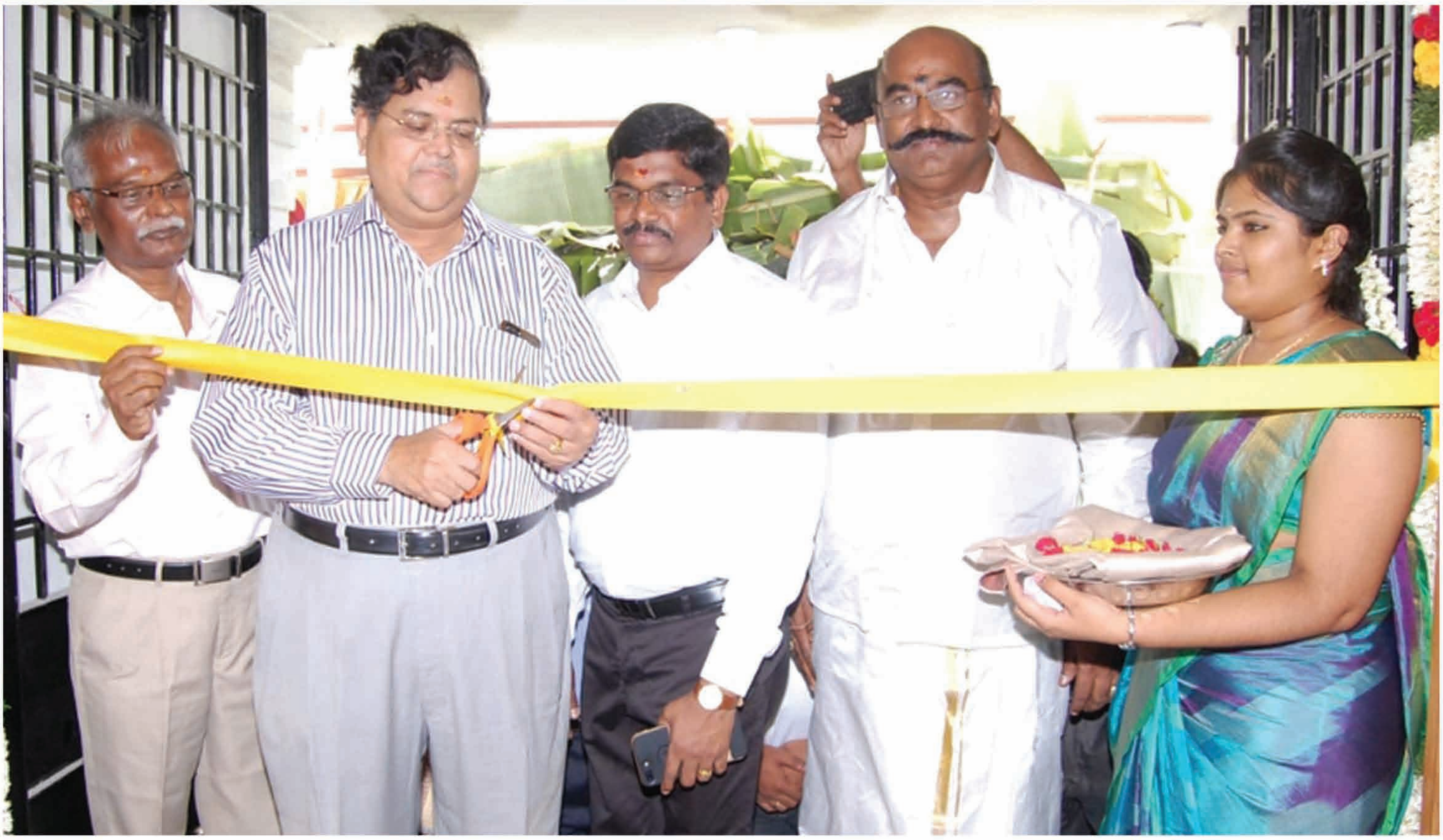
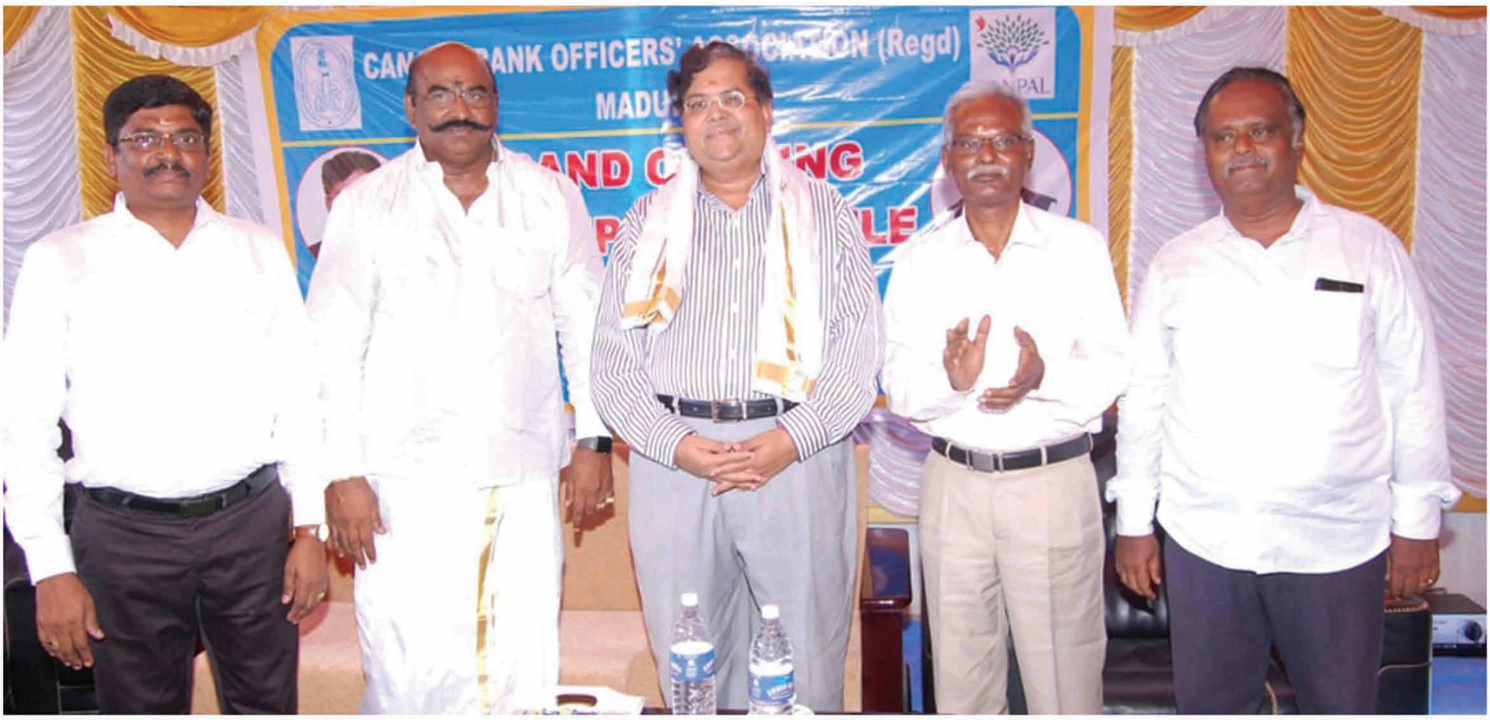
FRIEND & GUIDE

An e- Magazine from CBOA

July 2019





THE CANARA BANK OFFICERS ASSOCIATION (REGD)

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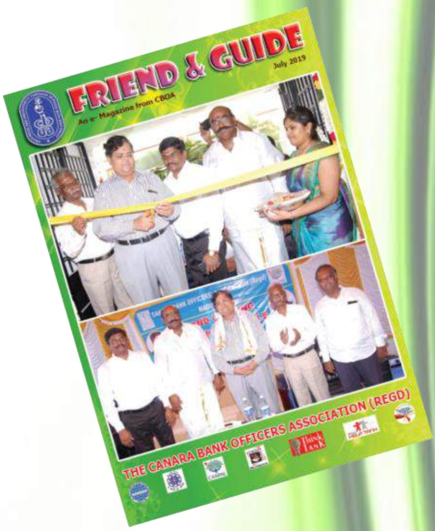

CBOA FRIEND AND GUIDE
ISSUE: JULY 2019

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COVER

OUR MD & CEO SRI. SANKARA NARAYANAN ALONG WITH OUR GENERAL SECRETARY, SHRI GV MANIMARAN, AND GENERAL MANAGERS SHRI.ABDUL AJEES AND SHRI. PARAMASIVAM INAUGURATING CBOA HOLIDAY HOME AT RAMESWARAM

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EDITORIAL

WAGE CODE BILL TO WAGE CODE:
CABINET APPROVED WAGE CODE BILL

Long-awaited wage code bill has been approved by Cabinet ministry and it may be soon introduced in both the houses, in order to make it a law. The change in labour laws has been suggested by Second National Labour Commission in 2002,and the bill was introduced in 2017,which consists of four codes those would subsume the existing 44 labour laws. These four codes deals with Wages, Social Security, Industrial safety and welfare and Industrial relationship. The objective of bill is that "Every employee must be given a basic wages to lead a decent life, matching to the status being enjoyed in the respective institution, without linking the profit and paying capacity. The minimum wages decided as per these codes will be revised in every five years.

Since the beginning of XIth bipartite settlement talks, CBOA has been advocating wage revision based on the formula of Minimum Wages than following the traditional negotiation on percentages, which is purely based on load factor and profitability of the respective institution.

Banks have been instructed to sell non profitable Govt products, loans under Govt schemes, sponsor social actions. Loosing focusing on core business, as banks are forced to do business as per Govt instruct and the same Govt itself blaming banks as lose making and demanding wage revision must be based on profitability of the bank.

Banks are making profit, but the new methods of accounting, as per the Basel norms, bringing many balance sheet showing loss, while Basel norms are not yet modified to suit Indian economy. Banks are compelled to share huge amount from profit towards provisioning for NPA. One side Govt is pushing for loans, while other side they are not tightening the laws to recover the bad loans.

Banks in Indian economy has served a lot to the development of the country and every banker has sacrificed a lot for it. We have many instances that Bankers were safeguarding the economy as an army safeguarding the territory of our nation. We are vital part of the nation, we can't be stamped as business entity alone.

Bank officers need a decent wage, suitable for the responsibilities they undertake, and we need to attract young generation to banks as officers. We can't risk with the safety of the economy and its control should not be given at the hands of Shylocks.

CBOA leaders had a vision for the future of the officers. They had a dream of the welfare of officers and could find a way to realize it.

Finding a new path is different from trudging the old path. "Every one talks about change but one can become the change, Every one teaches what success is, but one can lead us to success."

Be proud to be a part of the leading team.

