,470	2,916
Total Touchpoints	**3,14,26,850 (3.14 Crore)**		

*Physical devices include PoS, mPoS (mobile PoS), GPRS (General Packet Radio Service), PSTN (Public Switched Telephone Network), etc.
**Digital devices include inter-operable QR code-based payments such as UPI QR, Bharat QR, etc.

Incentive Scheme for RuPay and UPI

To support payment system participants to mitigate adverse impact of zero MDR and to promote digital payment, the "Incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (person-to-merchant- P2M)" was launched. The scheme was based on the budget announcements, for FY2021-

22 and FY2022-23, with the intent to provide financial incentive to promote digital payment modes. The financial outlay of the Scheme for FY2021-22 and FY2022-23:

FY	Sanction Budget (₹ ,in crore)	Disbursement (₹, in crore)
2021-22	₹1,450	₹1,389
2022-23	₹2,600	₹2,210
FY23-24	₹3500	₹2484.97 (till 31.12.2023)

For FY2023-24, the scheme was announced in Budget 2023-24 as part of budget speech. The Scheme was notified by the Department of Financial Services (DFS), Government of India vide Gazette Notification dated March 12, 2024.

Under the Scheme Banks and other payment system operators and app providers are incentivized for RuPay Debit Card and low-value BHIM-UPI transactions (upto 2,000) (P2M), for a period of one year, i.e; from 01st April, 2023 till 31st March 2024, at a financial outlay of 3,500 crore. Out of the 3,500 crore, 500 crore is allocated for RuPay Debit Card and 3,000 crore is allocated for BHIM-UPI.

4.6 Account Aggregator

4.6.1 Developments

Account Aggregator (AA) is a Non-Bank Finance Company (NBFC) engaged in the business of providing the service of retrieving or collecting financial information pertaining to the customer. No financial information of the customer is retrieved, shared or transferred by AA framework without the explicit consent of the customer. AA transfers data from one financial institution to another based on an individual's instruction and consent. In this direction, RBI has issued the Master Direction viz Non-Banking Financial Company (NBFC) – Account Aggregator (Reserve Bank) Directions, dated September 02, 2016.

Entities may enrol themselves on AA framework as Financial Information Provider (FIP) *viz.* banking company, NBFC, asset management company, depository, depository participant, insurance company, insurance repository, pension fund etc. and as Financial Information User (FIU) which is an entity registered with and regulated by any financial sector regulator. At present, RBI has granted Certificate of Registration to fourteen companies as AA.

The RBI Circular broadly provides guidelines on Process of Registration, Consent Architecture, Data Security, Technical Specifications, Sharing of Financial Information by Financial information Providers and Use of information by Account Aggregator and Financial Information User.

4.6.2 Initiatives

DFS conducts regular meetings to review the progress of app for invoice-based lending and status of Account Aggregator with all Financial Sector Regulators i.e. RBI, IRDAI, PFRDA and SEBI, PSBs, all Public Sector Insurance Companies (PSICs), NABARD, DoR, DEA, GSTN, SIDBI, major Private sector Life Insurance companies, CDSL, NSDL & other stakeholders. As per data collected by the FI Plan portal, approximately **67 crore transactions** have occurred successfully for data sharing via Account Aggregator up to March 2024.

5. Financial Inclusion

5.1 Pradhan Mantri Jan Dhan Yojana (PMJDY)

With a view to increase banking penetration, promote financial inclusion and to provide at least one bank account per household across the country, a National Mission on Financial Inclusion (FI), known as Pradhan Mantri Jan Dhan Yojana (PMJDY) was announced on 15th August, 2014. The Scheme was formally launched on 28th August, 2014 at National level by the Hon'ble Prime Minister. Comprehensive financial inclusion of the excluded sections was proposed to be achieved by 14th August, 2018 in 2 Phases as under:

- **Phase I (15th August, 2014 - 14th August, 2015)**

  Universal access to banking facilities in all areas, except those with infrastructural and connectivity constraints and providing basic banking accounts and RuPay Debit card with inbuilt accident insurance cover of Rs. 1 lakh and organizing Financial Literacy Programmes.

- **Phase II (15th August, 2015 - 14th August, 2018)**

  Overdraft (OD) facility upto Rs. 5,000 to be given after six months of satisfactory operation/history. Creation of Credit Guarantee Fund for coverage of defaults in overdraft accounts and unorganized sector pension schemes like Swavlamban.

- **Extension of PMJDY**

  PMJDY was extended beyond 14.8.2018 with the focus on opening of accounts shifting from "every household" to "every unbanked adult" while making the scheme more attractive with upward revision in: -

  a) OD limit from Rs.5,000 to Rs.10,000;

  b) accident insurance cover on RuPay card holders from Rs.1 lakh to Rs.2 lakh;

  c) age limit for availing OD facility revised from 18- 60 years to 18-65 years; and

  d) no conditions attached for OD up to Rs. 2000.

5.1.1 Performance of PMJDY

Major achievements of PMJDY are as under: (Numbers in Crore)						
As on	PMJDY Accounts (in crore)	No of PMJDY Accounts (Male)	No of PMJDY Accounts (Female)	No of PMJDY accounts (rural/ Semi-urban)	No of PMJDY Accounts (Urban/Metro)	Deposits in PMJDY Accounts (in Rs. crores)
March'15	14.72	7.15	7.39	8.68	5.86	14,641
March'16	21.43	10.37	11.05	13.17	8.26	35,672
March'17	28.17	13.67	14.49	16.87	11.30	62,972
March'18	31.44	14.85	16.60	18.52	12.92	78,494
March'19	35.27	16.53	18.74	20.90	14.37	96,107
March'20	38.33	17.85	20.48	22.63	15.70	1,18,434
March’21	42.20	18.82	23.38	27.85	14.35	1,45,551
March’22	45.06	19.98	25.08	30.07	14.99	1,66,459
March'23	48.65	21.60	27.05	32.45	16.20	1,98,844
March'24	**51.95**	**23.05**	**28.90**	**34.58**	**17.36**	**2,32,502**

- A total of 51.95 crore Jan-Dhan accounts have been opened till **March 2024** under PMJDY, with a deposit balance of Rs.2,32,502 crores. The average deposit balance is approx. **Rs.4,476** per PMJDY account.
- There are **28.90 crore** (**55.6%**) women Jan-Dhan account holders, and approximately **34.58 crore** (**66.6%**) accounts have been opened in rural and semi-urban areas.
- Approximately **35.35** crore RuPay cards with an inbuilt accidental insurance of Rs.2 lakh (Rs.1 lakh for accounts opened before 28.08.2018) coverage has also been provided to PMJDY account holders.
- Out of total operative accounts opened under PMJDY, **87.2** % have been seeded with Aadhaar number of the account holder on user consent basis, which has enabled interoperable and immediate Aadhaar based transactions, including for Direct Benefit transfer (DBT) through Aadhaar Payment Bridge.

5.1.2 Banking Touch Points:

- The strength of bank branches and ATMs has been augmented over the years as indicated below:

Table 1: Number of bank branches of Scheduled Commercial Banks:

	RURAL	SEMI-URBAN	URBAN	METROPOLITAN	TOTAL
Mar-17	49,860	38,931	25,103	26,530	1,40,424
Mar-18	50,860	39,616	25,458	26,536	1,42,470
Mar-19	51,609	41,031	26,399	27,157	1,46,196
Mar-20	52,382	42,213	27,318	28,133	1,50,046
Mar-21	52,651	42,441	27,446	28,055	1,50,593
Mar-22	53,204	42,443	27,433	28,181	1,51,261
Mar-23	54,244	43,745	28,021	29,057	1,55,067
Jun-23	54,391	43,948	28,158	29,264	1,55,761

Source: RBI

Table 2: Number of ATMs of Scheduled Commercial Banks (SCBs), Small finance Banks (SFBs), Payment Banks (PBs) and White Label ATM Operators.

As on	Off-site ATMs*	On-site ATMs	Total ATMs*
31.03.2016	1,10,111	1,01,950	2,12,061
31.03.2017	1,12,666	1,09,809	2,22,475
31.03.2018	1,15,471	1,06,776	2,22,247
31.03.2019	1,15,323	1,06,380	2,21,703
31.03.2020	1,21,086	1,13,271	2,34,357
31.03.2021	1,22,983	1,15,605	2,38,588
30.09.2021	1,25,220	1,15,762	2,40,982
31.03.2022	1,29,766	1,16,794	2,46,560
31.03.2023	1,31,684	1,23,613	2,55,297
31.03.2024	1,27,301	1,26,116	2,53,417

Source: RBI

** includes ATMs deployed by White Label ATM Operators*

- The number of card acceptance devices of Point of Sale (POS) has increased from 10.7 lakh in March 2014 to 89.03 lakh in Mar'24.

5.1.3 Jan Dhan Darshak App

A mobile application was launched to provide a citizen centric platform for locating banking touch points such as bank branches, ATMs, Bank Mitras, Post Offices, etc. in the country. The web version of this application could be accessed at the link http:// findmybank.gov.in. Banks/ IPPB have been provided login credentials to upload the GIS location of their branches, Business Correspondents and ATMs on the app.

As per JDD app, as on Mar'24, there are **1.74 lakh branches**, **11.63 lakh BCs** (including IPPB-BCs) and **2.12 lakhs ATMs** mapped by the banks. Further, as per data uploaded by the banks on JDD app, out of the 6.01 lakh (6,01,328) mapped villages on the app, 6.00 lakh (6,00,314) (99.83%) villages are having branch or BC within a distance of 5 kilometres.

5.1.4 Jan-Dhan Aadhaar Mobile (JAM)

A Jan Dhan Aadhar Mobile (JAM) pipeline has been laid for linking of Jan-Dhan account with mobile number and Aadhaar. This is providing the necessary backbone for DBT flows, adoption of social security/ pension schemes, facilitating credit flows, promoting digital payments, etc. It has provided the much-needed support for accelerating the pace towards achieving a digitalized, financially inclusive and an insured society. The instant transfer of Direct Benefits under various Government Schemes has been made possible through the JAM pipeline.

5.2. Digital Banking Units

The Hon'ble Prime Minister dedicated 75 Digital Banking Units (DBUs) in 75 districts of the country to commemorate the 75 years of independence of our country (Azadi ka Amrit Mahotsav) on 16.10.2022. These DBUs set-up by 24 banks including Public, Private Sector and Small Finance Bank, cover all the States and Union Territories of the country. The DBUs are to assist those who are not tech savvy to adopt digital banking and wherein the products and services will be offered to customers in 2 modes: Self Service Mode and Digital Assistance Mode.

Services being offered through DBU include banking facilities like the opening of savings accounts, balance checks, passbook printing, transfers of funds, investments in fixed deposits, loan applications, stop-payment instructions for cheques issued, applications for credit / debit cards, view statement of account, pay taxes, pay bills, make nominations, etc. The DBUs are also facilitating for onboarding to Government credit link schemes through the Jan Samarth portal and end-to-end digital processing of small ticket MSME/retail loans.

During the period from 16th October 2022 to 31st March 2024, a total of more than 1.02 crore interventions (related to major activities) occurred across all 99 DBUs.