Editorial Team
CBOA Friend and Guide

Sri. G V Manimaran
General Secretary, CBOA
General Secretary, AINBOF
Senior Vice President, AIBOC
President, Canara Bank Officers Thrift Society

From the desk of
GENERAL SECRETARY

Wage Revision for the Bankers on the principles of Minimum Wages Formula

The citizens of this great democratic country have returned the NDA to power for the second successive term, under the towering leadership of Shri Narendra Modi, by giving a monumental mandate. The mandate appears to be a validation of the systematic developmental initiatives implemented and the benefits derived by the end-users, during the first term of the NDA regime. On the same measure, it also raises hopes and aspirations for continuance of such welfare measures and introduction of new schemes for improving the living conditions of the common man.
Madam, your ascent to the Finance Ministry is a glorious honour bestowed on your clinical handling of the Defence Ministry in your previous tenure. The confidence reposed by the Prime Minister stems from your proven ability amidst high expectations to transform the banking industry in tune with the spirit of nationalisation.

The partners in the nation's economic progress viz., the bank employees in the public sector banks look upon your good self for better understanding and appreciation of their all round pivotal role and especially in the newly launched additional segments like Social Security Schemes viz., PMJJBY, PMSBY, Financial Inclusion, Pradhan Mantri Mudra Yojana, etc. We place our humble plea to you Madam to take a holistic view of the working conditions, expectations, and aspirations for a decent salary hike to attract more and more professionally qualified youngsters in the industry.

The Banking Sector is the back bone of Indian Economy and it contributes for the development of the Nation despite of its many limitations. The path for this was paved way back in 1969 through nationalisation with a foresight and vision that the development of the nation and upliftment of the poor can be done by the Banking Sector.

The following details show the growth of the industry after nationalistion:

(Rs. In billions)

Scheduled Commercial Banks	June 1969	March 2019
No. of Banks	89	147
No. of branches	8262	1,41,756
Total Business	82.5	2,23,769
Deposits	46.5	1,25,586
Advances	36.0	98,183

It can be observed that the banking system had grown phenomenally in the aftermath of nationalization. Be it branch network, deposits, advances the banking system has grown exceedingly well in the last 5 decades.

The committee on Financial Sector Reforms headed by Shri.Raghuram Rajan, former governor of RBI had commended the position of Indian Banks in its report titled "A Hundred Small Steps. It states that, as a group, Indian banks have done exceedingly well in providing high returns to shareholders, registering the highest regional growth rate in assets, deposits, and ROE as well as one of the highest total returns globally according to a recent detailed survey conducted by McKinsey for the Indian Banks' Association (IBA).

The committee also noted that "Banks' contribution to GDP in India is comparable to the ratios in developed and developing world. Significant improvements were made in capital allocation between 2003 and 2007 reducing the share of industries with returns lower than cost of debt from 56 percent to 22 per cent. NPA levels have been cut to about a third during the same period."

In 2009, the World Bank had also praised the Indian Public Sector Banking system, while extending a loan assistance to the tune of 2 billion dollars and also observed that the Indian Public Sector Banks are doing exceedingly well and the same was primarily due to the day to day monitoring of Public Sector Banks by DFS and RBI.

The infrastructure development projects like Road / Power / Telecom sector were introduced in the year 2008 in a big way. The government had adopted a new business model of public and private partnership to achieve its objective and also due to the difficulty perceived in providing budgetary allocation for executing such infrastructure development.

In the process, the Public Sector Banks had to extend the financial assistance to such corporates for carrying out the infrastructure projects aimed at the development of the nation. The contracts were given to Indian corporates who were not having proper liquidity in view of economic meltdown witnessed in the Western Countries from where the Corporates earlier used to mobilize resources at cheaper rates.

To facilitate the easy and continued flow of finance to such corporates, the controller, the RBI has brought norms like Strategic Debt Restructuring and Corporate Debt Restructuring (SDR/ CDR). These restructuring models made these private corporates to be eligible to avail the bank finance and the timely infusion of two billion dollars by the World Bank into the Banking Reforms had also helped.

Payment of such bank dues of the corporates which were restructured under SDR / CDR were not forthcoming while the prudential and provisioning norms were tightened slowly. The NPAs, built over a period of time through SDR / CDR measures.

But the banks were advised to be provided for immediately in the name of Asset Quality Review (AQR) and instructed to brand all the re-structured assets as NPA in one go and advised the Banks to make provisions against those NPAs. This was the beginning of the problems for PSBs due to which they are driven to their current state.

The Bank job was lucrative during 1980s and was the most sought after at that time and many job seekers preferred Banks over the Administrative Services and other Central Government Jobs. However, after implementing the Pillai Committee - 1979 recommendations, the salary of the Bank Officers was brought down to be on par with the salary of the Grade A Officers in Central Government.

However in the last 4 decades, the salary of the bank officer has gone down drastically when compared with the salay of the Grade A officers thus defeating the very purpose of the Pillai Committee which was constituted for the purpose of bringing partity between the salary structure of the bank officers and the Grade A officers of the Central Government. This has hurt the banks in many ways mainly attracting and retaining the talented youth in the last decade.

The INTERNATIONAL LABOUR ORGANISATION had adopted certain resolutions in 1970 the crux of which is ensuring Minimum Wages for workers and these resolutions have been adopted by more than 80% of the member countries. The main objective of this that " Every employee must be given a basic wages for him and his family to lead a decent life, matching to the status being enjoyed in the respective institution, without linking to the profit and paying capacity"

It is pertinent to quote the following relevant disclosures from the "International Labour Organisation's India Wage Report – Wage policies for decent work and inclusive growth":

3.3 The wages of regular/salaried workers grew by 2.3 per cent between 1993-94 and 2004-05 annually, as a result of the implementation of the fifth pay commission, which increased wages for civil servants and the growth of wages in other sectors such as information technology, banking and finance. A higher real wage growth rate for both regular / salaried workers (4.2 per cent) and casual labourers (6.8 per cent) was registered during the period 2004-05 to 2011-12.

A careful perusal of the fixation of basic pay of the bank officer and Central Government officer will reveal the glaring injustice meted out to the bank officers:

Period of CPC	Minimum Basic Pay (BP) of Central Govt. Officers Rs.	Period of Bipartite Settlements		Minimum B.P. of Bank Officers Rs.	Comparison of Basic Pay
III CPC (1973 to 1985)	700	PCR 4th BPS	01.10.1979 01.02.1984	700 1175	Both are same. Bank officers BP is 67.85% higher than officers of Central. Govt.
IV CPC (1986 to 1995)	2200	5th BPS	01.11.1987	2100	Bank officers' BP is 4.54% lower than officers of Cent. Govt.
		6th BPS	01.11.1992	4250	Bank officers' BP is 93.18% higher than officers of Cent. Govt.
V CPC (1996 to 2005)	8000	7th BPS	01.11.1997	7100	Bank officers' BP is 8.75% lower than officers of Cent. Govt.
		8th BPS	01.11.2002	10000	Bank officers' BP is 25% higher than officers of Cent. Govt.
VI CPC (2006 to 2015)	21000 (15600+ 5400)	9th BPS	01.11.2007	14500	Bank officers' BP is 30.95% lower than officers of Cent. Govt.
		10th BPS	01.11.2012	23700	Bank officers' BP is 12.85% higher than officers of Cent. Govt.
VII CPC (2016 onwards)	56100	11th BPS	01.11.2017	61000	Demanded.

5.2 wage growth has accelerated in all three sectors of the economy – primary, secondary and tertiary – for both regular and casual wage workers. Wages have increased most rapidly in the primary sector during the period 2004–05 to 2011– 12. Within the secondary sector, there is a strong acceleration of wage growth in mining, manufacturing and construction, while in the tertiary sector, wages have increased substantially in trade, and to a lesser extent in hotels and restaurants, education, and health and social work. By contrast, wage growth slowed down in banking and finance, and in real estate and business services between 2004–05 and 2011–12.

The report further reveals that the real wage growth for regular workers in Banking and Finance fell to 2.8% in 2011-12 from 3.7% in 1993-94.

Indian government has also accepted these guidelines and introduced the above said formula for its employees from 01.01.2016 accepting the recommendations of the seventh pay commission which modelled its recommendations on the Minimum Wages principles determining the minimum level of salary required for an employee to lead a decent life.

The Government had also introduced a bill on the above said formula to be adopted for both Organised and unorganised sector, in the Parliament under the title, "CODE ON WAGES BILL 2017". The new Code on Wages is sought to ensure minimum wages to one and all and timely payment of wages to all employees irrespective of the sector of employment without any wage ceiing.

The bill was resubmitted in the parliament during December 2018, after consultations and covering the small suggestions made by major stakeholders like AITUC,CITU,BMS, HMS and the State Governments, and is awaiting final approval. Under Chapter I – Preliminary – Definitions S.No.2 (d) "appropriate Government", the Bill includes Banking and Insurance Company.

Besides, the Code on Wages Bill also treats that "any contribution paid by the employer to any pension or provident fund, and the interest which may have accrued thereon" should not be part of "Wages" as it is a social security measure. This gives us the bankers hope on updation of our pension which is also a long pending demand.

This indicates that the approach of the Government is also to fix the wages on the basis of Minimum Wages Principle across the Country.

The salary revision of the Bank employees are happening every five years based on the bipartite discussions between Managements represented by Indian Banks Association and Trade Unions representing the Employees. Over the last few settlements the bankers were deprived of a reasonable hike under the pretext of profit and paying capacity of the institutions.

Considering the past trend and taking into account the previous experience, the four officers organisations had submitted the charter of demands seeking wage revision on the basis of Minimum Wages principle adopted by the Central Government revising the salary of the Employees in its payroll.

Besides, it was thought fit that it was the solution to bridge the huge gap in salary and ensure pay parity with that of the Grade A Officers in Central Government. **Incidentally Ministry of Finance, Government of India had also issued a clarification during 2017 on the equivalence of post with Grade "A" Officers thus equating the Officers in Public Sector Banks with them.**

Taking these into account the Officers' Organisations have demanded salary revision based on the Minimum Wages principle. However, the IBA is going back to the erstwhile practice of wage revision based on the quantum increase over the existing wage bill and is offering marginal increase only. Even after a lapse of nearly 18 months no headway is made in the wage revision negotiations and talks are not happening as per the demands submitted by the Officers' Organisations.

Our basic demands are

- **Basic wages as per the ILO prescribed minimum wages formula.**
- **Wages of the JMG scale I Officers should be equivalent to Grade "A" officers of the Govt. of India.**
- **Running scale of pay without any stagnation.**
- **Updation of pension**

Madam, the Public Sector Banks are the financial face of the Government. All the schemes launched by the NDA Government, especially the new Social Security and Financial Inclusion schemes are being implemented in letter and spirit by the PSBs only. Yet, our legitimate rights of wage revision once in five years are neglected and ignored. Eleven lakh bank employees across the country and their expectant families are keeping their fingers crossed anticipating a decent and early settlement of wage revision, which is due from November 1, 2017.

We plead your kind and immediate intervention to alleviate the plight of bank employees in arriving at an early wage revision. We seek the favour of your precious time for initiating necessary remedy and suitable benevolence.

NB: From the letter written to Smt. Nirmala Sitharam, Finance Minister. Letter Ref : AINBOF GS/May/2019/FM dated 18.06.2019

Ref: Press Release dated 08.06.2019

On the eve of holiday home inauguration of Canara Bank Officers Association at Rameshwaram, Our General Secretary Sri G V Manimaran, gave an interview / press release at Trichy. Highlights of the press release are:

- CBOA owns Holiday Homes to benefit the families of 30000 members and also the retired officers in various parts of the country.
- The holiday homes are named as **"Canpals' Castle** " followed by the name of the city.
- The existing holiday homes are in **Amritsar, Chandigarh, Chennai, Trivandrum, Coimbatore and Kolkata.**
- It is proposed to construct/ acquire/improve holiday homes in various parts of the country to reach the total of 25 before 2021.
- Following centres are identified that **Gulbarga, Tirupathi, Hampi, Madurai, Rameshwaram, Gaya, Varanasi, Hyderabad, Arakku Valley, Kodaikanal, Noida/ Gurgaon, Shimla, Wayanadu, Dehradun etc.,** in the days to come.

- Rameshwaram castle is getting inaugurated tomorrow by our respected **MD & CEO Sri A Sankaranarayanan** in the presence of the **General Managers Sri Paramasivam** and **Mr Abdul Azeez.**
- While expressed happiness on the achievement of crossing 10 lacs crores business, he also opined that the growth is not matching to the potential and the strength of the workforce and expressed confidence that with the active participation of young officers numbering 70% of the total supervisory strength under the guidance of experienced executives, the bank will write new histories in the business building.
- He requested the officers to ensure the 10 Crores existing customers to bank with our bank only for any banking needs.
- He suggested that with the improvised customer service even if we encourage 10% of non advances customers to avail the retail products we can easily add additional one lac crores business and improve the profits too.
- He requested the committed work force of the bank to concentrate to rope in low cost deposits to improve the existing level of 28% which would increase the profit margin of the bank.
- He also opined to step up the recovery efforts to bring down the npa level to retain the income earned as profit which otherwise eats away our income earned through our hard labour.
- Regarding merger of the banks, he expressed that he was unable to understand the logic behind it when the policy permits more number of small private institution to come up in this country to manage various financial portfolios at higher cost, the same policy attempts to consolidate PSBs which are present in every nook and corner of the country and making their services and products available to the Indian public at lower cost.
- He apprehended that the mergers are precursor to the privatisation and the privatisation of the financial institution which leave the capital in the hands of private is not good for the country like India when reasons for nationalisation is not achieved still.
- He recalled the financial mismanagement of big Indian corporates like King Fisher, Neerav Modi, Jet Airways, Deccan Chronicles and the recent IL&FS where in the entire board in collusion with the auditors have looted the public money.
- Regarding the wage revision he expressed confidence that the present government with thumping majority will pass the code on wages bill 2017 placed in the parliament just a month before the elections were announced and with the introduction of such bill the bank officers salary also can be fixed on the minimum wages policy without linking the wage revision to profit and paying capacity for the officers to lead a decent life matching to their status in – the bank.

Ref: GS Whatsapp msg dated 24.06.2019

Salary to the Bankers on the MINIMUM WAGES FORMULA is demanded and kept alive by the CBOA only and the entire office bearers of CBOA are deserving for patting. When our opponents argued against and started negotiations with 2% increase, it was CBOA rejected the very formula and demanded wage hike MATCHING TO OFFICERS STATUS WITHOUT LINKING TO THE PROFIT AND PAYING CAPACITY.

We took the issue to the High court and got our writ admitted thus got the seal of Judiciary too. Now there is a hope that our demands would be reality as the CODE ON WAGES BILL 2017 which was placed in the parliament during Dec 2018 is likely to be cleared by the NEW CABINET COMMITTEE as a precursor to pass it in the parliament in the current session itself.

But, We only won half. The bill will change the formula but we demand the wages EQUIVALENT TO THE GRADE A OFFICERS AS ON 1st November 2017 which is more than 3.11 times of 18000 fixed as on 1st Jan 2016.

We also must get

1. Running scale as the increments cannot be linked to promotion but to be linked to years of service only. Otherwise scale 1 officers will reach stagnation in 15 years if not promoted.
2. We must also demand updation of pension which would ensure the decent retired life.
3. We also must demand the medical reimbursement scheme on par with SBI officers as it is better than the scheme adopted by other Nationalised banks.

We reached the PENULTIMATE STAGE. No REST, tighten your Muscles, activate and ACCELERATE YOUR ACTIONS.

If not now, NEVER. Generate AWARENESS, ALERT the YOUTH, VICTORY IS OURS.

OUR BANK NEWS

Canara Bank

GIST OF CIRCULARS RELEASED DURING THE MONTH OF JUNE 2019

Circular No.	Synopsis
	MSME
267/2019	Selection of scheme code 75410 for Pradhan Mantri Mudra Yojana (PMMY) loans and discontinuation of usage of product code 741
286 /2019	CREDIT GUARANTEE FUND TRUST FOR MICRO & SMALL ENTERPRISES (CGTMSE)- Demand for payment of Annual Service Fee (ASF)/Annual Guarantee Fee (AGF) to be collected for FY 2020 for Guarantees commenced /enhancement permitted during Feb-Mar 2019 • Payment of ASF/AGF for FY 2020 shall be made within 30.06.2019 • Delayed payment attracts penalty and additional premium of 15%.
292/2019	SPECIAL SCHEME FOR SETTLEMENT OF NPAs IN MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR WITH TOTAL DUES (CONTRACTUAL) OF RS. 100.00 LACS AND BELOW • The Scheme will cover NPAs classified *as Doubtful & Loss assets in MSME sector*, as on 30.09.2018 with total dues (contractual) of Rs.100.00 lacs and below as on the date of settlement. • The Scheme will also cover NPAs classified as *Sub-Standard under Micro and Small Enterprises (MSE) Sector* as on 30.09.2018 with total dues (contractual) of Rs.100.00 lacs and below as on the date of settlement, categorised as "SICK/NON-VIABLE" for restructuring or rehabilitation. • The Scheme will cover all eligible accounts where action has been initiated under SARFAESI Act, cases pending before Courts/DRTs subject to obtaining consent decree in such cases and also decreed accounts. • The scheme is extended from 01.4.2019 to 31.3.2020
	CUSTOMER SERVICE
269/2019	1. Need for excellent customer service at branches/offices 2. Zero tolerance for misbehavior of staff towards customers 3. Errant & misbehaving employees would be liable for strong disciplinary action as per Bank's guidelines on Staff Accountability
	RATE OF INTEREST
270 / 2019	The tenor linked MCLRs of the Bank shall be as under w.e.f. 7th June 2019 : 1. Overnight MCLR 8.35% 2. One-month MCLR 8.40% 3. Three-month MCLR 8.50% 4. Six-month MCLR 8.65% 5. One-year MCLR 8.70%
	SB / DEPOSITS RELATED
271/2019	RISK CATEGORISATION OF CUSTOMERS – DEPOSIT ACCOUNTS. 1. Risk categorization of customers (deposit accounts) as on 15.05.2019 has been updated in CBS centrally (the process completed on 26.05.2019).

	2. Branches are required to review the risk categorization of existing accounts using option No. 170070A in Business Objects and update the risk category, wherever applicable, as advised vide H.O. Cir No. 253/2018 dated 03.05.2018 and 323/2018 dated 18.06.2018, and confirm to the respective Regional Office on or before 15.06.2019.
303/2019	RECTIFICATION OF KYC DEFICIENCIES AND ACHIEVE 100 % KYC COMPLIANCE • Need for ensuring 100% KYC compliance • In case of existing KYC non compliant accounts, debit operations to be frozen until KYC compliance / updation of KYC in CBS. • In case of newly opened KYC non-compliant accounts, transactions are to be blocked until complying with KYC norms. • Re-KYC guidelines reiterated.
308/2019	Basic Savings Bank Deposit (BSBD) Account • RBI has prescribed 5 basic minimum facilities to be offer in the BSBD Account, free of charge, without any requirement of minimum balance. • Offering additional services will not make it a non-BSBD Account, so long as the prescribed minimum services are provided free of charge. • The BSBD account shall be considered a normal banking service available to all.
309/2019	Bank is launching three new retail term deposits products, viz. “Canara Khazana-111”, “Canara Khazana-222” & “Canara Khazana-333” w.e.f. 01.07.2019.

Product	Period	Type of Deposit	Interest rates (General Public)
Canara Khazana - 111	111 Days	FDR	6.25 %
Canara Khazana - 222	222 Days	FDR/KDR	6.60 %
Canara Khazana - 333	333 Days	FDR/KDR	6.70 %

All the schemes are for limited period and available for the amount slab of less than Rs 2 Crore only.

All other guidelines regarding penalty and preferential interest rates to Senior Citizen and Employees/ex-employees of the Bank as per prevailing guidelines for Domestic/NRO term deposits (Ref. HO Cir 234/2019).

311/2019 — Revision of Interest Rates on Small Savings Schemes w.e.f. 01.07.2019 to 30.09.2019

Scheme	Existing Rate of Interest wef 01.04.2019 to 30.06.2019	Revised Rate of Interest wef 01.07.2019 to 30.09.2019	Compounding frequency
Senior Citizen Savings Scheme (SCSS)	8.7 % p.a.	8.6 % p.a.	Quarterly and paid
Public Provident Fund Scheme (PPF)	8.0 % p.a.	7.9 % p.a.	Annually
Kisan Vikas Patra (KVP)	7.7 % p.a. (will mature in 112 months)	7.6 % p.a. (will mature in 113 months)	Annually
Sukanya Samriddhi Account Scheme	8.5 % p.a.	8.4 % p.a.	Annually

307/2019	Detection of counterfeit notes in Specified Bank Notes (SBNs) – Further Course of Action to be followed by banks as per latest RBI Master Circular
313 / 2019	Service Charges for RTGS & NEFT Transactions – Modification w.e.f. July 1, 2019 RTGS Transactions : Amount of RTGS Transaction — Service Charges (Exclusive of GST) Rs.2 lakhs & up to Rs.5 lakhs — Rs. 24.50 Above Rs.5 lakhs — Rs. 49.50 NEFT Transactions : Amount of NEFT Transaction — Service Charges (Exclusive of GST) Up to Rs.10,000/- — Rs. 2.25 Rs.10,001 and up to Rs.1 lakh — Rs. 4.75 Above Rs.1 lakh and up to Rs.2 lakhs — Rs.14.75 Above Rs.2 lakhs — Rs.24.75
RETAIL LOANS	
275 / 2019	VIDYA TURANT SCHEME – CONCESSIONAL RATE OF INTEREST AT ONE YEAR ONGOING MCLR TO ALL THE PREMIER INSTITUTES MAPPED UNDER THE SCHEME.
305 / 2019	VIDYA TURANT – MODIFICATIONS IN SCHEME GUIDELINES. • Waiver of Joint borrowership of the Parent/Guardian for the students of Indian Institute of Management (IIMs), Indian School of Business (ISBs) and other Management institutes mapped under the Scheme, if the student borrower is a major and availing education loan at designated branch. • Permitted 3 months time from the date of first disbursement to execute the Joint borrower agreement by the Parent/Guardian other than IIMs, ISBs & other management institutes, if the student borrower is a major and availing education loan at designated branch. • Nil Margin within the maximum permitted limit. • The maximum quantum of education loan increased from Rs.36.00 lakhs to Rs.40.00 lakhs to students of Indian School of Business (ISB), Mohali and ISB, Hyderabad. • New Laptop purchase scheme for the students pursuing PG/PhD Courses who are receiving Scholarships/Stipends in all the institutes covered under Vidya Turant Scheme.
279 / 2019	SPECIAL PACKAGE UNDER CANARA VEHICLE & CANARA BUDGET LOAN SCHEMES FOR THE EMPLOYEES OF M/S BHARAT SANCHAR NIGAM LIMITED (BSNL) – ON ALL INDIA BASIS • Bank has entered into an MoU with M/s Bharat Sanchar Nigam Limited (BSNL) extending a special package in respect of Canara Vehicle & Canara Budget loan schemes to their employees on all India basis. • This Special Package is valid from 01.01.2019 to 31.12.2019. • Concession in ROI under Vehicle Loans and Canara Budget Loans. • 100% waiver in the applicable processing charges for Canara Vehicle Loans and Canara Budget Loans. • Respective branches can sanction higher quantum of loan up to 20 months gross salary subject to a maximum of Rs. 10.00 lakh under Canara Budget loans.