5.3. Regional imbalances: Focused attention

Special focus is being given to 112 Aspirational Districts (ADs) wherein a Targeted Financial Inclusion Intervention Program (TFIIP) program has been launched to improve the performance of these Districts under Financial Inclusion (FI) parameters. DFS is also working on 'Mission Utkarsh' to improve the performance of the 10 selected Districts which are lagging behind on FI parameters. Under Mission Utkarsh 10 Districts in the country have been selected by DFS for Financial Inclusion Interventions on the basis of following:

- Current and Saving Accounts (CASA), per lakh population
- Enrolments under PMJJBY, per lakh population
- Enrolments under PMSBY, per lakh population
- APY, per lakh population
- MUDRA, per lakh population

6 Key Schemes

6.1 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) — The Scheme is available to people in the age group of 18 to 50 years having a Bank / Post office account who give their consent to join / enable auto-debit. Risk coverage under this Scheme is for Rs. 2 lakhs in case of death of the insured, due to any reason at an annual premium of Rs. 436/- which is to be auto-debited from the subscriber's bank / Post office account.

6.2 Pradhan Mantri Suraksha Bima Yojana (PMSBY) — The Scheme is available to people in the age group of 18 to 70 years with a bank / Post office account who give their consent to join / enable auto-debit facility. The risk coverage under the Scheme is for Rs. 2 lakhs in case of accidental death or total permanent disability and Rs. 1 lakh for partial permanent disability due to accident at a premium of Rs. 20/- per annum which is to be deducted from the account holder's bank / Post office account through 'auto-debit' facility.

Key reforms in the implementation of schemes PMJJBY and PMSBY:

- Enrolment and claim forms for PMJJBY and PMSBY have been modified with a view to minimise pendency in case of claim and ensure benefits to rightful claimants at the earliest
- Mobile number, email id and age of the nominee (or the appointee of a minor nominee) are now captured and in the event of an unfortunate incident, nominees are proactively informed of the benefit available and the claim process in English and regional language.
- Waiting period in case of claim of death cases under PMJJBY has been reduced from 45 days to 30 days with effect from 1st June, 2021 except for death due to an accident for which the claim is admissible from the date of joining this scheme.
- Banks have been requested to identify from their core banking solution (CBS), the existing subscribers who did not have sufficient balance in their accounts as on 31.5.2022 to enable auto debit of their premium and to inform them by SMS/ email about the revision in premium rates.
- Banks/ post office to forward claim documents electronically to their partner insurer's designated app / email id within seven days of submission of the claim and insurers to settle claims within 7days of receipt of claim documents.

Progress as on March 2024 is as under:

Scheme	Eligibility (Yrs)	Premium (p.a)	Cumulative Enrolments (crore)	Claim Paid	Claims amount (crore)	Settlement Ratio(%)
PMJJBY	18 to 50	Rs 436	19.91	7,77,919	Rs.15,558.38	99.89%
PMSBY	18 to 70	Rs 20	43.81	1,34,573	Rs.2,672.63	97.75%

6.3 Pradhan Mantri Mudra Yojana (PMMY)

The Scheme was launched on 8th April 2015 for financing income-generating small business enterprises in manufacturing, trading and service sectors, including activities allied to agriculture such as poultry, dairy, beekeeping, etc. Under PMMY, both Term loan and Working Capital requirements can be met. Loans under PMMY are extended through MLIs viz; Banks, Non-Banking Financial Companies (NBFCs) & Micro Finance Institutions (MFIs).

- Categories: Shishu — upto Rs. 50,000/-, Kishore — above Rs. 50,000/- and up to Rs.5.00 lakh, Tarun —above Rs.5.00 lakh and up to Rs.10.00 lakh;
- No insistence on collateral(s);
- A Credit Guarantee Fund for Micro Units (CGFMU) was set up for guaranteeing loans

extended to eligible micro units under Pradhan Mantri Mudra Yojana (PMMY) by Member Lending Institutions (MLIs) and Overdraft loan amount sanctioned under Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts. From FY 2020-21 onwards, loans sanctioned to Self Help Groups (SHGs) between Rs.10 lakh to Rs. 20 lakh would also be eligible for coverage under CGFMU. The National Credit Guarantee Trustee Company Ltd. (NCGTC), a wholly-owned company of Government of India, constituted under the Companies Act, 1956 (2013) is the trustee of the Fund.

- As on **March 2024** the sanction amount covered under live guarantee is **Rs.3.18** lakh crore.

As on **March 2024**, more than **47.84** crore loan accounts amounting to **Rs. 28.89** lakh crore have been sanctioned since the launch of Scheme. Out of this, about 68% loans have been sanctioned to Women Entrepreneurs and **50**% loans have been sanctioned to SC/ST/OBC category of borrowers.

Category-wise break-up is as under:

Category	Percentage as per No of Loans	Percentage as per Amount Sanctioned
Shishu	80%	38%
Kishore	18%	39%
Tarun	2%	24%
Total	**100%**	**100%**

6.4 Stand Up India Scheme (SUPI)

The Stand-Up India Scheme launched on 5thApril, 2016 aims to promote entrepreneurship among the Scheduled Caste/ Scheduled Tribe and Women by facilitating bank loans of value between Rs.10 lakh and Rs.1 crore to at least one SC/ST borrower and one-woman borrower per bank branch of Scheduled Commercial Banks for setting up greenfield enterprises in trading, manufacturing and services sector.

In 2019- 20, the Stand-Up India Scheme was extended for the entire period coinciding with the 15th Finance Commission period of 2020-25. Pursuant to an announcement made by the Union Finance Minister in the Budget speech of FY 2021-22, the following changes have been made in the Stand-Up India Scheme: -

- The extent of margin money to be brought by the borrower has been reduced from ‘upto 25%’ to ’upto 15%’ of the project cost. However, the borrower will continue to contribute at least 10% of the project cost as own contribution. The Scheme envisages ’upto 15%’ margin money which can be provided in convergence with eligible Central/State schemes;
- Loans for enterprises in ‘Activities allied to agriculture’ e.g. pisciculture, beekeeping, poultry, livestock, rearing, grading, sorting, aggregation argo industries, dairy, fishery, Agri clinic and agribusiness centres, food & agro- processing, etc. (excluding crop loans, land improvement such as canals, irrigation, wells) and services supporting these, shall be eligible for coverage under the Scheme.

As on 31.03.2024, a total number of SCs/STs and Women borrowers benefited under the Stand-Up India Scheme are as under.

(Amt. in Rs. crore)

SC		ST		Women (General)		Total	
No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.
37,433	7,908.24	12,578	2,702.49	1,75,530	40,251.02	2,25,541	50,861.75

6.5 PM Street Vendor’s AtmaNirbhar Nidhi Scheme (PMSVANidhi)

The scheme is a Central Sector Scheme being implemented by the Ministry of Housing and Urban Affairs (MoHUA). It aims to provide relief to street vendors affected by Covid-19 lockdown. The Scheme, launched on 01 June, 2020 and valid till 31.03.2022, has now been extended till 31.12.2024.

DFS is facilitating MoHUA in the smooth implementation of the scheme which envisages empowering street vendors by not only extending loans to them but also for their holistic economic development.

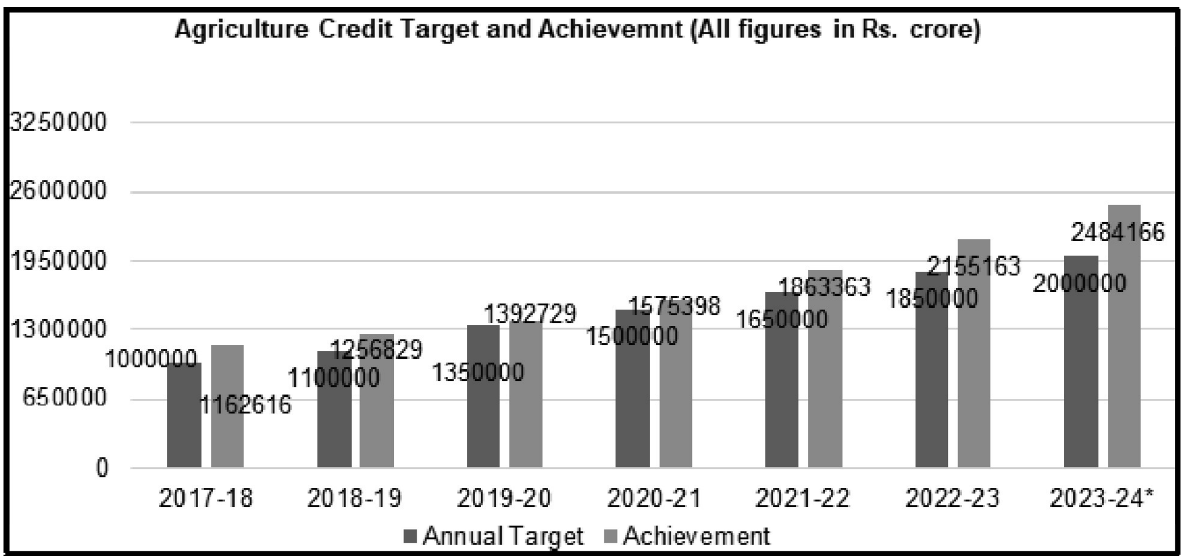
The Scheme has provision for collateral free working capital loan upto Rs. 10,000 for 12 months under 1st tranche, upto Rs. 20,000 for 18 months under 2nd tranche and upto Rs.50,000 for 36 months under the 3rd tranche. On timely/early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit. No penalty is payable on early repayment of the loan. The Scheme facilitates free on boarding of beneficiaries on the Digital Payment Platforms and to promote transactions by the beneficiaries cash back up to Rs. 1,200 per annum is available under the Scheme.

Interest subsidy @ 7% per annum is to be paid on quarterly basis on timely or regular repayment of all loans (1st, 2nd and 3rd tranche) disbursed till December, 2024.

As on **March 2024**, a total of **87.94 lakh** loan applications have been sanctioned in all tranches together, out of which **84.14 lakh** applications have been disbursed.

7. Agriculture Credit

In order to boost the agriculture sector with the help of effective and hassle-free agriculture credit, the Government has been fixing annual targets for ground level agriculture credit by Scheduled Commercial Banks, Regional Rural Banks (RRBs) and Cooperative Banks. Year wise position of target and achievement under agricultural credit flow for the last six years and the current year given below indicates the sustained trend of actual disbursement, surpassing the incremental annual targets year after year. As against the annual target of Rs.18.50 lakh crore for 2022-23, agriculture credit to the tune of Rs.21.55 lakh crore was disbursed, registering 116% achievement. Agriculture credit target for year 2023- 24 has been set at Rs. 20.00 lakh crore with a sub-target of Rs. 2.93 lakh crore for Animal Husbandry, Dairying and Fisheries farmer. As on March 2024, Rs.24.84 lakh crore was disbursed (Provisional) against the target of Rs.20.00 lakh crore.



Source: ENSURE portal of NABARD

* *Provisional Data*

7.1. Kisan Credit Card (KCC)

KCC scheme was introduced in 1998-99, as an innovative credit delivery mechanism that aims at adequate and timely credit support from the banking system to the farmers for their cultivation needs including the purchase of inputs in a flexible, convenient, and cost-effective manner. Banks have been advised to issue Kisan Credit Cards (KCC) to all eligible farmers. The KCC Scheme has since been simplified with facilities like one-time documentation, built in cost escalation in the limit and facility of ATM enabled debit card etc. Under the present guidelines of KCC, the limit is sanctioned for 5 years, and the beneficiaries have ease and flexibility in withdrawal and repayment.