281 / 2019	• Disbursement of vehicles financed under Retail Lending / Agriculture / MSME shall be only by way of Demand Draft (DD). • Disbursement by way of RTGS/NEFT stands discontinued with immediate effect.
312 / 2019	AMENDMENTS IN GUIDELINES OF PRADHAN MANTRI AWAS YOJANA (URBAN) MISSION Modified guidelines : Till 31.12.2019, instead of taking NOC from States/UTs, CNAs, on behalf of PLIs, would send list of EWS beneficiaries under CLSS on fortnightly basis to concerned States/UTs. Concerned States/UTs will consider this list, while deciding beneficiaries under other three verticals of the Mission, so that no beneficiary is granted more than one benefit under the Mission.
288 / 2019	Discontinuation of DPN Loans to all categories of borrowers (other than staff & area specific scheme loans permitted by the competent authority).
GOLD LOAN	
278/2019	Reduction in RoI for Gold Loan granted for non-crop purpose (Gold loan for Development activities and Gold Loan for allied activities) and Swarna Loan.

Particulars	Upto 2 lakh		2 to 5 lakh		More than 5 lakh	
	Existing	Revised	Existing	Revised	Existing	Revised
Gold loan Non-crop purpose**	MCLR+ 0.45%	No Change	MCLR+ 2.45%	MCLR+ 1.00%	NA	NA
Swarna Loan	MCLR+ 3.30%	MCLR+ 1.70%	MCLR+ 3.30%	MCLR+ 1.70%	MCLR+ 3.30%	MCLR+ 1.80%

Separate schedule codes for charging the revised MCLR linked RoI w.e.f.10.06.2019 has been enabled in system.

Gold loan Scheme	Product Code	Schedule Code	Schedule Description
Agri Gold Loan - Development activities	836	2003	AGRI-NON CROP PURPOSE MCLR YEARLY
Agri Gold Loan for allied activities	780	2002	AGRI GOLD LOAN ALLIED ACTIVITIES MCLR YR
Swarna Loan	608	2003	SWARNA - BULLET REPAY MCLR YRLY 10/06/2019

277/2019	• New product code 780 for agriculture gold loan for allied activities introduced • 90 days IRAC Norms is applicable for the new product code • Other guidelines i.e Loan quantum, RoI, processing charges, appraisal charges etc are as applicable to Gold Loan for non-crop purpose • Change in nomenclature of 836 Product Code to Agri Gold Loan- Development Activities
AGRICULTURE	
282 / 2019	Crop loans, except those which are overdue at the time of occurrence of natural calamity, shall be eligible to be extended the relief measures. The principal amount of the Crop loans as well as interest due for repayment in the year of occurrence of natural calamity may be converted into term loan.
304/2019	Need for strict adherence to systems and procedures in respect of Identification, KYC verification, due diligence in Processing, Sanction and Post Sanction monitoring of loans under agriculture.

306/2019	DEENADAYAL ANTYODAYA YOJANA- NATIONAL URBAN LIVELIHOOD MISSION (DAY-NULM) • Sharing of copy of sanction letter with sponsoring Urban Local Body (ULB) along with Annexure I • Common Sanction letter approved by Ministry of Housing and Urban Affairs – Annexure II • Strict adherence to product codes as per HO Cir 622/2014. • Updation of Mobile and Aadhaar numbers is mandatory in all eligible accounts
317/2019	Increase in the Corpus Fund to be held as collateral for waiver of insurance of Poultry Birds. The amount is collected through RD for a period of 5 years and kept as collateral by converting it to KDR at the end of 5th year.
316/2019	Modification in eligibility criteria of Sugar Mill for entering into tie up for financing individual Custom Service units (Fresh exposure and renewal of existing exposure) • New norms for fixation of fresh exposure to Sugar Mill for financing to Custom Service Units under tie-up for harvesting and transport of sugar cane. • Circles can permit the renewal of existing exposure to the Sugar Mills for extending finance to Custom Service units under tie up for Harvesting and Transport of Sugar Cane subject to compliance of certain conditions.
BANK GUARANTEE	
276/2019	• Opening of Bank Guarantee in FCC Package • Zero Tolerance for Manual Maintenance of BG • Closure of Expired Bank Guarantee / Letter of Credit in the system If already opened in manual mode, Branches are advised to update the manually maintained BG accounts in FCC Module of CBS immediately. This exercise is to be completed before 21.06.2019 positively.
FOREX RELATED	
FX/31/2019	FEDAI HAS REVISED THE FEDAI RULES AND THE REVISED RULES (10TH EDITION) ARE EFFECTIVE FROM 01.04.2019
FX/34/2019	RESERVE BANK OF INDIA HAS CLARIFIED THAT EXPORTER(S) FROM INDIA MAY RECEIVE ADVANCE AGAINST EXPORT OF SERVICES ALSO SUBJECT TO CERTAIN CONDITIONS.
FX/35/2019	OVERSEAS DIRECT INVESTMENT (ODI) – STATUTORY AND REGULATORY COMPLIANCE : • ODI TRANSACTIONS SHOULD BE HANDLED BY CONCERNED FOREIGN DEPARTMENTS ONLY. • FOREIGN DEPARTMENTS SHOULD NOT ALLOW ANY REMITTANCE (INCLUDING THE FIRST REMITTANCE) WITHOUT UNIQUE IDENTIFICATION NUMBER. • BRANCHES TO ENSURE THAT PERMISSION FROM SYSTEMS & PROCEDURES SECTION, INTEGRATED TREASURY WING, IS OBTAINED BEFORE FORWARDING DOCUMENTS TO CONCERNED FOREIGN DEPARTMENT FOR PROCESSING OF REMITTANCE UNDER ODI, AS HITHERTO.
FX/36/2019	EXPORT-IMPORT BANK OF INDIA (EXIM BANK) HAS ENTERED INTO AN AGREEMENT WITH • THE GOVERNMENT OF THE REPUBLIC OF GHANA FOR MAKING AVAILABLE TO THE LATTER, A GOVERNMENT OF INDIA SUPPORTED LINE OF CREDIT (LOC) OF USD 150 MILLION (USD ONE HUNDRED AND FIFTY MILLION ONLY). • THE GOVERNMENT OF THE REPUBLIC OF MOZAMBIQUE FOR MAKING AVAILABLE TO THE LATTER, A GOVERNMENT OF INDIA SUPPORTED LINE OF CREDIT (LOC) OF USD 95 MILLION (USD NINETY FIVE MILLION ONLY).

<table>
<tr><td>FX/37/2019</td><td>REVISION IN INTEREST RATES ON FCNR (B) DEPOSITS/ RFC DEPOSITS W.E.F. 01.07.2019
(In % p.a.)
<table>
<tr><th rowspan="2">PERIOD OF DEPOSIT</th><th colspan="5">CURRENCY OF DEPOSITS</th></tr>
<tr><th>USD</th><th>GBP</th><th>EUR</th><th>CAD</th><th>AUD</th></tr>
<tr><td>1 year & above but less than 2 years</td><td>2.84</td><td>1.30</td><td>0.15</td><td>2.60</td><td>1.58</td></tr>
<tr><td>2 years & above but less than 3 years</td><td>2.63</td><td>1.34</td><td>0.13</td><td>2.29</td><td>1.54</td></tr>
<tr><td>3 years & above but less than 4 years</td><td>2.47</td><td>1.35</td><td>0.16</td><td>2.24</td><td>1.55</td></tr>
<tr><td>4 years & above but less than 5 years</td><td>2.47</td><td>1.37</td><td>0.21</td><td>2.22</td><td>1.66</td></tr>
<tr><td>5 years only</td><td>2.51</td><td>1.40</td><td>0.28</td><td>2.23</td><td>1.72</td></tr>
</table></td></tr>
<tr><td>289/2019</td><td>RISK MANAGEMENT SYSTEM IN BANK
GUIDELINES ON COUNTRY RISK MANAGEMENT
UPDATED LIST OF COUNTRY RISK CLASSIFICATION BY EXPORT CREDIT GUARANTEE CORPORATION OF INDIA LTD. (ECGC)</td></tr>
<tr><td>274 /2019</td><td>Mandatory Prior Permission /Clearance from the Ministry of Home Affairs, GOI for Credit of Foreign Contribution in FCRA accounts :
Funds flow from the Donor Agencies placed under Prior Reference Category (PRC) by MHA to any person, NGO / Organization in India be brought to the notice of MHA and the funds are allowed to be credited into the account of the recipient only after clearance / prior permission from the Ministry of Home Affairs, Govt. of India.</td></tr>
<tr><td colspan="2">DELEGATION OF POWERS</td></tr>
<tr><td>280 / 2019</td><td>DELEGATION OF POWERS FOR CREDIT SANCTIONS – MODIFICATIONS
Minimising the number of CACs in various administrative units
The credit sanctioning powers at RAH /branches vested with the RAH/Branch-in-charges only. However, Credit Managers / Senior Manager in VLBs/ELBs can sanction Gold Loans and VSL/OD against our own deposits upto their delegated powers
In the absence of CM/AGM (VLB/ELB/RAH) the Credit Manager/ Senior Manager of VLBs/ELBs/RAHs can exercise sanctioning powers up to their delegated powers only.
Loan review process modified.</td></tr>
<tr><td colspan="2">CARD RELATED</td></tr>
<tr><td>283/2019</td><td>Personalised Credit Card will be dispatched directly to customers Mailing address as furnished in credit card application form for both fresh cards and renewed cards hereafter.

Mailing of Physical PIN mailers is discontinued for both fresh and renewed credit cards. Customers to generate PIN themselves.</td></tr>
<tr><td>295/2019</td><td>Procedure for delivery of Credit Cards to Customers which are undelivered and returned to Branches.</td></tr>
<tr><td>297/2019</td><td>Two new Premium variants of RuPay Credit Cards introduced in addition to existing Canara RuPay Classic Credit Card
Canara RuPay Platinum Credit Card & Canara RuPay Select Credit Card, offering additional features and benefits like welcome offers, free airport lounge access, concierge services and Seasonal / Merchant Offers as provided by NPCI launched.</td></tr>
<tr><td>298/2019</td><td>Canara Bank Debit Card – PLATINUM: Relaxations / Modifications
Existing Average Quarterly Balance [AQB] of Rs.25000/- for Platinum Debit Card is now waived.
Annual fee is introduced for all existing and fresh Platinum Debit Cards at Rs. 200/- plus GST
Existing Inactivity fee for non-usage at Rs 500/- p.a waived.
Platinum cards to be issued to all categories of customers except specified category i.e, PMJDY, BSBD and Small value accounts.</td></tr>
</table>

310/2019	Special Campaign for Issuance and Activation of RuPay cards in PMJDY accounts from 01.07.2019 to 31.07.2019
OTHERS	
294/2019	• Branches/ROs/COs shall not directly refer matters to the Govt. of India and enter into correspondence with the Govt. of India. • Only HO shall take up issues with the Government of India, seeking intervention of the Government, duly with the prior approval of MD &CEO.
296 / 2019	LOAN SYNDICATION POLICY – MODIFICATIONS
299/2019	Merchant Enrollment Policy 2019-20
300 / 2019	TRADE CREDIT POLICY
302 / 2019	All India Intra Bank Hindi Essay Writing Competition 2019 - 20 for the benefit of our Bank employees
318/2019	Procedural guidelines for handling Advisories/Awards issued under the Banking Ombudsman (BO) scheme of the RBI • Circles have to refer all advisories/awards issued by BO expeditiously to the Principal Nodal Officer (PNO) of the Bank, ie., the General Manager, CSS,SP&D Wing Head Office and shall obtain clearance, irrespective of the amount involved, before releasing the payment to the complainant/other Bank. • In all the BO cases where lapses are attributable to Staff /Other agencies like vendors / service providers etc. recovery is to be enforced from the concerned. • Wherever recovery is not possible for any reason, the facts of the case, investigation reports and Notes placed for identification of staff lapses are to be submitted to the PNO for deciding on the further course of action. • These guidelines will be effective from 01.07.2019

206th Joint Conference held between the management of Canara Bank and Canara Bank Officers Association at Head Office on 25.06.2019

AIBOC CIRCULAR

Circular No. 2019/33 dated: 06.06.2019

RTGS PAYMENT SYSTEM –
EXTENSION OF TRANSACTION TIME

We reproduce hereunder our communication sent to the Governor, Reserve Bank of India vide our letter no. AIBOC/2019/53 dated 04.06.2019 on the captioned subject. Copy of the letter has also been sent to the Secretary DFS and Chairman IBA :

Respected Sir,

We refer to letter No.RBI/2018-19/189 -DPSS (CO) RTGS No. 2488/04.04.16/2018-19 dated 28.05.19 revising (extending) the RTGS timings for customer transactions.

2. The revised instruction presumably is to facilitate the corporate customers to transfer funds cater to their business needs. However, we wish to point some pertinent issues for your consideration, which are appended.

Bank branches in the country are generally open for duration of 8 hours. Extending customer transactions beyond 6 pm necessarily demands the personnel within the bank to work beyond stipulated working hours, which violates the law of the land and would be tantamount to breach of service rules.

Transactions in banks are invariably put through maker-checker mechanism. Making/Initiating a transaction is the basic and fundamental duty of clerical cadre whereas checker/authoriser may be a clerical staff or an officer, depending upon the passing powers assigned as per the policy of individual banks. The revised instruction calls for working beyond officer hours, in which case, clerical staff will not be available. Under these circumstances, either the transactions cannot be put through after office hours, or need to be conducted without maker – checker concept, which exposes banks to grave systemic and operational risk. Further, officers will be constrained to perform original work, which is not expected of the cadre. The present day Core Banking Software implemented at the branches are already officer-centric and any further extension of time for RTGS transactions, would invariably fall upon the officers disrupting the supervisory functions and affecting work-life balance.

As regulator, we are sure that Reserve Bank of India is well aware of the fact that the officers in banks are already over-burdened due to acute staff shortage and other constraints having to address multifarious tasks viz. garner remunerative business, do schematic lending, recover monies, sell third party products, render excellent customer service and sundry other work as is assigned upon them thus shrinking the time available for officers. Further the clerical to officers' ratio has been declining and is abysmally low, indicating very clearly the inadequate clerical cadre and that consequential shift of such work to officer cadre. Meaningful, adequate augmentation has not taken place in the industry for the last three decades. Further, PSBs are restricted by the apex regulator to go for adequate recruitment, which is the need of the hour. Under the stated circumstances, this decision will definitely compel the officers at branches to work for extended hours. We have been given to understand that some banks have already issued instructions to all the branches to work for extended hours to facilitate RTGS transactions as per the revised schedule.

There are thousands of branches which have only one officer, with skeleton staff. Presently, they are unable to cope up with the prevailing situation. Revision of timings, engaging the personnel for routine transactions, beyond office hours will further deteriorate working environment.

Despite our persisting demands, neither the Indian Banks' Association, being an Association of Banks nor the Government has initiated necessary steps to recruit the staff and officers commensurating with the ground-level requirement. This has caused the officers to work beyond office hours, on week-ends and holidays. The morale of the officers of the Bank perhaps is at the nadir. This has been affecting the social fabric within the families of the Bank Officers in addition to increasing life-style diseases.

3. Sir, you are well aware that most of the transactions like RTGS/NEFT, beyond reasonable office hours emanate from corporate and institutional customers. Keeping in view the pace of present day multi-mode techno-banking, availability of robust and wide-spread internet banking facility, ***revised timings may please be extended ONLY TO ONLINE TRASACTIONS through Internet Banking facilities***, where customer initiate the transactions via Straight Through Process (STP), without involving personnel/counter work at the Branches. For the same reason, we also request you to revise the instructions that NEFT transactions beyond office hours shall be only through Internet/Online Banking mode and not across the counter. This will not only meet the intention of revised instructions, but will also popularize usage of alternate channels.

4. We urge upon your good office to revise instructions restricting extension of time only to transactions conducted through on-line/internet banking mode.

Circular No. 2019/34 Date: 19.06.2019

ASSAULT ON BANKERS
LOSS OF LIFE IN THE LINE OF DUTY

We reproduce hereunder our communication sent to Shri Amit Shah, Hon'ble Union Minister for Home Affairs vide our letter no. AIBOC/2019/56 dated 19.06.2019 on the captioned subject.

Respected Sir,

At the outset, All India Bank Officers' Confederation (AIBOC), the apex organisation of bank officers in the country, having a membership of over 3.20 lakh congratulates your goodselves and new team of ministers led by respected Shri Narendra Modiji, Hon'ble Prime Minister. We are sure that, with your acumen and commitment, the country will attain greater heights in all spheres of life and ensure equity and justice to all.

02. Sir, with deep consternation, we wish to bring to your kind attention, that on 18th June, 2019, Shri Karan Singh Negi, a promising young officer of just 31 years of age working in Bank of Baroda, at the Bank's Nimbol branch, in the Jalgaon Region of Pune Zone was shot dead by a couple of unidentified miscreants, while he was in line of duty. At around 2: 20 p.m. on that day, two unidentified miscreants entered the premises with helmets on their heads and revolvers in hand. It is learnt that one of them fired on the wall so as to frighten the employees / officers / customers present at the branch. Shri Negi valiantly warded off the miscreants and somehow managed to press the security alarm, which normally is connected to the nearest police station. In retaliation, Shri Negi was fired upon by the assailants and died on the spot. They had also fired bullets towards another employee of the branch, who somehow escaped. The miscreants walked away from the branch after the gruesome murder in broad daylight.

03. Sir, this incident is not an isolated one. In the past few years various bank managements have been compromising with the basic requirement of security arrangements including posting of armed guards at branches and security personnel at ATM sites in the name of curtailing overheads. For past more than one-and-a-half years, almost all banks – both public and private sectors – have stopped deploying armed security guards at their branches and ATM counters. As such, banks and ATM sites have become soft targets for the dacoits and terrorists.

The victims are mostly bank officers, whose precious lives are lost in the line of duty due to the faulty policies of the bank management. Customers have also been killed and injured during such attempted heists. The security arrangements need to be fortified to instil the confidence in officers and customers.

04. Shri Karan Singh Negi had been a committed worker and always been true to his duty. Even at the time of the attempted heist, he did put bank's interest first over his life. The loss to the bereaved family is irreparable and his presence amongst the banking fraternity is irreplaceable. His death has sparked off deep resentment amongst the entire banking fraternity, who are seething with anger and demanding justice for Shri Negi and arrest of the miscreants.

05. We salute the sacrifice of Shri Negi, who laid down his life in the line of duty. We also urge upon your good office to ensure that the bank managements ensure adequate safety and security arrangements

forthwith. We also demand that a complete impartial inquiry be conducted by any preferable government agency, and the bank management publishes a white paper on the same. We also demand the accountability of the board of the bank for the precious loss of human life for the misplaced priorities of the concerned bank.

06. Finally, we request your good office to take up the matter with the concerned departments as well as the State Governments to issue appropriate instructions immediately for ensuring adequate security arrangements at bank branches and ATM sites for the bank personnel and customers.

07. We request your good office to meet a small delegation of our Confederation at your earliest convenience to present our views on this issue.

(Soumya Datta)

Circular No. 2019/36 Date: 26.06.2019

Memorandum submitted to Shri Anurag Singh Thakur, Hon'ble Minister of State for Finance

Today a delegation of AIBOC leadership comprising of Comrade Debasis Ghosh, President, Comrade Ravinder Gupta, Sr. Vice President, Comrade Deepak Kumar Sharma, Vice President and the undersigned met Shri Anurag Singh Thakur, Hon'ble Minister of State for Finance and Corporate Affairs, Govt. of India at his official residence at 14, Janpath, New Delhi and handed over a memorandum to him. Hon'ble Minister gave the delegation a very patient hearing and assured to address each and every issue mentioned therein. Text of the memorandum is appended.

Respected Sir,

Few issues confronted by the bankers

At the outset, we, the largest association of officers in the banking industry representing more than 3,20,000 officers, congratulate you on your being elected as the Member of Parliament for the third successive term and also being chosen as the Minister of Finance for State in the NDA-II Government led by Shri Narendra Modi ji. We are sure that with your vast experience in Lok Sabha and various public positions assumed by you in the past more than a decade, would immensely help in building up a strong and pro-people Finance Ministry of the Union Government.