GoI has approved interest subvention @1.5% on short term loans for agriculture and allied activities which is available on an overall limit of Rs.3 lakh per annum and subject to a maximum sub-limit of Rs.2 lakh per farmer involved in allied activities related to Animal Husbandry, Dairy, Fisheries, Bee Keeping etc. within the prescribed limit of Rs.3.00 lakh availed through Kisan Credit Card (KCC) for the F.Y. 2022-23 and 2023-24. An additional interest subvention of 3% is provided to farmers on prompt repayment of loans, which effectively reduces the rate of interest to 4%.

Over 4.99 crore farmers have been covered under the ongoing KCC saturation drive effective from February, 2020 with sanctioned credit limit of about

Rs.6.15 lakh crore as on 12.04.2024. At present (as on 31.03.2024), there are 7.74 crore operative KCC accounts with a total outstanding loan of Rs.9.80 lakh crore.

The facility of KCC has been extended to animal husbandry and fisheries farmers in year 2019 to help them meet their working capital needs. Further, in order to cover animal husbandry and fisheries farmers, under KCC, special saturation drive in the form of weekly "District level Camp" was launched w.e.f. 15th November, 2021 for ensuring convenient and cost-effective credit delivery to the farmers and accelerating agriculture output. The campaign was extended up to 31st March, 2024.

While ensuring convenient and cost-effective credit delivery to farmers, the ongoing campaign will be instrumental in driving the rural economy and further accelerating agricultural production and allied activities, besides enhancing the income level of farmers.

7.2 Role of National Bank for Agriculture and Rural Development (NABARD) in Rural Financing & Development of Rural Economy.

NABARD, an apex development financial institution, was established in 1982, for providing and regulating credit and other facilities for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas. Major functions of NABARD are Financial, Developmental and Supervision. Several funds such as Rural Infrastructure Development Fund (RIDF), Long Term Irrigation Fund (LTIF), Micro Irrigation Fund (MIF), Short Term Cooperative Rural Credit (Refinance) Fund, Short Term Regional Rural Bank (Refinance) Fund, Long Term Rural Credit Fund (LTRCF), etc are available with NABARD for creation of rural infrastructure and providing credit to the agriculture sector.

7.2.1 Rural Infrastructure Development Fund (RIDF)

In the backdrop of declining public investment in agriculture and rural infrastructure, RIDF was instituted in NABARD during 1995-96 with an initial corpus of Rs.2,000 crore with the main objective of providing loans to State Governments for completing ongoing rural infrastructure projects. Resources to the fund are contributed by Commercial Banks, Foreign Banks, Regional Rural Banks and Small Finance Banks in a proportion indicated by RBI, with respect to banks' shortfall in priority sector lending. The fund which started as a "last mile approach" to facilitate completion of ongoing irrigation, flood protection and watershed management projects during 1995-96, today covers as many as 39 activities, broadly classified under three categories, viz., (i) Agriculture and related sector (ii) Social Sector and (iii) Rural Connectivity. The annual allocation of funds towards RIDF has gradually increased from Rs. 2,000 crores in 1995-96 to Rs. 40,475 crores in 2023-24.

The cumulative funding commitment, as on 31.03.2024 to 30 States/UTs stood at Rs. 5.52 lakh crore (including Bharat Nirman) against which Rs. 4.37 lakh crore have been disbursed as of 31.03.2024. Over the years, RIDF has emerged as a dependable source of public funding of impactful rural projects. Of the total RIDF loans sanctioned to State Governments under various tranches since 1995-96, 26% accounted for rural roads, 30% for irrigation, 21% for social sector, 13% for agriculture sector (other than irrigation) and 10% for rural bridges.

7.2.2 Long Term Irrigation Fund (LTIF)

The Government of India, through the Dept. of Water Resources, River Development and Ganga Rejuvenation, Ministry of Jal Shakti (earlier Ministry of Water Resources) has taken a major initiative to complete various stalled major/medium irrigation projects in the country, for which a Long-Term Irrigation Fund (LTIF) was set up in NABARD. As on 31 March 2024, sanctions have been accorded by NABARD under LTIF to the tune of Rs.85,791 crores against 99 projects identified. Further, loan amount of Rs.11,217.71 crores has been sanctioned for the Polavaram Irrigation project, Rs.1,378.61 crores for North Koel Reservoir Project, Rs.485.35 crores for Shahpur kandi Dam and Rs.826.17 crores for Relining of Sirhind and Rajasthan Feeder under LTIF. The cumulative amount released against sanction of 99 identified projects stood at Rs. 61,351 crores. Similarly, for Polavaram Irrigation project, North Koel Reservoir Project and Shahpur kandi Dam Project, cumulative releases stood at Rs.10,650.15 crores, Rs.721.22 crores and Rs.207.45 crores respectively.

7.2.3 Micro Irrigation Fund (MIF)

Micro Irrigation Fund with a corpus of Rs.5,000 crore has been operationalized from 2019-20 in NABARD with an objective to facilitate State Govts. efforts in mobilizing additional resources for expanding coverage under micro irrigation and incentivizing its adoption beyond provisions of PMKSY-PDMC. The cumulative sanction and release under MIF as on 31st March 2024 stood at Rs.4,725 crores and Rs. 3,388 crores respectively. This will facilitate in expanding micro irrigation to an area of 19.1 lakh ha. involving 15.9 lakh farmers.

7.2.4 Short Term Cooperative Rural Credit STCRC (Refinance) Fund

STCRC (Refinance) Fund was set up in NABARD in 2008-09 with an initial corpus of Rs.5,000 crores to provide Short Term refinance to Cooperative Banks so as to ensure increased and uninterrupted credit flow to farmers at concessional rate of interest. NABARD provides refinance to Cooperative bank at an interest rate of 4.5 % per annum for crop loans up to Rs.3.00 lakh disbursed by cooperative banks at an interest rate of 7% per annum to ultimate borrowers. An allocation of Rs.50,000 crores (Rs.50,517.76 crores, including residual allocation of earlier years) has been made for the STCRC (Refinance) Fund during 2023-24. As on 31.03.2024, Rs.50,517.76 crores have been utilised out of STCRC (Refinance) Fund during 2023-24.

Total Refinance disbursed by NABARD to Co-operative Banks amounts to Rs. 1,34,285.69 crores. At the same time the Total No. of KCC issued to Co-op Banks stands at 16.33 lakh with total sanctioned limit of Rs. 16,918.70 crores.

7.2.5 Short Term Regional Rural Bank STRRB (Refinance) Fund

STRRB (Refinance) Fund was set up with an allocation of Rs.10,000 crores in 2012-13, so as to enable NABARD to provide Short Term refinance to RRBs to meet their crop loan lending obligations. NABARD provides refinance to RRBs at an interest rate of 4.5% per annum for crop loans up to Rs.3.00 lakh disbursed by RRBs at an interest rate of 7% per annum to ultimate borrowers. The allocation under STRRB Fund was at Rs.15,000 crores (Rs.15,157.91 crores, including residual allocation of earlier years) during 2023-24. As on 31.03.2024, Rs.15,157.91 crores have been utilised out of STRRB (Refinance) Fund during 2023-24.

Total Refinance disbursed by NABARD to RRBs amounts to Rs. 48,787.04 crores. At the same time the Total No. of KCCs issued to RRBs stands at 27.83 lakh with total disbursement of Rs. 42,403.77 crores.

7.2.6 Long Term Rural Credit Fund (LTRCF)

This fund has been set up for the purpose of providing long term refinance support to Cooperative Banks and Regional Rural Banks for their lending towards investment activities in agriculture with a view to provide a fillip to capital formation in the sector. Government has allocated Rs.15,000 crores to this fund (Rs.15,177.95 crore including residual allocation of earlier years) during 2023-24. However, NABARD received Rs.15,154.22 crore as deposits from contributing banks. The same was fully disbursed to RFI's under LTRCF during the financial year 2023-24. Besides the above NABARD also provided non-concessional LT refinance to RFIs amounting Rs. 32,675.23 crore during FY 2023-24.

8. Priority Sector Lending (PSL)

The objective of priority sector lending (PSL) has been, inter-alia, to ensure access to credit to vulnerable sections of society and have adequate flow of resources to those segments of the economy which have higher employment generation potential and help in making an impact on poverty alleviation. Thus, the sectors that impact large sections of the population, the weaker sections and the sectors which are employment-intensive such as agriculture and micro and small enterprises are part of the priority sector.

With the objective of making the Priority Sector Lending norms more broad-based, the guidelines are reviewed from time to time to align them with the emerging national priorities. As a part of this process, the PSL guidelines have been revised in 2020. The revised guidelines also aim to encourage and support environment friendly lending policies/schemes and help to achieve Sustainable Development Goals (SDGs).

A. Some of the salient features of the revised PSL guidelines are:

i. To address regional disparities in the flow of priority sector credit, higher weightage has been assigned to incremental priority sector credit in 'identified 184 credit deficit districts' where priority sector credit flow is comparatively low, and vice versa.

ii. The targets prescribed for "small and marginal farmers" and "weaker sections" have been increased from 8% to 10% & 10% to 12% in 2023-24.

iii. Credit to new sector like Compressed Bio Gas (CBG), Solar projects, credit for start-ups (up to 50 crore) engaged in Agriculture & allied activities and MSME have been made eligible under PSL.

iv. Higher credit limit has been specified for Farmer Producer Organisations (FPOs)/ Farmers Producers Companies (FPCs) undertaking farming with assured marketing of their produce at a pre-determined price.

v. Credit limit has also been enhanced in case of sector like renewable energy sector, Health Infrastructure (including Ayushman Bharat) and education loan.

vi. In order to ensure greater flow of credit to the farmers against pledge/hypothecation of agricultural produce, and to encourage use of NWR/eNWR issued by warehouses registered and regulated by Warehouse Development and Regulatory Authority, the PSL limit for loans against NWRs/eNWR has been increased from 50 lakh to 75 lakh per borrower.

vii. Target for lending to Non-Corporate Farmers for FY 2023-24- the applicable target for lending to the non-corporate farmers for FY 2023-24 was 13.78% of ANBC or CEOBE, whichever was higher.

B. The outstanding priority sector advances of Public Sector Banks was 30,36,062 crore as on March 31, 2023, and 34,30,412* crore as on March 31, 2024. Outstanding advances to agriculture by PSBs amounted to 15,38,288* crore as on March 31, 2024, constituting 19.34 percent of ANBC of PSBs. (* Provisional figures as reported by banks to RBI.)