2. Our members have been playing active role and responsibility, right from framing the policy, till its implementation in Banks. Aims and objectives of banks, especially Public Sector Banks, are entwined with the constitutional objectives and the pleasure of the government of the country. Contribution of the public sector banks and old generation private sector banks towards nation building is immense and noteworthy. Bankers have been drivers of growth for decades. Nationalization of Banks in 1969 gave new dimension to the banking in the country. Banks became extended arms of the Government, implemented wholeheartedly, various pro-society programmes such as village adoption, irrigation, dispensation of credit for agriculture and small business, realized the objectives of Government in successful completion of green, white, blue revolutions. Rural and semi urban economy underwent unimaginable change on account of programmes like Service Area Approach which resulted in comprehensive development and infused purchasing power. Banks realized dream projects of Government – Pradhan Mantri Jan Dhan Yojana (PMJDY) affordable insurance scheme, Aadhar linking, DBT and Demonetisation/Remonetisation of economy. Banks today, have touched nook and corner of the country, thereby achieving the pursuit of financial inclusion.

3. While wishing you a great success in all your endeavours as a Union Minister of State for Finance, we take this opportunity to place before few issues pending and invoke your immediate attention.

a. Salary revision: Salary revision is carried out in Banks through a mechanism of bi-partite negotiations between IBA (an association of managements of banks) with us, the trade unions (represented by UFBU). Member banks of IBA formally give a mandate to IBA to negotiate on behalf of them. Though the salary revision has fallen due for revision from 01.11.17, no meaningful dialogue has taken place till date. There have been few issues which have become impediments in the negotiations. They are:

i. Fractured mandate: So far, member banks were giving mandate to IBA for salary negotiation up to General Manager cadre (from Scale I to Scale VII – Scale VII being General Managers), as they are subjected same sets of service rules. A few banks have given mandate to IBA to negotiate only up to

MMGS III, thus leaving officers in Senior Management in Grades IV, V, VI and VII in no-man's land. On the contrary, it may kindly be observed that Central Pay Commission is applicable to all section of Government employees, from messenger to the Cabinet Secretary. Despite our repeated requests, discussions and agitations, neither Government nor banks nor IBA have taken any initiative to get the mandate from 5 banks which are yet to give full mandate. This fractured mandate has become stumbling block in negotiation. As a majority organisation representing the entire bank officers' fraternity irrespective of scale, we are not in a position to initiate wage negotiation talks only for officers upto Scale-III – particularly when majority of the state sector Banks (15 out of 20) have conveyed their full and unconditional mandate to IBA for wage negotiation for all Bank officers up to Scale-VII (i.e. General Manager) cadre. Banks which are yet to give full mandate to IBA are: ***State Bank of India, Bank of Baroda, Punjab National Bank, Union Bank of India and Indian Bank.*** We request you to please issue suitable instruction to them to mandate IBA immediately, paving way for meaningful negotiation.

ii. Charter of Demands and the parity of salary vis-à-vis Central Government officers: Salary of officers of the banks was higher than that of the IAS officers till 1979. In the name of parity, the salaries of bank officers were capped and clipped. Later, Government has been revising the salaries of IAS officers, through CPCs; but not the salaries of bank officers with the same parity. The gap has been widening with each pay revision. Now the starting Basic Pay of a Scale I officer in a PSB stands at Rs.23700/- compared to Rs.56100/- for Group 'A' officers of Central Government. This alone is enough to tell the tale of wage revision for officers in banks. To be brief, before 1979, the Basic Pay of a bank officer was more than that of an IAS officer, while now the emoluments of bank officers is a fraction of what an IAS officer draws. For all practical purposes, officers of banks are treated as public servants. As a matter of fact, Bank officers have been equated to Group 'A' officers of Central Government. The service conditions are also on the lines of Civil Services. Banks are working as the extended arm of the Union Government, implementing its policies and programmes in the financial sector and are under the control, supervision and ownership of Government. This being the situation, it is unfortunate that the same yardstick is not being followed while carrying out revision of salaries and allowances for these two sets of officers. While in government service, salary being paid to the officers, is having no relevance to their performance, banks being the extended arm of Government and within its ownership, there is no rationale as to why similar approach cannot be adopted. Moreover, banks are earning and improving their operating profit, year after year, though the net profit has declined on account of the policies like maintenance of Cash Reserve Ratio (earning zero income for banks), Statutory Liquidity Ratio, directed lending, provisioning norms, write off policies, hair-cuts driven by Insolvency & Bankruptcy Code etc. over which neither the banks nor the bank officers have any control. Beyond all, services of the bankers to the country cannot be valued at all, considering the fact that they serve the citizenry of the country under varied and compelling circumstances, sometimes even endangering their lives.

Government has been following a contradictory stand. While for the purpose of control and monitoring and restrictions – bank officers are treated as Government servants, for the purpose of salary and allowances, they are NOT!!

We request that the profit and any such parameter be delinked for the purpose of salary revision, as we serve the nation like other Government employees.

b. Pension updation: Pension is revised for retired Government employees with every pay revision automatically. Recently, Government has updated pension of RBI personnel. But, for bankmen it does not happen at all. With this, many are being paid pension which are awfully low. Retirees cannot meet day to day expenditure and cannot afford a dignified living. Family pension is nothing short of a pittance – half the rate applicable to Government employees!! Pension drawn by officers in highest Scale (i.e. General Managers) of yester years is lesser than that of clerks who have retired / are retiring today.

We request that pension needs to be updated with every salary revision and family pension needs to be revised as is applicable to Government employees. Retired officers have a right to lead a reasonable life for having devoted their life time to the cause of the Organization and Nation Building.

c. Working Environment in Banking Industry and recruitment of staffs: Perhaps, banking industry is the only industry where business doubles every 10 years, but the staff position halves. There was no recruitment in Banks for decades and decades. This decade is termed as decade of retirements. Large number of officers/ staffs who were recruited in 1980s is retiring and there will be an exodus in next couple of years. With this, the existing officers have to shoulder huge work load. They are forced to work on all days, disregarding weekly and other holidays. Officers, thus, have been invisibly chained to their offices and have lost personal, social and family life. **Work-life balance** has been severely impaired. This needs to be seen from the angle of human rights also. This has also been one of the reasons for increased ill-health among bank officers. A large number of suicides are being reported. Young Officers are suffering from cardiac/lifestyle diseases. It is not out of place to mention here with recently, a young officer in 30s suffered a heart attack on duty. There is an urgent necessity to bring in a suitable law so as to prohibit exploitation of officers.

There is also an imperative need to recruit employees in all cadres. This not only provides respite to working officers/employees, but also employment to the youth and helps building 'knowledge– bank' and continuity.

d. Misplaced focus of bank business: Banks were meant to be a bridge between savers and the users of money. Banks are regarded as trust houses of citizenry who keep their savings which are deployed by banks, by way of credit, for productive purposes so that money becomes useful to the society, improves economic conditions and add to the productivity and the GDP of the country. Additionally, Banks were also carrying on few ancillary services, which are not being handled by any other Institutions as such, like Custodial Safe Deposit, Safe Custody, Advisory Services etc. to help customers. In fact, these were complimentary services to the banking business. The core activity of banks continued to be collecting deposit and lending. Of late, a misplaced concept has crept in. Powers that be, want the banks to be '*super market of all financial services*" and hence included marketing of third-party insurance, mutual fund products etc. within the ambit of banking business while there is no augmentation of staff for the same. There are exclusive institutions/organizations and financial system in existence to extend such insurance and mutual products. There is no necessity that bank should be indulging in these sorts of activities, discarding its main objective. In fact, these are one of the prime reasons for deterioration in asset quality. Deliberately and by evil design, marketing of these third-party products has been incentivized. Incentives are in the form of financial, non-financial bounties and perks. Foreign excursions are being arranged in the name of education / training programmes (from junior level to the topmost management). Officers / Staffs are being lured and allured by these incentives. With this, the focus of banks and the officials has shifted from core activity of lending, serving customers to just marketing third party products. The shift has been so intense that prime and important activities like follow-up, monitoring and recovery of loans have been relegated to back stage. These are going to harm the very fabric of banking. As these third-party products are sold on the basis of incentives, mis-selling / wrong selling / force selling is rampant. There is an urgent necessity to stop handling of such non-banking activities in banks in the interest of banks and the customers.

e. Strangulating and Weakening Public Sector Banks: There is an orchestrated effort to strangulate and weaken the Public Sector Banks through the NPA weaponry. Through a designed set of Schemes (like CDR, SDR, JLF, S4A etc.), the RBI permitted the banks to evergreen their NPAs for more than a decade. Suddenly in the year 2016 & 2017, the banks were forced to declare these evergreened accounts as NPAs and provide for them out of their Operating Profits within two-three quarters under the Asset Quality Review (AQR) policy (which was declared by the then RBI Governor, Shri Raghuram Rajan, but was found to be totally wrongful two years later). Due to this ruthless body-blow of AQR, most of the PSBs were made to bleed and post net losses and eventually pictured as weak. Even before the banks could manage to wriggle out of the AQR assault, RBI introduced an illogical Prompt Corrective Action (PCA) concept and brought more than 11 banks under this restrictive and retrograde mechanism. Later on, many of these banks have arbitrarily been declared to be out of PCA restrictions. There is a need to relook into this aspect.

f. Denationalization of Banks: During 1969 and 1980, the then Government nationalised many banks to ensure availability of banking facilities to the common man of the country, liberating them from the clutches of money lenders. Banks have contributed to the successful implementation of various policies and programmes. Public Sector Banks have played a stellar role in the success of all revolutions be it Green, Blue, White. Public Sector Banks took banking to the places which were not accessible and in which private banks were/are not interested. Public Sector Banks have implemented pro-citizenry programmes like No-Frill Accounts, Jandhan, affordable insurance schemes of the government including Aadhaar, which are unheard in any part of the world. Today's financial and economic independence of the countrymen is on account of the active role played by the Public Sector Banks which account for around 80% of Indian banking and nearly 100% in rural areas.

Of late, there have been attempts to merge the Public Sector Banks in the garb of efficiency, scale of operations, NPAs etc. These, in fact, no way help either the merging entities or the common man. The result will be closure of bank branches in name of rationalization of branches. Credit delivery will be affected. Common man will suffer as branches will be closed. We have already witnessed this in the merger of Associate Banks with State Bank of India (It is reported that more than 2500 branches have been closed after merger in SBI). These, we believe, are steps in the direction of privatization. Robust, time-tested and huge banking resources and network may go to the hands of corporates and foreign entities. We think that this is nothing but reverse bank nationalization. Government is fast tracking Mergers & Acquisition in banking, which is a route already proved to be unsuccessful and therefore abandoned in the global economy. If this is not stopped, irreparable and irreversible damage will occur to these banks and the customers and other stakeholders of these banks. This year, being the Golden Jubilee Year of Bank Nationalization, we appeal that the benefits derived from Nationalization may please be kept in mind and endeavour to flourish the public sector banks. Further, we urge you to nationalise all old generation private sector banks in the larger interest of customers and the nation.

g. Five Day Week: Keeping in view the scientific practices prevailing across the countries, the demand for Five days week was originally placed in the 10th BPS, when 2nd and 4th Saturdays were declared as holidays. At present, it has become a priority, which is likely to bring many positive effects, such as increased productivity, improved job satisfaction and morale, decreased absenteeism, reduced energy costs and work-life balance. Globally, the organizations work 5 days a week. The working conditions in the Banks have been strenuous. Poor infrastructure, lack of adequate staff has made the officers till late in the night, resulting in poor health, huge pressure on the officers, which culminates in serious work-leisure mismatches, life style diseases and of late, repeated acts of suicides being committed by the officers of the Banks. Officers are called upon to work on holidays and Sundays, frequently disrupting the personal life. On account of this, officers are being burnt-out, unable to justify themselves in their family. Introduction of Five-Day Week will not only result in savings to the organization in terms of overheads and bring in a human element in the officers' lives, but also would enable a meaningful social life – which in turn will result in higher efficiency in work place. 5 Days' week will also rejuvenate many other commercial sectors/activities of the economy. A positive move in this regard would be hailed by one and all. The matter may please be addressed at the earliest.

h. National Pension System (NPS): While the contribution is defined and certain in this scheme, the return is most uncertain and undefined. The funds of NPS are subject to market risk. This does not provide family pension, which convention pension provides, in cases of unfortunate death of pensioner. We also urge upon your good office to restore the Old Defined Benefit Pension scheme and scrap the National Pension System, which has been implemented in Banks since August, 2010. There is tremendous resentment amongst the new recruits, who want restoration of the Old Pension Scheme.

i. Reckoning allowances as Basic for the purpose of arriving superannuation benefits: We also invite your kind attention to the Judgment delivered by Hon'ble Supreme Court on 28th February, 2019 in Civil Appeal No. 6221 of 2011 filed by Regional Provident Commissioner (II) West Bengal, wherein it was held that the Special Allowance payable in all these concerns to all the employees without exception falls within the definition of Basic Wages in Sec 2(b) of Employees Provident Fund Act, 1952. It is also pertinent to submit that the definition of Basic Wages in Sec 2(b) of EPF Act is similar to the definition of Wages in Sec 2(s) of Payment of Gratuity Act, 1972. The above judgment is clearly applicable to Banks' Provident Fund Scheme too, making it obligatory on Banks to reckon Special Allowance for contribution to Provident Fund for employees, who are PF optees and as a sequel extend its application to pay defined under Pension Regulation 2(s). In view of the ratio applied by the Hon'ble Supreme Court, the Special Allowance with its Dearness Allowance component should be reckoned for payment of Gratuity, contribution to Provident Fund and computation of Pension. It is also pertinent to submit that **all allowances** counted for the purpose of making contribution to the Provident Fund and for the payment of Dearness Allowance are the component of Pay for the purpose of computation of Pension in terms of Pension Regulation 2(s)(b)(ii). The employees who fall under the Xth Bi-partite settlement should also be rightfully extended the benefits of this landmark judgment.

***j*. Attack on Bankers – Need to put in place adequate security measures**: There have been frequently reported incidents of attacks on bankers, both by miscreants, disgruntled elements and motivated mobs. Recently, an officer was shot dead in the broad day light by miscreants within the bank premises. Many officers monitoring loans and on recovery job, have lost their precious lives in the line of duty or faced fatal injuries due to the faulty policies and inadequate security measures deployed by the bank management. Customers also being injured/ murdered when such incidents happen. These have instilled sense of fear and uncertainty in the officers and staff as well as customers of the Banks. The lackadaisical approach of the management of the banks is very evident. Banks have been compromising with the basic requirement of security arrangements including posting of armed guards at branches and security personnel at ATM sites in the name of curtailing overheads. For past more than one-and-a-half years, almost all banks – both public and private sectors – have stopped deploying armed security guards at their branches and ATM counters. As such, banks and ATM sites have become soft targets for the dacoits and terrorists. The security arrangements need to be fortified to instil the confidence in officers and customers. Finally, we request your good office to instruct the banks and all the state government machinery to provide adequate security arrangements at bank branches and ATM sites for the bank personnel and customers. Banks should recruit their own permanent security personnel for better and continuous monitoring of security measures in the Bank, instead of depending on out-sourced personnel/agencies.

k. Taxing Leave Encashment: Sir, every employee, whether in government or others, works hard, makes all endeavour to save the Privilege Leave (Earned Leave) as it can be encashed upon superannuation. To that extent, employee would have undergone stress, strain and inconvenience, with the only aspiration these saved leaves can be monetised, resulting in a corpus amount that can come to his/her rescue, post-retirement. Essential this is a part of a social security measure, Government should think of.
Here, we have observed an aberration of inequal treatment of citizens of the country. Income Tax Act treats the government and non-governmental employees differently. While entire Leave Encashment amount is tax free in the hands of government employee and the legal heirs of diseased, non-governmental employees, including bankmen, are not extended with this benefit and in their cases, tax exemption is restricted to Rs. 3 lakh only, which is unfair and discriminatory. Further this ceiling has been fixed decades and decades back. Keeping in view the inflation, present value of the earnings, and in order not to discriminate the salary earners, please exempt the leave encashment fully. We request that necessary Amendment may please be carried out to ***Sec 10AA of Income Tax Act***.

l. Data integrity and safekeeping: Banks have been collecting personal details, Aadhar, PAN, thumb impression of customers and staff for various purposes, be it a party of KYC or for access control. There are umpteen number of incidents where bank appoints third party in handling its affairs. In the garb of access control, the thumb impression of officers and staff are obtained and handled by third-party, outsourced agents. This is a ticking bomb. These are likely to be hazardous sooner or later unless they are safe-vaulted and third party vendors are obviated. We request you to instruct, in strict terms, that the Banks shall not assign any task which involves storage and handling of personal / KYC details to third party vendors. This is not only in the interest of the officers / staff and customers, but also in the interest of the banks and the economy.

4. Sir, as a responsible Trade Union representing the aspirations of over 3.20 lakh bank officers, we have already taken up these issues with IBA, individual banks and also the Ministry of Finance. Despite repeated attempts and agitations, issues stand unresolved as yet. With your assuming the office, we sincerely seek your kind indulgence and request you to direct the concerned to resolve the issues to the mutual satisfaction urgently.

(Soumya Datta)

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RBI Notifications

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RESERVE BANK OF INDIA
www.rbi.org.in

RBI / 2018-19 / 196 DBR. No. BP. BC.43/ 21.01.003 / 2018 - 19 dated June 03, 2019

Large Exposures Framework

Please refer to the instructions contained in circulars DBR.No.BP.BC.43/21.01.003/2016-17 datedDecember01,2016 and DBR.No.BP.BC.31/21.01.003/2018-19 dated April 01, 2019 on "Large Exposures Framework (LEF)".

2. In order to capture exposures and concentration risk more accurately and to align the above instructions with international norms, the following amendments have been incorporated in the above mentioned instructions:

i) Exclusion of entities connected with the sovereign from definition of group of connected counterparties.

ii) Introduction of economic interdependence criteria in definition of connected counterparties.

iii) Mandatory application of look-through approach (LTA) in determination of relevant counterparties in case of collective investment undertakings, securitisation vehicles and other structures.

3. Revised guidelines superseding the above mentioned circulars are annexed. These have come into effect from April 1, 2019 (as was already specified in our LEF circular dated December 1, 2016), except guidelines in respect of para 2(ii) above (contained in paragraphs 6.2(b), 6.7, 6.8, 6.9, and 6.10 of the Annex) and non-centrally cleared derivatives exposures, which will become applicable with effect from April 1, 2020.

(Saurav Sinha)

RBI / 2018-19/199 DBR .No. Ret. BC.44 / 12.01.001 / 2018- 19 dated June 06, 2019

Change in Bank Rate

Please refer to our circular DBR.No .Ret.BC.33/ 12.01.001/ 2018-19 dated April 04, 2019 on the captioned subject.

2. As announced in the Second Bi-Monthly Monetary Policy Statement 2019-20 of June 06, 2019, the Bank Rate is revised downwards by 25 basis points from 6.25 per cent to 6.00 per cent with immediate effect.

3. All penal interest rates on shortfall in reserve requirements, which are specifically linked to the Bank Rate, also stand revised as indicated in the Annex.

(Shrimohan Yadav)

RBI/ 2018-19/ 206DBR.LEG.BC.No.47/ 09.07.005/ 2018-19 dated June 10, 2019

Financial Inclusion- Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA)

Please refer to our circular DBOD.No.Leg.BC.35/09.07.005/2012-13 dated August 10, 2012 on the captioned subject.

2. The Basic Savings Bank Deposit (BSBD) Account was designed as a savings account which will offer certain minimum facilities, free of charge, to the holders of such accounts. In the interest of better customer service, it has been decided to make certain changes in the facilities associated with the account. Banks are now advised to offer the following basic minimum facilities in the BSBD Account, free of charge, without any requirement of minimum balance.

The deposit of cash at bank branch as well as ATMs/CDMs

Receipt/ credit of money through any electronic channel or by means of deposit /collection of cheques drawn by Central/State Government agencies and departments

No limit on number and value of deposits that can be made in a month

Minimum of four withdrawals in a month, including ATM withdrawals

ATM Card or ATM-cum-Debit Card

The BSBD Account shall be considered a normal banking service available to all.

3. Banks are free to provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may/may not be priced (in non-discriminatory manner) subject to disclosure. The availment of such additional services shall be at the option of the customers. However, while offering such additional services, banks shall not require the customer to maintain a minimum balance. Offering such additional services will not make it a non-BSBD Account, so long as the prescribed minimum services are provided free of charge.

4. The holders of BSBD Account will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any other existing savings bank deposit account in that bank, he/she will be required to close it within 30 days from the date of opening a BSBD Account. Further, before opening a BSBD account, a bank should take a declaration from the customer that he/she is not having a BSBD account in any other bank.

5. The BSBD Account shall be subject to RBI instructions on KYC/AML for opening of bank accounts issued vide Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016 on 'Master Direction - Know Your Customer (KYC) Direction, 2016', as amended from time to time.

6. The instructions issued on free transactions available for normal savings bank account in own-bank/other bank ATMs vide circulars DPSS.CO.PD.No.316/02.10.002/2014-15 dated August14,2014 and DPSS.CO.PD.No.659/02.10.002/ 2014-15 dated October 10, 2014 are not applicable to BSBD accounts. The minimum free withdrawals available to the BSBD Account holders can be made at all ATMs (own-bank/other bank ATMs).

7. This circular supersedes earlier instructions issued vide circulars DBOD.No. Leg.BC.35/09.07.005/2012-13 dated August 10, 2012 on 'Financial Inclusion-Access to Banking Services–Basic Savings Bank Deposit Account' and DBOD.No. Leg.BC.52/ 09.07.005/2013-14 dated September 11, 2013 on 'Financial Inclusion- Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA) – FAQs'.

8. These instructions will come into force with effect from July 1, 2019. Banks are advised to frame Board approved policy/ operational guidelines in this regard.

(Shrimohan Yadav)

RBI/2018-2019/208 DPSS (CO) RPPD No.2557/ 04.03.01/ 2018-19 dated June 11, 2019

National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) systems – Waiver of charges

Please refer to paragraph No. 8 of the Second Bi-monthly Monetary Policy Statement on Developmental and Regulatory Policies for 2019-20 dated June 06, 2019 on the above subject. A reference is also invited to the following circulars:

DPSS (CO) EPPD No. 2649/04.03.01/2010-11 dated June 02, 2011 on 'Retail Electronic Payment Systems – Levy of Processing Charges'; and

DPSS (CO) RTGS No.1926/04.04.002/2015-16 dated February 4, 2016 on 'RTGS service charges for members and customers - Rationalisation'.