8.1 Education Loan

Every student should have access to bank credit to pursue higher education, if they so desire. Indian Banks' Association (IBA) had prepared the Model Educational Loan Scheme and circulated to banks in the year 2001. The Scheme is for all students including students belonging to the economically weaker sections and those below the poverty line. Indian Nationals who have secured admission to a higher education course in a recognised Institution in India or abroad through an entrance test/ merit-based selection process are eligible for educational loans under the Scheme. The Scheme has been modified from time to time, based on the experience gained and feedbacks received during its implementation over the years. The last revision of the Model Educational Loan Scheme was undertaken during the year 2022. As per RBI, Loans given to students for vocational and educational courses with a maximum amount of 20 lakh qualify for priority sector classification The main features of the revised Model Educational Loan Scheme are as under:

i. This Scheme provides for need based finance.

ii. No collateral security or third-party guarantee is required for loans up to Rs. 7.50 lakhs, if the loans are covered under Credit Guarantee Scheme.

iii. No Margin (i.e. borrower's own money) is required for loan up to Rs 4 lakh.

iv. One-year moratorium for repayment after completion of studies in all cases.

v. The repayment period (after moratorium) is 15 years for all loans

8.1.1 Performance of Education Loans

The total outstanding education loans of Public Sector Banks (PSBs) as on March, 2024 stood at is Rs. 1,04,402.04 crores in 19,44,375 accounts. The disbursement of Education Loans during FY-24 amounted to 28,699 Cr, compared to 24,996 Cr disbursed in FY23, reflecting a **year-on-year growth of 15%**

8.1.2 Vidya Lakshmi Portal

Vidya Lakshmi Portal is a first of its kind portal providing single window for Students to access information, submit application and track their applications for Educational Loans provided by Banks. As many as 1,40,751 students were disbursed education loans in FY24. The Portal has the following features:

- Information about Educational Loan Schemes of Banks;
- Facility for students to apply to multiple Banks through common application;
- Facility for Banks to download students' loan applications and upload loan processing status;
- Facility for students to track the status of submitted application

As per the aforementioned portal, a total of 1,40,751 students got benefitted during FY 23-24

9. Insurance Sector

9.1 Overview

The insurance sector is crucial for citizens and the economy alike, providing individuals with protection from unexpected risks such as death, health crisis or property damage, thereby fostering financial security and peace of mind. This stability encourages entrepreneurship and investment, driving economic growth and job creation. Insurance mechanisms mitigate systemic risks, reducing the likelihood of widespread financial crisis and supporting the overall well-being of society. It provides long-term funds for infrastructure development and supports continuous economic transformation.

9.2 Public Sector Insurers

The Public Sector Insurance Companies operating in the sector are as follows:

- Life Insurance Corporation of India
- General Insurance Corporation of India – GIC Re (Re-Insurer)
- The New India Assurance Company Limited
- United India Insurance Company Limited
- National Insurance Company Limited
- The Oriental insurance Company Limited
- Agriculture Insurance Company of India Limited

  – Specialised Insurer (Company floated by Public Sector general insurance companies along with NABARD.
- ECGC Limited – Specialised Insurer (Government of India enterprise for export credit guarantee)

9.3 Legislative Framework governing the Insurance Sector

The Insurance Division is responsible for policy formulation and administration of the following Acts:

1. The Insurance Act, 1938
2. The Life Insurance Corporation Act, 1956
3. The General Insurance Business (Nationalisation) Act, 1972
4. The IRDA Act, 1999
5. The Actuaries Act, 2006

The Government promulgated an Ordinance namely - the Insurance Laws (Amendment) Ordinance, 2014 on December 26, 2014 to make amendments to the Insurance Act, 1938, the General Insurance Business (Nationalization) Act, 1972 and the Insurance Regulatory and Development Authority Act, 1999 in accordance with the Insurance Laws (Amendment) Bill 2008 as reported by the Select Committee of the Rajya Sabha. The Ordinance was replaced by the Insurance Laws (Amendment) Act, 2015. With the coming into force of the Insurance Laws (Amendment) Act, 2015, the foreign investment cap in an Indian Insurance Company has gone up from 26 per cent to 49 per cent with the safeguard of Indian ownership and control.

Recently, further amendment in the Insurance Act 1938, was brought by promulgating the Insurance (Amendment) Act, 2021 enacted on March 25, 2021 by which the Government has further enhanced the FDI cap from 49 per cent to 74 per cent with certain conditions in the terms of Indian ownership and control.

New entrants in the insurance industry

Since the opening up this sector for private and foreign investment in the year 2000, the number of participants in the insurance industry has gone up from seven (7) insurers (including the Life Insurance Corporation of India, four public sector general insurers one specialized insurer and General Insurance Corporation as the national re-insurer) to Sixty-nine (69) insurers as on March 31, 2023 operating in the life, general, and reinsurance segments (including specialized insurers, namely Export credit Guarantee Corporation Limited and Agricultural Insurance Company of India Limited).

As on March , 2023, there are 25 Life insurers including one in Public Sector, 27 general insurers including four in public sector, two specialized insurers in Public Sector, five Stand-Alone Health Insurers (SAHI) and 12 reinsurers including one in Public Sector

Registered Insurers and Reinsurers (As on 31.03.2023)

Type of Insurer	Public Sector	Private Sector	Total
Life Insurers	1	24	25
General	6	21	27
Standalone Health	0	5	5
Re-Insurer	1	11	12
Total	8	61	69

Source: IRDAI

9.4 Insurance related Social Security Schemes:

Apart from the two Social Security Schemes related to insurance sector as mentioned in para 6.1 and 6.2, the other is as under:

9.4.1 Pradhan Mantri Vaya Vandana Yojana:

- Pradhan Mantri Vaya Vandana Yojana (PMVVY) is offered by the Life Insurance Corporation of India (LIC) and supported by the Government of India, to provide senior citizens of age 60 years or more an assured minimum pension for a term of 10 years, linked to the price at which they purchase the pension policy.
- Government of India bears the differential return, i.e. the difference between return generated by LIC and the assured return committed under the scheme as interest-gap subsidy on an annual basis
- Maximum Investment allowed is Rs 15,00,000.
- Under the scheme, a loan of up to 75% of the purchase price is allowed after completion of three policy years
- As per LIC a total number of 8.56 lakh subscribers (No. of Policies 1117816) have benefited under the scheme as on March 2024
- The Scheme was valid up to 31st March 2023

9.5 Insurance Industry Statistics

a) Insurance coverage

Insurance coverage refers to the number of lives covered under insurance for life, health and other insurance categories. As per IRDAI report, during 2022-23 the General & health insurance companies have covered 55 crore lives under 2.26 crore health insurance policies. Personal Accident Insurance covered a total of 119.01 crore number of lives (including PMSBY, PMJDY and IRCTC e-ticket passengers) and 78.71 lakh lives were covered under Travel Insurance policies.

The cumulative enrolments as on March 2024 under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is 19.9 crore and Pradhan Mantri Suraksha Bima Yojana (PMSBY) is 43.8 crore.

b) Insurance Penetration and Insurance Density

The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (measured in US$ for convenience of international comparison).

	India (2001-02)	India (2022-23)	Malaysia (2022-23)	Thailand (2022-23)	China (2022-23)
Insurance Penetration (%)	2.7	4.0 (Life:3.00 % Non- Life:1%)	5.0	5.3	3.9
Insurance Density (US$)	11.5	92 (Life:70 & Non-Life: 22)	592	369	489

Source: Swiss Re, Sigma Report on World Insurance 3/2023

Globally insurance penetration and density in 2022-23 were 2.8 per cent and USD 354 for the life segment and 4.0 per cent and USD 499 for the non-life segment respectively. In 2022-23, the insurance density in India increased from 91 in 2021-22 to 92 in 2022-23

The insurance penetration of Life Insurance sector in India is reduced from 3.2 per cent in 2021-22 to 3 per cent in 2022-23 and the same for Non-Life Insurance sector remained at 1 per cent in both these years. As such, India's overall insurance penetration reduced to 4 per cent in 2022-23 from the level of 4.2 per cent in 2021-22

Life insurance industry

Post liberalization period has witnessed sharp growth in the insurance industry, more particularly in the life segment. Life insurance industry recorded a premium income of Rs.7.83 lakh crore during 2022-23 as against Rs.6.93 lakh crore in the previous financial year, registering a growth of 12.98 per cent. The private sector life insurers have clocked a growth of 16.34 per cent in premium, while the public sector life insurer recorded 10.90 per cent growth in premium. Life Insurance Corporation of India LIC is the only life insurer underwriting business outside of India and collected a total premium of Rs 404.78 crore during 2022-23.

New business premium underwritten for Life Insurance Industry 2022-23

	Market Share	New Premium Underwritten	Total New Business Premium	Growth from 2021-22
LIC	60.66%	Rs.2.32 lakh Crore	Rs. 3.71 Lakh Crore	17.8%
Private Insurers	39.34%	Rs.1.39 lakh Crore		

Source: IRDAI

Total Premium of Life Insurers (Crore) in FY 2022-23

Sector	Premium
Public Sector	4.74 lakh crore
Private Sector	3.08 lakh crore
Total	7.83 lakh crore

Source: IRDAI

General insurance industry including Health Insurance Business

The general insurance industry (including standalone health insurers) underwrote total direct premium of Rs. 2.57 lakh crore in India for the year 2022-23 as against Rs.2.21 lakh crore in 2020-21, registering a growth rate of 16.40 per cent as against 11.06 per cent growth rate recorded in the previous year. The public sector general insurers together contributed to 38.42 per cent of the market share while the private sector general insurers contributed to the remaining 61.58 per cent

Sector	Premium (Rs crore)	Growth from 2021-22
PSU	82,891.00	10.47 %
Private Insurers	13,19,42.00	20.22 %
Stand alone Health insurers(SAHI)	26,244.00	25.77 %
Specialized Insurers	1 5,817.00	5.12 %
Industry Total	25,68,94.00	16.40%

Source: IRDAI Annual Report

One of the benefits of opening up of the insurance sector has been the extension of health cover to a wider cross-section of the society. Health insurance business is the largest segment with a contribution of 38.02 percent (36.48 percent in 2021-22) of the total premium. Health Insurance Segment reported growth of 21.32 percent (26.27 percent growth in 2021-22) with the premium amounting to Rs 97,633 crore from 80,502 crore in 2021-22.

During the year 2022-23, the net loss of the non-life insurance sector marginally decreased to Rs 2,566 crore as against a net loss of Rs 2,857 crore in 2021-22. The public sector companies reported a loss of Rs 10,607 crore. The profit after tax for private sector general insurers was Rs 4,665 crore, specialized insurers was Rs 2,930 crore and the standalone health insurers was Rs 447 crore.

9.6 Investments of the Insurance sector: Insurers have been mandated to follow the pattern of investment, as required under IRDAI (Investment) Regulations 2016. As on March 31, 2023, the investments made by the insurance industry stood at 60.04 lakh crore as against 54.36 lakh crore as on March 31, 2022 registering a growth of 10.44 per cent. The share of Life insurers stood at 91 per cent and that of Public Sector insurers stood at 72 per cent for the period 2022-23.

	Insurance Sector (2021-22)	Insurance Sector (2022-23	Life Insurers (2022-23)	Public sector Insurers (2022-23)
Total investments	54.37 Lakh crore	60.04 Lakh Crore	90.99% of total investment	71.62% of total investments

Source: IRDAI

9.7 Rural and Social Sector Business

The (Obligations of Insurers to Rural and IRDAI Social Sectors) Regulations, 2015 stipulated targets of business from rural and social sectors to be fulfilled by insurers on an annual basis. In terms of these regulations, Insurers are required to fulfil year wise business target prescribed **(A)** in terms of percentage of social sector lives computed on the total business; and **(B)** in terms of percentage of number of policies for life insurers and gross premium written direct, for general and standalone health insurers, from rural areas. As perNotification dated 16.10.2002 titled Insurance Regulatory and Development Authority(Obligation of Insurers to Rural Social Sectors)Regulations,2002 Social Sector includes unorganized sector, informal sector, economically vulnerable or backward classes and other categories of persons, both in rural an urban areas.

All the life insurers* including LIC have fulfilled their rural sector obligations for the year 2022-23. The data is tabulated as below:

	Life Insurance Companies	Private Life Insurance Companies	LIC
Rural Sector Obligations	68.47 lakh policies (24.05%)	26.98% of total policies	22.25% of total policies
Total lives covered under Social sector.	4.43 crore (17.74%)	18.72% of total policies	14.05% of total policies

(*M/s Sahara India Life Insurance Co. Ltd. is not considered for this obligation as it was directed by IRDAI not to underwrite new business as per the IRDAI order dated June 23, 2017. Also, Consequent to the merger of Exide Life Insurance Co. Ltd. (Exide Life) with HDFC Life Insurance Co. Ltd. on 15 October 2022, the rural and social sector obligations are not applicable to Exide Life.)

During FY 2022-23, 24 general insurers (excluding Specialized and Stand-Alone Health Insurers) have fulfilled their social sector obligations while one general insurer has not fulfilled its rural sector obligations as stipulated under the Regulations. The matter is under examination from the regulatory perspective. All general insurers (excluding Specialized and Stand-Alone Health Insurers) underwrote a premium of 32,091 crore in the rural sector in FY 2022-23. Public sector and private sector insurers underwrote 23 per cent and 77 per cent respectively of total gross premium procured in the rural sector. Kshema General Insurance Company Limited has been issued a Certificate of Registration as a General Insurance Company in India, on 11/01/2023 and (Obligations of IRDAI Insurers to Rural and Social Sectors) Regulations, 2015 are not applicable for them for FY 2022-23.

The five SAHI insurers procured Rs 3,980 crores premium in rural sector constituting 15.16 per cent of gross premium procured by them in the year 2022-23 and have covered 87.99 lakh lives under social sector i.e., 10.19 per cent of total lives covered in the previous year.

9.8 Micro insurance

Micro insurance being a low price-high volume business, its success and sustainability depends mainly on keeping the transaction costs down. IRDAI (Obligations of insurers to Rural and Social sectors) 2015 promulgated under Section 32B and 32C of the Insurance Act, 1938 stipulate obligations of insurers in respect of rural and social sector, which has also contributed substantially to the development and promotion of micro insurance products in India.

IRDAI reviewed the Micro Insurance Regulations, 2005 and notified IRDAI (Micro Insurance) Regulations, 2015 permitting several more entities like RBI regulated NBFC-MFIs, District Cooperative Banks, Regional Rural Banks, Urban Co-operative Banks, Business Correspondents (BCs), Primary Agricultural Cooperative Societies (PACs) and other cooperative societies to be appointed as Micro Insurance agents facilitating better penetration of Micro Insurance business. The Regulations also included additional policy holder protection measures.

In micro-insurance-life, the individual new business premium for the year 2022-23 was Rs. 200.19 crore through 4.50 lakh new policies and the Group new business premium amounted to Rs. 8593 crore covering 1627 lakh lives. There were 101916 micro insurance agents attached to life insurers at the end of FY 2022-23. Total number of general insurance policies issued by Micro Insurance Agents (excluding of Standalone health insurers) were 188201 in the year 2022-23.

IRDAI has permitted Pradhan Mantri Fasal Bima Yojana (PMFBY) covering non-loanee farmers, to be solicited and marketed by Micro Insurance Agents under IRDAI (Micro Insurance) Regulations, 2015. Further, general insurance policies issued to Micro, Small and Medium Enterprises as classified in MSMED Act, 2006 under various lines of general insurance business will also qualify as general Micro Insurance business up to premium of Rs.10,000 per annum per MSME.

Initiatives/Steps/Decisions taken by DFS:

- Hon'ble Finance Minister in her budget speech of 2022-23 announced that Insurance Surety Bonds will be accepted as one of the alternatives for Bank Guarantee (BG) in Government procurement. As a result, several insurance companies have started issuing surety bonds and as on March 2024 approximately Rs. 2707.00 crore worth Surety Bonds have been issued.
- The Jan Suraksha Automation portal, a unified digital interface has been created for enrolment and settlement of claims under PMJJBY and PMSBY which has gone live w.e.f. 01.09.2023 with all the public sector banks and their partner insurance companies. Till 31.3.2024, 4 crore (approx.) policies have been issued through the portal.
- Position of General Manager & Director (GMD) has been upgraded to Executive Director (ED) at Level 14A in pay matrix as per Central Civil Service (Revised Pay) Rules 2016, in non-life Public Sector Insurance Companies (PSICs). Consequent upon upgradation of the position of GMD to ED, ACC has approved guidelines for appointment of EDs vide its communication dated 21.12.2023.
- Amendments in Insurance Ombudsman Rules, 2017: The Insurance Ombudsman rules, 2017 have been amended by the central Government on 9.11.2023. Key amendments include enhancement in limit of award compensation by an Insurance Ombudsman from existing Rs. 30 lakhs to Rs. 50 lakhs.
- Family pension at the Uniform rate of 30% in LIC: The proposal of the Life Insurance Corporation of India (LIC) has been approved for fixing a uniform rate of family pension @30% of last pay in place of the existing slab system whereby,

family pension is paid at varying rates of 30%, 20% and 15%, depending upon pay slabs.

- The LIC (Agents) Regulations, 2017 has been amended by the Central Government on dated 06.12.2023 to the following extent:
  - (a) The maximum limit of gratuity admissible to LIC Agents has been enhanced from the existing limit of Rs 3 lakh to Rs 5 lakh.
  - (b) The term insurance cover for the agents has been expanded from the existing range of Rs. 3,000-10,000 rupees to Rs. 25,000-1,50,000. This enhancement in term insurance will significantly benefit the families of deceased agents, offering them a more substantial welfare benefit.

10. Pension Sector

10.1 National Pension System (NPS)

The National Pension System (NPS) was introduced by the Government of India vide notification dated 22.12.2003 to replace the defined benefit pension system by defined contribution pension scheme in order to provide old age income security in a fiscally sustainable manner and to channelize small savings into productive sectors of the economy through prudential investments. It was made mandatory for all new recruits to the Government service (except armed forces) with effect from 01.01.2004, and has also been rolled out for all citizens with effect from 01.05.2009, on voluntary basis. NPS has been adopted by most State Governments and most of the Central and State autonomous bodies. Subsequently, PFRDA Act in 2013 was passed. The Scheme offers two types of accounts, namely Tier-I and Tier-II. The Tier-I account is the Pension account, while the Tier-II account is a voluntary withdrawable account which is allowed only when there is an active Tier-I account in the name of the subscriber. Presently, a Government employee under NPS has to mandatorily contribute 10% of pay and Dearness Allowance (DA) and 14% of pay and DA is contributed by the Government to the employee's Tier-I account. At exit on superannuation, subscriber would be mandatorily required to invest at least 40% of the pension wealth in Tier-I to purchase an annuity from an Insurance Regulatory and Development Authority of India (IRDAI) regulated Insurance Company and a maximum of 60% of the accumulated corpus in the Tier –I account is given to the individual in lump-sum. If the subscriber exits before superannuation or 60 years of age, he/ she has to invest at least 80% of the accumulated balance to purchase an annuity and the remaining 20% can be withdrawn as lump sum. There are a number of benefits available to the employees under NPS. Some of the features are listed below:

a. Unbundled NPS Architecture:

NPS architecture consists of Points of Presence (PoPs) and aggregators as collection and distribution arms, a Central Record keeping Agency (CRA) which maintains the data and records, Trustee Bank to manage the banking operations, Pension Fund Managers (PFMs) for generating and maximizing returns on investments of subscribers, Custodian to take care of the assets purchased by the Fund managers and NPS Trust which holds the assets of subscribers for their benefit and oversees the investment operations.

NPS has an unbundled architecture where each intermediary has its own expertise and domain knowledge. PoPs, which are authorized to open NPS accounts, receive contributions from the subscribers and remit them to the Trustee Bank (for government subscribers this function is carried out by the nodal offices) to the credit of the NPS Trust account which holds the assets/ securities for the benefit of the subscribers.

PFMs registered with PFRDA manage pension corpus through various schemes under NPS in accordance with the provisions of the PFRDA Act, Rules, and Regulations made thereunder, agreements executed with the NPS Trust and other intermediaries under NPS architecture.

b. Provision for Partial withdrawal under NPS

Subscribers can withdraw up to 25% of their own contributions at any time before exit from NPS Tier-I for a maximum of three times during the entire tenure of subscription under NPS for certain specified purposes such as marriage of children, purchase of house, medical treatment etc., after minimum of 3 years from the date of joining.

Tax Benefits presently available under NPS:

(A) Tier I:

- Subscriber is allowed an additional tax deduction of Rs. 50,000/- under section 80CCD 1(B) of the Income Tax Act, 1961, in addition to the deduction of Rs. 1.50 lakhs allowed under section 80 CCD (1) in the old Tax Regime.
- The mandatory contribution by the Central Government for its employees covered under NPS Tier-I has been enhanced from the existing 10% to 14% w.e.f. 01.04.2019. The additional 4% employer contribution from the Central Government and State Government is also be tax exempt under 80 CCD (2).
- Amount utilized for purchase of annuity plan on exit (minimum 40% mandatory up to 100% of corpus) is tax exempt under Section

80CCD (5) and amount withdrawn as lumpsum at the closure of account, up to 60% of the total accumulated balance, is tax exempt under Section 10(12A) of the Income Tax Act, 1961. With this, the entire withdrawal is now exempt from income tax.

- Interim/ Partial Withdrawal from NPS Tier I up to 25% of the contributions made by NPS subscriber is tax free.

(B) Tier II:

Contribution by the Central Government employees under Tier-II Tax Saver Account of NPS is now covered under Section 80 C of the Income Tax Act, 1961, for deduction up to Rs. 1.50 lakh for the purpose of income tax provided that there is a lock- in period of 3 years.

(I) Freedom of choice for selection of Pension Funds and pattern of investment to Government employees

(a) Choice of Pension Fund: Vide Government Notification dated 31.01.2019, the Government subscribers are also allowed to choose any one of the pension funds including Private sector pension funds, as in the case of subscribers in the private sector. They can change their option once in a year. However, the current provision of combination of the Public-Sector Pension Funds will be available as the default option for both existing as well as new Government subscribers.

(b) Choice of Investment pattern: The following options for investment choices are offered to Government employees: -

- Government employees who prefer a fixed return with minimum amount of risk have an option to invest 100% of the funds in Government securities (Scheme G).
- Government employees who prefer higher returns have the options of the following two Life Cycle based schemes.
  A. Conservative Life Cycle Fund with maximum exposure to equity capped at 25% at the age of 35 years and tapering off thereafter (LC-25).
  B. Moderate Life Cycle Fund with maximum exposure to equity capped at 50% at the age of 35 years and tapering off thereafter (LC-50).

The existing scheme in which funds are allocated by the PFRDA among the three Public Sector Undertaking fund managers based on their past performance in accordance with the guidelines of PFRDA for Government employees will continue as the default scheme for both existing and new subscribers

The status of NPS as on 31st March, 2024, is as under:

Sector	No. of subscribers (in lakhs)	Assets Under Management (in Rs Crores)
Central Government	26.07	3,22,215
State Government	65.96	5,82,673
Corporate	19.48	1,66,729
All Citizen Model	35.64	59,826
NPS Lite *	33.28	5,560
Total	**180.43**	**11,37,003**

*(No fresh registration permitted since. 01.04.2015)

(II) Recent developments under NPS

PFRDA has undertaken significant initiatives in line with the Union Budget 2023-24 to streamline regulations, reduce compliance costs, and promote ease of doing business. One notable amendment is the simplification of the registration process under the PoP Regulations, 2023, allowing both banks and non-banks to serve as PoPs for onboarding NPS subscribers, eliminating the need for multiple registrations and reducing processing time from 60 to 30 days.

Amendments to the PFRDA (Retirement Adviser) Regulations, 2023, aim to simplify eligibility criteria and registration processes for retirement advisers, removing the requirement for a security deposit and introducing a 30-day registration timeframe.

Through amendments to the PFRDA (Redressal of Subscriber Grievance) Regulations, 2023, the age limit for grievance redressal has been increased from 65 to 70 years. Revisions were undertaken in PFRDA (CRA) (Amendment) Regulations, 2023, and PFRDA (Trustee Bank) (Amendment) Regulations, 2023. In total, amendments in eleven regulations have been undertaken to simplify the various PFRDA regulations.

Overall, these initiatives demonstrate PFRDA's commitment to improving the regulatory environment, reducing compliance burdens, and fostering digital adoption in the pension sector.

(III) New Initiatives under NPS

(a) In addition to existing modes of payment available to subscribers QR code-based UPI payments have been introduced, to ease the process of making payments for subscribers.

(b) To ease the process of lump sum withdrawal now the subscribers are allowed through a **Systematic Lump Sum Withdrawal**(**SLW)** process on a periodical basis viz monthly, quarterly, and half-yearly or annually for a period until 75 years as per the choice of the Subscriber.

(c) UPI based Instant Bank Account Verification through Penny drop - Bank Account authentication using PAN and VPA (UPI) for enhanced due diligence.

(d) Integration of NPS Statement of Transaction (SoT) with Consolidated Account Statement (CAS) issued by Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL), on consent basis.

(e) Integration of NPS with Digi Locker to offer Citizen Centric Services.

(f) PFRDA in coordination with IRDAI has simplified the process of issuing an Annuity by considering the NPS withdrawal form as the Annuity Proposal.

(g) NPS integration with Account Aggregator (AA) Framework for consent-based information sharing.

(h) Reduction in settlement time and acceptance of Withdrawal from T+4 days to T+ 2 days.

(i) Online Account opening for Government Sector Subscribers with reduced TAT and immediate NPS Account activation through e-NPS.

(j) PFRDA in coordination with National Payments Corporation of India (NPCI) has allowed NPS contributions through Bharat Bill Payment Systems (BBPS) which will help in making NPS contributions even easier through various UPI Apps.

(k) NPS Prosperity Planner (NPP) has been launched as a tool to nudge the Subscribers to save more for retirement and ensure adequacy in retirement income.

10.2 Atal Pension Yojana (APY)

Atal Pension Yojana (APY) was launched on 9th May, 2015, and was operationalised w.e.f. 1st June, 2015, with the objective of creating a universal social security system for all Indians, especially the poor, the under-privileged and the workers in the unorganised sector. It is open to all citizens of India between 18-40 years of age having a savings bank account in a bank or post-office. For better targeting of guaranteed pension to unorganised sector workers, an income tax payer shall not be eligible to join APY from 1st October, 2022. The subscriber under APY is required to make a monthly/ quarterly/six monthly contribution of an amount determined by the amount of pension chosen and the age of joining the scheme. The subscriber shall receive a government guaranteed minimum pension of Rs. 1000 per month, Rs. 2000 per month, Rs. 3000 per month, Rs. 4000 per month or Rs. 5000 per month, after the age of 60 years until death, depending on the contribution chosen. The subscriber will get the guaranteed minimum monthly pension, or higher monthly pension, depending on the investment returns. The subscribers have also been given facility to upgrade/ downgrade their pension amount and change the frequency of contributions payment once in a year.

The spouse of the subscriber shall be entitled to receive the same pension amount as that of the subscriber after the death of the subscriber. After the death of both subscriber and the spouse, the nominee of the subscriber shall be entitled to receive the pension wealth, as accumulated till age 60 of the subscriber.

APY is being administered by the Pension Fund Regulatory and Development Authority (PFRDA) under the overall administrative and institutional architecture of the National Pension System (NPS).

As on 31st March, 2024, the number of gross enrolments under APY is more than 6.43 crore with contribution of Rs. 31,098 crore and AUM of Rs. 35,647 crore.

10.3 Major measures/steps undertaken to increase coverage under the Schemes:

(i) National Pension System

1. Expansion of NPS distribution channels through engagement of individual agents, Fintech companies like Zerodha Broking Ltd., Finzoomers Services Pvt. Ltd., Paytm Money & ET Money.

2. For increasing pension literacy conferences have been organised in association with various trade bodies, Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII), and Indian Chamber of Commerce.

3. ‘NPS Chintan Shivir’ was organised by PFRDA on 15th November, 2023, in New Delhi, for discussions and deliberations to generate ideas and inputs for policy formulation, product design, distribution, and financial literacy.

4. Financial literacy website called Pension Sanchay has been hosted (www.pension sanchay.org.in)

5. Publicity and media campaigns are being run by PFRDA through electronic media, print media, and social media. Online media campaign

educating people about benefits of NPS was run by PFRDA in February - March 2024 under the aegis of Subscribers' Education and Protection Fund.

6. Keeping the North East region in focus, conferences on NPS awareness for corporate sector were conducted in Guwahati and Kolkata in association with trade bodies and PoPs.

(ii) Atal Pension Yojana

(a) 30 APY outreach programs attended by senior officials of PFRDA, banks, SLBCs, State-Government, RBI, NABARD, SRLM, etc., were conducted in the Financial Year 2023-24 in co-ordination with State Level Bankers' Committees (SLBCs) and Lead District Managers (LDMs).

(b) APY felicitation programs and strategy/ performance review meetings have been conducted with APY-SPs, nodal officers, and SLBCs for discussing the progress of APY enrolments in their bank/ State.

(c) APY Subscribers Information Brochure is available online in 13 vernacular languages as well as single-page flyer on APY in English and 22 languages as per the 8th Schedule of the Constitution of India is also available for expanding accessibility and understanding.

(d) PFRDA has empanelled a training agency for conducting awareness programs on APY through VC. A total of 5,824 bank officers participated in the 36 trainings and 6,524 subscribers attended the 56 subscriber awareness programs that were conducted in vernacular languages, during the year.

(e) Promotion of the Scheme through mass-media campaigns on TV, Radio, Print and Social-media in Hindi, English, and regional-languages.

(f) Engagement with various Ministries of Government of India, National Centre for Financial Education (NCFE), National Bank for Agriculture and Rural Development (NABARD), National Rural Livelihood Mission (NRLM), and SRLM to spread awareness and coverage of APY.

11. Financial Institutions

11.1 Export -Import Bank of India (Exim Bank)

Exim Bank has been established as a statutory, apex financial institution in 1982 under an Act of the Parliament of India, for financing, facilitating and promoting India's international trade and investment, for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade, and to function as a key policy-input provider to the Government of India (GOI).

Exim Bank offers a comprehensive range of lending and service / advisory programmes, aimed at aiding the globalisation efforts of Indian companies. This enables the Bank to promote inclusion of a large cross-section of Indian exporters, in the opportunities being thrown up by globalisation. Exim Bank especially distinguishes itself in the areas of Project Exports, Lines of Credit (LOCs) and Overseas Investment Finance (OIF) and Ubharte Sitaare Programme (USP), which benefit a gamut of externally oriented Indian companies, including MSMEs. The Bank has developed a new trade facilitation initiative, the Trade Assistance Program (TAP) to address the trade finance gap to support the businesses, especially MSMEs, in expanding their global presence.

In addition, the Bank has also set up a subsidiary, India Exim Finserve IFSC Pvt. Ltd., at Gujarat International Finance Tech-City (GIFT City). The subsidiary offers a range of trade finance products including export factoring to mitigate payment risks, optimise working capital cycles and unlock export potential for Indian exporters.

As on March 31, 2024, the Bank has sanctioned an aggregate amount of USD 2.99 billion for 34 projects under Buyer's Credit under National Export Insurance Account (BC-NEIA). One facility of USD 15.04 million sanctioned by the Bank is awaiting approval of Committee of Direction. As on March 31, 2024, under BC-NEIA, Bank has already disbursed USD 56.71 million during current FY. The current outstanding amount under BC-NEIA stands at USD 0.76 billion. Under the Trade Assistance Programme (TAP), the Bank has partnered with over 80 overseas banks. As on March 31, 2024, the Bank has supported 506 transactions under TAP across 33 countries, leading to more than USD 1.1 billion of incremental exports to new and challenging markets. As on March 31, 2024, the Bank has extended financial support of Rs. 1,214 crore (including 5 equity investments) to 62 entities under Ubharte Sitaare Programme (USP). During FY 2023-24, the Bank sanctioned funded and non-funded assistance aggregating Rs. 6,875 crore under Overseas Investment Finance (OIF) to 24 Indian corporates for part financing their overseas investments in 12 countries. As on March 31, 2024, the Bank's net loans and advances stood at Rs. 1,57,602 crore, while the non-fund portfolio of the Bank was at Rs. 15,346 crore. The total business portfolio of the Bank, which stood at Rs. 3,44,182 crore as on March 31, 2024.

11.2 India Infrastructure Finance Company Limited (IIFCL)

IIFCL is a wholly-owned Government of India company set up in 2006 to provide long-term financial assistance to viable infrastructure projects. IIFCL has been registered with the Reserve Bank of India as Non-Banking Finance Company – Infrastructure Finance Company (NBFC-ND-IFC) since September 2013. IIFCL has set up three wholly-owned subsidiaries as under.

a) India Infrastructure Finance Company (UK) Limited

b) IIFCL Asset Management Company Limited (IAMCL)

c) IIFCL Projects Limited (IPL)

The organization gives overriding priority to Public-Private-Partnership (PPP) projects. IIFCL provides long term financing to viable infrastructure projects through a product mix of Direct Lending (SIFTI), Takeout Finance, Refinance and Credit Enhancement. Taking its developmental role further, IIFCL has in FY2021-22 ventured into investment in Infrastructure Project Bonds and lending to Infrastructure Investment Trusts (InvITs).

IIFCL has been consistently achieving record sanctions and disbursements over the past three fiscal years and has already surpassed the previous year's performance in the current fiscal year. On a standalone basis, as of March 31, 2024, IIFCL has made cumulative gross sanctions of Rs. 2,55,687 crores under direct lending, takeout finance, refinance schemes, InVITs, and investment in bonds. This includes cumulative gross sanctions of Rs. 1,22,182 crores for 567 projects under direct lending. The company has made cumulative disbursements of Rs. 1,28,004 crores till March 2024, including Rs. 37,440 crores under refinance and Rs. 23,869 crores under takeout finance.

IIFCL has continued to post declining numbers on the Non-Performing Assets (NPA) front and achieved a notable reduction in Gross NPA and Net NPA to 1.61% and 0.46%, respectively, as of March 31, 2024, down from 4.76% and 1.45% on March 31, 2023.

IIFCL has achieved record business performance, posting its highest-ever Profit after Tax (PAT) of Rs. 1,552 crores during the financial year 2023-24, which represents a growth of 44% from Rs. 1,076 crores during the fiscal year 2022-23.

IIFCL has been nominated to represent India in the Shanghai Cooperation Organization Inter-Bank Consortium (SCO-IBC) as member bank. Further, IIFCL chaired the SCO-IBC for a one-year from October 25, 2022, to October 24, 2023. Under its representation, IIFCL effectively organized various events, including a meeting of Experts and Coordinators in December 2022, a capacity-building seminar on developing Marquee Infrastructure in February 2023, and a successful SCO IBC Council Meeting in April 2023.

11.3 National Bank for Financing Infrastructure and Development(NaBFID)

The National Bank for Financing Infrastructure and Development (NaBFID) had been established through an announcement made by Hon'ble Finance Minister in the Union Budget 2021-22 and is set up as an infrastructure focussed Development Financial Institution (DFI) under the National Bank for Financing Infrastructure and Development Act 2021, (NaBFID Act) on March 28, 2021 to support the development of long-term non-recourse infrastructure financing in India including the development of the bonds and derivatives markets necessary for infrastructure financing and to carry on the business of financing infrastructure. The Institution has been set-up with both financial and developmental objective, as defined in its Act.

The Institution is supported with 20,000 crore of equity and 5,000 crore of grant from the Government of India (GoI). NaBFID was granted All India Financial Institution (AIFI) status by the RBI on March 8, 2022.

Whole Time Directors and Senior Management started taking charge from August 8, 2022. To ramp up the operationalization, the Institution had onboarded 45 officials from 12 organisations over the time, from both public and private sector banks and institutions, on deputation. NaBFID commenced its business operations on December 29, 2022, with its first loan disbursement.

The Institution reported Net Profit After Taxes of 1,046 crore for FY 2023 and received Highest AAA (stable) domestic rating from ICRA and CRISIL in March 2023. The institution successfully raised 19,516 crore through bonds in FY 2023 – 2024 with its maiden Bond Issuance in June 2023 and successfully listed on both stock exchanges – BSE and NSE.

As of March 31, 2024, the Institution has accorded cumulative sanctions of 1,00,000 crore and cumulative disbursement of ~ 36,000 crore across sectors such as Roads, Railways, Renewables, Transmission and Distribution, Ports, Data Centers and Social commercial sectors amongst others and 50% share of sanctions spread across long-term tenors ranging between 15-20 years. The Institution has also reported a net profit of 1,414 crore, during the first nine of months of FY 2023-2024.

11.4 The Industrial Finance Corporation of India (IFCI)

IFCI Limited (IFCI) was set up as a Statutory Corporation ("The Industrial Finance Corporation of India") in 1948, as independent India's first Development Financial Institution, for providing medium- and long-term finance to industry. In 1993, after repeal of the IFCI Act, IFCI became a Public Limited Company, registered under the Companies Act, 1956. IFCI is also registered with the Reserve Bank of India (RBI) as a Non-Banking Finance Company (NBFC) and is also a notified Public Financial Institution under Section 2(72) of the Companies Act, 2013. IFCI became a Government Company in April 2015 and as on date, the shareholding of GoI as on March 31, 2024 stands at 70.32% of paid-up capital of IFCI. IFCI is a public limited company listed on BSE and NSE and has six number of subsidiaries and one associate under its fold. IFCI has recorded a consolidated profit of 241.05Cr for FY 2023-24 as against loss of Rs.119.78 Cr for FY 2022-23

11.5 National Housing Bank (NHB)

The National Housing Bank (NHB) is a development financial institution, established in 1988, under the National Housing Bank Act, 1987 (Central Act no. 53 of 1987). NHB operates as the principal agency to promote housing finance institutions and to provide financial and other support to such institutions. NHB's three broad functions are Supervision of Housing Finance Companies (HFCs), Financing and Promotion & Development. NHB provides finance to the housing sector through two windows namely Refinance and Project Finance. NHB's business includes refinancing individual housing loans of HFCs, SCBs, Regional Rural Banks and Small Finance Banks (SFBs) and financing public agencies and public private partnerships for their housing projects.

Hon'ble FM in the Union Budget 2023-24 announced establishment of Urban Infrastructure Development fund (UIDF) through Priority Sector Lending Shortfall to create urban infrastructure in Tier 2 & Tier 3 cities. The Fund has been operationalised with an initial corpus of Rs.10,000 crore and is being managed by National Housing Bank.

National Housing Bank (NHB) is development financial institution with staff strength of more than 200 officials with diversified educational background. NHB operates through its Headquarter located at New Delhi and Regional Offices spread across the country. As of June 2023, the Bank has 15 regional offices situated in Ahmedabad, Bengaluru, Bhopal, Bhubaneshwar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kolkata, Lucknow, Mumbai, Patna and Raipur.

11.5.1 Refinancing

Till 31.03.2024, National Housing Bank has disbursed cumulative refinance of Rs. 3.61 lakh crore, out of which Rs. 49,140 crore has been disbursed under Affordable Housing Fund. The details of refinance activities undertaken by NHB during FY 2022-23 and FY2023-24 (till 31-03-2024) are as below:

(Rs. Crores)

	FY2022-23 (01.07.2022 – 30.06.2023)			**FY2023-24 (01.07.2023 – till 31.03.2024)**		
Business Groups	**Sanction**	**Disbursement**	**Outstanding as on 30-06-2023**	**Sanction**	**Disbursement***	**Outstanding as on 31.03-2024**
Institutional Finance (Refinance) -Banks	14,500.00	6,412.00	14,260.99	5,737.50	1,181.00	21,669.36
Institutional Finance (Refinance) -NBFC (HFCs)	28,405.00	29,289.20	77,766.95	27,500.00	19,585.94	69,009.91
Total	**42,905.00**	**35,701.20**	**92,027.94**	**33,237.50**	**20,766.94**	**90,679.27**

* *figure includes disbursement from carried forwarded limit of last financial year.*

11.5.2. Financial Highlights

- Bank posted a Net Profit of Rs. 800.19 crore for the half year ended 31st December 2023 with ROA of 1.59%, ROE of 13.75% and Capital Adequacy Ratio (CRAR) of 17.20%.
- Gross NPA ratio of the Bank stood at 0.77% as on 31.12.2023.

11.5.3. Projections/estimates for the period from 01-04-2024 to 30-06-2024

- Bank has disbursed a cumulative amount of Rs. 20,767 crores during the FY 2023-24 (July-June) as on 31-03-2024.
- Bank projects further tentative sanctions amounting to Rs. 7,000 crores and tentative disbursements amounting to Rs. 10,000 crores during the period April, 2024 to June, 2024.

11.6 Small Industrial Development Bank of India (SIDBI)

SIDBI is the Principal Financial Institution for promotion, financing and development of the Micro, Small and Medium Enterprises (MSMEs) and co-ordination of the functions of the various Institutions engaged in similar activities. SIDBI extends financial assistance to MSMEs through two key channels- 1) Direct Finance wherein assistance is extended largely through the branch network of the Bank and 2) Institutional Finance wherein is extended to Banks, NBFCs, MFIs etc. against their lending to MSMEs. Apart from the above, SIDBI is also engaged in various developmental and ecosystem building initiatives for the MSME sector in India such as venture capital, guarantee programmes, government scheme management, digital innovations etc.

Brief of financial assistance extended by SIDBI is given below-

Amount in ₹ crore

Business Groups	FY 2023	FY 2024 (as on 31.12.2023)
	Outstanding	**Outstanding**
Direct Credit	18,409	22,391
Refinance to Bank	2,98,173	3,46,521
Refinance to NBFC	33,415	48,197
Refinance to MFI	4,900	8,085
SIDBI Cluster Development Fund	1,542	1,598
Total	3,56,439	4,26,793

Profit After tax and Gross NPA for FY23-24 (till 31.12.2023) for SIDBI stood at Rs.3624 Crore and 0.05% respectively.

The New Initiatives of SIDBI for MSME Sector include Internal Process Improvements under Direct Lending, GST Sahay Project, Finance Income and Trade Rank (FIT Rank), Express Loan, Venture Debt Support, Seed Capital corpus support for investing in viable and scalable startup incubates, etc.

GST Sahay Project- SIDBI, in association with Online PSB Loans Ltd (OPL) and iSPIRT, has developed a GST Sahay App using the Open Credit Enhancement Network (OCEN) and Account Aggregator (AA) frameworks for providing 'on tap' invoice-based financing (cash flow based) for small value credit to micro enterprises. The app journey is paperless and covers the entire credit life cycle from origination to repayment. It uses trade information from GSTN, Bank information through AA, Credit bureau status, etc., and also other components of India Stack like e-sign and e- stamping, e-NACH mandate, etc. to achieve paperless process.

12. Special Court and Office of Custodian

12.1 Special Court

The Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992 came into force on 6.6.1992. The Act was necessitated by reasons of the unprecedented situation wherein very large amount of public monies had been siphoned off into private pockets. The legislature sought to set up a Special Court through this Act for (a) speedy trial of offences, (b) immediate attachment and freezing of all assets of parties suspected to be involved in the scam and (c) a reasonable and equitable distribution of the property.

The Special Court, at present, has one Judge who is sitting High Court Judge on its strength. To support their day-to-day functioning, the office of the Special Court functions with a staff of 26 officials at various levels. These posts are renewed on a year-to-year basis by DFS, Ministry of Finance with the approval of IFU. As on 31st March 2024 a total number of pending matters in the Special Court 79 which includes, Suits and Special Cases (Criminal) and 73 Civil and Criminal Appeals arising out of the orders passed by the Special Court are pending before the Hon'ble Supreme Court.

12.2 Office of the Custodian

To assist the Custodian in discharging the duties under the Special Court (TORTS) Act, 1992, at present there are two offices one at New Delhi and the other at Mumbai. The Delhi office handles the Administration and Establishment matters of both the offices of Custodian and also deals with Supreme Court cases. The Mumbai Office mainly deals with the Court matters of the Special Court, which is presided over by a sitting Judge of Hon'ble Bombay High Court. Apart from that the Mumbai Office also manages attached properties of notified persons involved in the Security Scam. The present sanctioned strength of the Office of the Custodian is 19 (including the post of Custodian). The charge of Custodian is presently held by a Joint Secretary level Officer of the Department of Financial Services in addition to his charge in Department of Financial Services.

Since inception, a total of 13,493 cases were filed in the Special Court, which were defended/contested by the Custodian and 13425 cases have been disposed of by the Special Court, leaving a balance of 68 cases for their disposal as on 29th February, 2024. As on 29th February, 2024 the total outstanding liabilities of notified parties were for Rs. 42,053 crores as against the assets amounting to Rs. 6,760 crores, out of which Rs.1,096 crores are non-recoverable. Till 29th February, 2024, Rs.12,813 crores (approx.) has been recovered by the Custodian and out of these assets, Rs. 7,149 crores has been distributed to the Income Tax Department, Banks and others.

13. Disposal of Public Grievances

Timely redressal of public grievances relating to banking and insurance sectors is an important tool towards upgrading the quality of customer service in this very crucial segment of financial sector. Department of Administrative Reforms and Public Grievances (DARPG) has established CPGRAMS (Centralised Public Grievance Redressal and Monitoring System), (an online web-based system), to resolve public grievances.

The maximum permissible time for resolution of grievances on CPGRAMs is 30 days. This was communicated by Department of Administrative Reforms and Public Grievances (DARPG) vide its Office Memorandum dated 27.07.2022. Same was communicated to RBI/IRDAI/ All PSBs/PSICs/FIs vide this Department letter dated 05.08.2022 for taking necessary action. Regular monitoring of adherence to time lines is done by Department of Financial Services.

In Department of Financial Services, a large number of grievances/complaints concerning Banking and Insurance Sectors are received directly from citizens, both online and by post. The postal grievances are also digitized and processed through CPGRAMS for its onward transmission to the designated Nodal Officers i.e. Deputy General Manager/General Manager (DGM/GM) of concerned Public Sector Banks/Public Sector Insurance Companies (PSBs/PSICs) for its redressal within a maximum time limit of 30 days. These directions are followed by all organisations under the Department of Financial Services. Action taken reports are uploaded on the system and a scanned copy of the reply is provided to the complainant on CPGRAMs and same can be viewed by them online. In addition, a dedicated Grievance Handling Cell has been set up in the Department, which is accessible at the Telephone No. 23346785 and email address sobo3-dfs@nic.in.

The Banks and Insurance Companies have grievance redressal mechanism in place and are also hosted on their respective websites. The first level of grievance redressal is Branch Manager in Banks and Insurance Companies followed by Zonal Managers and then General Manager (Customer Care) in Head Office. The grievances concerning private banks and private insurance companies are resolved through Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority of India (IRDAI) respectively. The PSBs have also established Ombudsman for settlement of grievances.

The Reserve Bank of India (RBI) has launched 'The Reserve Bank Integrated Ombudsman Scheme, 2021' on 12.11.2021. The Scheme integrates the existing three Ombudsman Scheme of RBI namely – (i) the Banking Ombudsman Scheme, 2006 (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018 and (iii) the Ombudsman Scheme for Digital Transaction, 2019. In addition to integrating the three existing schemes also includes under its ambit Non-Scheduled Primary Co-operative Banks with a deposit size of Rs.50.00 crore and above. The scheme adopts "One Nation One Ombudsman mechanism". There are 17 Insurance Ombudsman set up by IRDAI. In case of banking there are 24 offices of RBI ombudsman. When the petitioners are not satisfied with the kind of disposal by the concerned Banks/Insurance Company, they can file their complaints with the Ombudsmen concerned for the settlement of their grievance through mediation and passing of awards.

14. Right to Information (RTI) Act, 2005

As per RTI Act, any citizen can seek information under RTI by making an appropriate application in writing along with the prescribed fees to the Central Public Information Officer, Department of Financial Services,3rd Floor, Jeevan Deep Building, Parliament Street, New Delhi-110001 and/or can also file an RTI under RTI Act, 2005, on Online Portal available at www.rtionline.gov.in

During FY 2023-24, 6324 RTI Applications and 447 First Appeals were received on various matters related to Banking, Insurance and pension. All the applications and appeals were replied/disposed of within the stipulated time as prescribed under the RTI act, 2005.

Section 4 of the RTI Act casts an obligation on every public authority to make certain suo-moto disclosures on its website. DFS has also made such suo-moto disclosures on its website, regarding information on various functions, powers and duties etc. with respect to DFS

15. Vigilance

Department of Financial Services (DFS) is the Administrative Department for Public Sector Banks (PSBs), Public Sector Insurance Companies (PSICs) and Financial Institutions (FIs). A Joint Secretary level officer has been designated as Chief Vigilance Officer of the Department. He is assisted by Director, Under Secretary and Section Officer in the discharge of his functions.

15.1 Performance

a) The Vigilance Division of the Department monitors the progress on disposal of complaints received from various sources and pendency of disciplinary / vigilance cases regularly and holds meeting with CVOs in this Department at appropriate intervals.

b) Instructions have been issued from time to time as and when any gap in the system is observed to strengthen the preventive vigilance in these organisations.

c) Vigilance Section, DFS organised a training programme of CVOs of PSICs and officers of DFS through National Insurance Academy, Pune.

d) Vigilance Section also held many Secretary level meetings to review pending fraud cases, status of section 17A and 19 of Prevention of Corruption Act, 1988 cases with senior officers of CBI and CVOs of PSBs.

e) A committee has been formed by IBA to suggest a vigilance manual or SOP to protect bonafide bankers from disproportionate action by Law Enforcement Agencies. Vigilance Section, DFS is providing necessary support to the Committee to assist banking fraternity.

f) CVC's Annual Sectoral Review Meeting for PSBs was held to review the status of large value fraud cases, complaints and sanctions for investigation and prosecution.

15.2. Vigilance Awareness Week was observed from 30.10.2023 to 05.11.2023. Essay and slogan writing competitions, both in Hindi and English were held to create awareness about vigilance rules in Department. Further, vigilance Section, DFS also oversaw the successful completion of Vigilance Awareness Week in subordinate organisations viz. Public Sector Banks/Public Sector Insurance companies and Public Sector Financial Institutions.

16. Debt Recovery Tribunals(DRTs)/Debt Recovery Appellate Tribunals(DRATs)

The Debts Recovery Tribunals (DRTs) and Debts Recovery Appellate Tribunals (DRATs) were established under the Recovery of Debts and Bankruptcy Act (RDB Act), 1993 with the specific objective of providing expeditious adjudication and recovery of debts due to Banks and Financial Institutions.

a. A notification dated 31/01/2023 has been issued making e-filing mandatory in DRTs. The e-filing of cases would enable the banks and financial institutions to file the cases online. The filing of cases would be easier through e-filing as the documents can be uploaded on the website and would be easily accessible while virtual hearing of the cases. The online submission of fee would be an easier option for the litigants. Even if the last date of limitation is approaching, with the facility of e-filing the cases can be filed within the limitation period and there will be no delay in filing the cases.

b. Facility of Hybrid Hearing in DRTs: Department of Financial Services is taking requisite steps to facilitate hybrid hearing for all DRATs and DRTs. Hybrid court hearings entail a combination of in-person and remote participants in legal proceedings.

c. The details of applications filed and disposed in DRTs during the period from 01.04.2023 to 31.03.2024 are as under: -

Applications	Filed during the period from 01.04.2023 to 31.03.2024	Disposed of 01.04.2023 to 31.03.2024
OA	42511	36894
SA	22601	16343
Total	65111	53237

d. Recovery effected by Debts Recovery Tribunals (DRTs) in the Financial Year 2023-24 .As per the provisional data made available by all DRTs, a recovery of Rs. 11116.661 crore has been made by DRTs in the Financial Year 2023-24

17. Representation from SCs, STs, OBCs and PWDs in Financial Sector Institutions

Department of Personnel & Training (DoP&T) in the Ministry of Personnel, Public Grievances and Pension, is the Nodal Department for implementation of the reservation policy for Scheduled Castes (SCs) & Scheduled Tribes (STs), Other Backward Classes (OBCs), Economically Weaker Sections (EWSs), and

Persons with Disabilities (PwDs)(Divyangjan) in the Government of India. Instructions regarding reservation in recruitment and promotion are issued by DoP&T from time to time. Department of Financial Services (DFS) circulates these instructions to the Public Sector Banks (PSBs), Public Sector Financial Institutions (PSFIs), Public Sector Insurance Companies (PSICs), Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) for implementation. Similarly, instructions issued by the other Nodal Ministries/ Departments for the welfare of aforesaid category employees, are also circulated to all PSBs, PSFIs, PSICs, RBI, IRDAI and PFRDA etc. for implementation.

Details of representations from SCs/ STs/ OBCs/ EWSs and Persons with Disabilities (PWDs) in Public Sector Banks / Financial Institutions and Insurance Companies is at ***Annexure I & II*** respectively.

18. Audit Paras

A summary of Audit observations made available by the Office of C&AG pertaining to DFS is at ***Annexure-III***

Annexure-I

Group-wise representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes, Economically Weaker Section upto 31.12.2023

S.No.	Group	Number of Employees (as on 31.12.2022)					Number of appointments/promotions made during the calender year 2023 (i.e. 01.01.2023 to 31.12.2023)														
							Appointment by Direct Recruitment					Appointment by Promotion					Appointment by Other Methods				
		Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
2	Group - A	473133	86945	39274	121257	2727	12542	1941	837	3902	1190	44559	8042	3408	11976	34	855	89	19	202	11
3	Group - B	20485	2966	1337	4013	176	6316	1092	584	1399	440	31	11	4	4	0	1	0	0	0	0
4	Group-C	327581	58402	25594	83867	4830	9504	1552	941	2901	716	6700	1547	513	1421	0	932	253	84	234	0
5	Group-D (Excluding Safai Karamchari)	86512	25287	6536	22451	363	1237	158	166	290	70	34	8	0	1	0	551	220	57	144	0
6	Group-D (Safai Karamcharies)	28292	12988	2114	7527	38	236	65	13	89	5	0	0	0	0	0	175	78	25	34	0
7	Total	938003	186588	74855	239115	8134	29835	4808	2541	8581	2421	51324	9608	3925	13402	34	2514	640	185	614	11

Sources: PSBs, PFIs, PSICs and Regulators.

Annexure-2

Group-wise representation of Persons with Disablities up to 31.12.2023

S.No.	Group	Number of Employees (as on 31.12.2022)					Number of appointments/promotions made during the calender year 2023 (i.e. 01.01.2023 to 31.12.2023)																				
							Appointment by Direct Recruitment										Appointment by Promotion									
							No. of vacancies reserved					No. of appointments made					No. of vacancies reserved					No. of appointments made				
		Total	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	ID
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
2	Group - A	473133	3165	1080	7002	100	1398	175	212	178	187	2243	191	69	161	66	4899	193	179	192	140	17444	201	98	357	4
3	Group - B	20485	4	1	22	0	0	0	0	0	0	9	2	2	2	3	0	0	0	0	0	0	0	0	0	0
4	Group-C	327581	2822	1139	4623	80	1501	147	215	131	137	1895	237	55	110	24	865	324	143	390	68	4312	44	26	78	0
5	Group-D (Excluding Safai Karamchari)	86512	224	210	761	3	12	5	3	3	1	198	3	1	4	1	0	0	0	0	0	16	0	0	0	0
6	Group-D (Safai Karamcharies)	28292	75	100	493	3	9	3	2	2	2	235	4	3	2	1	0	0	0	0	0	0	0	0	0	0
7	Total	936003	6290	2530	12901	186	2920	330	432	314	327	4580	437	130	279	95	5764	517	322	582	208	21772	245	124	435	4

Note:-

(i) VH stands for visually Handicapped (persons suffering from blindness or low vision).

(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment).

(iii) OH stands for Orthopedically Handicapped (persons suffering from locomotors disability or cerebral palsy).

(iv) ID stands for Intellectual Disability.

Sources: PSBs, PFIs, PSICs and Regulators.

ANNEXURE-III

Summary of important observations included in Audit Reports

Sl. No.	Year	No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Paras/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
1	01.01.2023 to 31.03.2024	3*	Nil (as on 31.03.2024)	13 (as on 31.03.2024)	4 (as on 31.03.2024)

* Includes 2 Nos. of C&AG Audit Para and an entire Report No.1 of 2022.

S.No.	Year	No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Paras/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
1	2014-15	1	Nil	Nil	Nil
2	2015-16	1	Nil	2	Nil
3	2016-17	1	Nil	1	Nil
4	2017-18	1	Nil	4	Nil
5	2018-19	Nil	Nil	3	Nil
6	2019-20	Nil	Nil	8	Nil
7	2020-21	Nil	Nil	3	Nil
8	2021-22	Nil	2	Nil	Nil
9	2022-23	Nil	1 (Entire Report)#	Nil	Nil

#Report No.1 of 2022 (Audit Report on Third Party Administrators in Health Insurance business of Public Sector Insurance Companies)