2. The Reserve Bank has since reviewed the various charges levied by it on the member banks for transactions processed in the RTGS and NEFT systems. In order to provide an impetus to digital funds movement, it has been decided that with effect from **July 1, 2019**, processing charges and time varying charges levied on banks by Reserve Bank of India (RBI) for outward transactions undertaken using the RTGS system, as also the processing charges levied by RBI for transactions processed in NEFT system will be waived by the Reserve Bank.

3. The banks are advised to pass on the benefits to their customers for undertaking transactions using the RTGS and NEFT systems with effect from July 1, 2019.

4. This directive is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act 2007 (Act 51 of 2007).

(Sangeeta Lalwani)

RBI/2018-19/214 DCM (Plg.)No.2968/ 10.25.007/ 2018-19 dated June 14, 2019

Security Measures for ATMs

As stated in para 15 of the monetary policy statement dated October 04, 2016, the Bank had constituted a Committee on Currency Movement (CCM) [Chair: Shri D.K. Mohanty, Executive Director] to review the entire gamut of security of treasure in transit. The recommendations of the Committee have been examined and certain measures aimed at mitigating risks in ATM operations and enhancing security, are listed below:

All ATMs shall be operated for cash replenishment only with digital One Time Combination (OTC) locks.

All ATMs shall be grouted to a structure (wall, pillar, floor, etc.) by September 30, 2019, except for ATMs installed in highly secured premises such as airports, etc. which have adequate CCTV coverage and are guarded by state / central security personnel.

Banks may also consider rolling out a comprehensive e-surveillance mechanism at the ATMs to ensure timely alerts and quick response.

2. The above measures shall be implemented in addition to the existing instructions, practices and guidance issued by the Reserve Bank of India and law enforcement agencies. Non-adherence of timelines / non-observance shall attract regulatory action including levy of penalty.

(Ajay Michyari)

RBI/2018-19/216 DGBA.GBD.No.3136/ 42.01.035/ 2018-2019 dated June 20, 2019

Discontinuation of the requirement of Paper to Follow (P2F) for State Government Cheques

With a view to enhancing efficiency in cheque clearing, Reserve Bank has introduced Cheque Truncation System (CTS) for clearance of cheques, facilitating the presentation and payment of cheques without their physical movement. P2F has been discontinued for CG cheques with effect from February 2016. Taking this initiative forward, it has now been decided in consultation with the Office of the Comptroller & Auditor General of India (C&AG), Government of India, to dispense with the current requirement of forwarding the paid State Government cheques in physical form (commonly known as P2F) to the State Government departments/treasuries.

2. Accordingly, it has been decided to modify the "Memorandum of Instructions on Accounting and Reconciliation – State Government transactions (February 2003)" as under:

This circular may be treated as an addendum to the instructions and inserted as para 5.16 of the Memorandum of Instructions titled "Procedure to be followed by Agency Bank branches for discontinuing P2F for cheque based payments of State Governments".

In Cheque Truncation System, the 'drawee bank' means the dealing branch of a bank accredited to a Ministry/ Department/Treasury/Sub-Treasury on which the cheques are drawn. The 'presenting bank' means a branch of any bank where the cheques are presented for payment by the clients. Both the presenting banks and drawee banks would continue to discharge their duties prescribed under various Acts/Regulations/Rules such as the Negotiable Instruments Act 1881, Bankers' Books Evidence Act 1891, Uniform Regulations and Rules for Bankers' Clearing Houses, Procedural Guidelines for Cheque Truncation System etc. with respect to payment of cheques. The government cheques would henceforth be paid in CTS clearing solely based on their electronic images. The paid cheques in physical form would be retained by the presenting bank.

In case any drawee bank desires to verify the government cheque in physical form before passing it for payment, the image would be returned unpaid under the reason "present with document". The presenting bank on such instances shall ensure that the instrument is presented again in the next applicable clearing session without any reference to the account holder (payee).

The presenting banks are required to preserve the physical instruments in their custody securely for a period of 10 years as required under Procedural Guidelines for CTS. In case some specific cheques are required for the purpose of any investigation, enquiry, etc., under the law, they may be preserved beyond 10 years. Drawee banks shall make necessary arrangements to preserve the images of all government cheques for a period of 10 years with themselves or through the National Archival System put in place by National Payments Corporation of India (NPCI).

The government cheques paid by a drawee bank across its counter by way of cash withdrawal or transfer also need to be truncated and preserved for 10 years. Adequate safeguards shall be built to ensure that these images are captured separately by the drawee banks and not mixed up with the images of the instruments received for payment in clearing. A common electronic file containing the images of all the paid cheques shall be created on a daily basis for onward transmission to State Government Departments/Treasuries/Sub-Treasuries.

As prescribed in para 5.1 of the Memorandum of Instructions, the branch handling the State Government transactions shall continue to send the Payment Scrolls on a daily basis in the prescribed form to the Sub-Treasury/Treasury to whom they are attached as hitherto. However, as the paid cheques would no longer be available with the accredited branch, the same will not be attached with the payment scroll, but the electronic images of paid cheques (by way of cash, clearing and transfer), preserved by the presenting bank, shall be provided to the Office of AG/State Government Departments/Treasuries/Sub-Treasuries by way of secured electronic communication/ e-mail, etc., as per their requirement.

At any time during the preservation period of cheques, for the purpose of reconciliation, enquiry, investigation, etc., the Office of AG/State Government Departments/Treasuries/Sub-Treasuries may require any paid cheque in physical form for which the concerned State Government Department/Treasury/Sub-Treasury would approach the dealing branch. Whenever so demanded, the dealing branch shall arrange to furnish the cheques paid by it by way of cash and transfer immediately. In case of cheques paid by way of clearing, the same shall be supplied to the Office of AG/State Government Departments/Treasuries/Sub-Treasuries within a reasonable period after obtaining it from the presenting bank. It is the responsibility of the presenting bank in such instances to comply with the request of the Office of AG/State Government Departments/Treasuries/Sub-Treasuries / drawee bank for any physical cheque and provide the same to the respective drawee bank within a reasonable period.

At present, the CTS is operated on grid basis. Hence, the government cheques drawn on RBI / agency banks shall be presented in the grid within whose jurisdiction the accredited/authorised branch of paying bank is located.

As hitherto, the drawee bank shall ensure through the dealing branch that the mistakes/ discrepancies pointed out in payment scrolls, monthly DMS etc are rectified as per procedure, missing images of paid cheques are submitted immediately, the copies of the scrolls duly verified by the Sub-Treasury/Treasury are kept on its record, etc.

3. The revised guidelines would be effective in respect of cheques issued by the State Governments from July 01, 2019 and made applicable for those State Governments which give their consent for withdrawal of P2F arrangement. As and when State Governments give their consent, the same will be advised to the banks. In case any SG desires to have a parallel run, the same may be done for a period not exceeding three months. During the parallel run period, P2F shall continue to remain operational and the drawee banks should forward both the physical instruments and their images to concerned Treasury/Sub-treasury as desired by them. After completion of the parallel run, P2F shall be discontinued and only images shall be sent as outlined above.

(Charulatha S. Kar)

RBI/2018-19/219 DGBA.GBD.No.3144/ 31.02.007/ 2018-19 dated June 20, 2019

Rationalisation and Revision of Agency Commission Payable to Banks on Government Transactions

A reference is invited to our circular DGBA. GAD.No.7575/31.12.011/2011-12 dated May 22, 2012 advising revision in the rates of agency commission payable to agency banks with effect from July 01, 2012.

2. Since then, there has not only been an expansion in volume and value of government receipts and payments, and coverage of bank branches handling government transactions, but also significant movements towards adoption of technology and migration to electronic means of payments. These changes have necessitated a review of the costs incurred by the banks in handling government business, which has been carried out by a Committee set up for this purpose.

3. Accordingly, the agency commission rates on eligible government transactions to be carried out with effect from July 01, 2019 shall be as under:

Sr. No.	Type of Transaction	Unit	Existing Rates	Revised Rates
1	Receipts - Physical	per transaction	₹ 50/-	₹ 40/-
2	Receipts – e-mode	per transaction	₹ 12/-	₹ 9/-
3	Pension Payments	per transaction	₹ 65/-	₹ 75/-
4	Payments other than Pension	Per ₹ 100 turnover	₹ 5.5 paise	₹ 6.5 paise

4. Reference is also drawn to the instructions contained in our letter dated November 4, 2016 advising the process of claiming reimbursement of service tax on agency commission received for Central and State Government transactions, based on which banks are submitting claims for reimbursement centrally to Reserve Bank of India at Central Accounts Section, Nagpur. The same process continued after ST got subsumed into the GST framework.

5. A review of this claim process has been done internally after observing significant delays and discrepancies in the claims submission by agency banks. Based on this review and also taking into consideration the references received from agency banks in this regard, it has been decided to replace the current process of centralised claims submission with a system whereby applicable GST (18% at present) shall be paid along with agency commission by the respective Regional Offices of RBI / CAS, Nagpur as the case may be.

6. For eligible government transactions done with effect from July 01, 2019, agency banks shall submit the agency commission claims, including applicable GST amount, as per revised agency commission rates indicated above, to RBI at respective ROs / CAS, Nagpur as per the extant instructions issued by RBI in this regard. TDS on GST shall be deducted as applicable by RBI at the time of making agency commission payment.

7. However, for eligible government transactions done by agency banks upto June 30, 2019, agency banks shall continue to submit agency commission claims as well as the claims for ST/GST reimbursement as hitherto.

8. The revised rates will remain valid till the next review.

(Charulatha S. Kar)

RBI/ 2018-19/ 223 DCM (NE) No.3057/ 08.07.18 / 2018 -19 dated June 26, 2019

Acceptance of coins

We invite a reference to our circular DCM (RMMT) No.2945/11.37.01/2017-18 dated February 15, 2018 on the captioned subject and Paragraph 1 (d) of our Master Circular DCM (NE) No.G-2/08.07.18/2018-19 dated July 02, 2018 (updated as on January 14, 2019) on Facility for Exchange of Notes and Coins, where it was advised that none of the bank branches should refuse to accept small denomination notes and / or coins tendered at their counters.

2. However, Reserve Bank continues to receive complaints about non-acceptance of coins by bank branches, causing considerable inconvenience to the public at large.

3. You are, therefore, once again advised to immediately direct all your branches to accept coins of all denominations tendered at their counters for transactions or exchange and ensure strict compliance in the matter.

(Ajay Michyari)

RBI/ 2018-19/ 225 DBR. BP. BC. No. 49/ 21.06.201 / 2018 - 19 dated June 28, 2019

Basel III Capital Regulations- Implementation of Leverage Ratio

Please refer to 'Part E: Leverage Ratio Framework' of the Master Circular- Basel III Capital Regulations, DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015.

2. As announced in the Statement on Developmental and Regulatory Policies issued with the Second Bi-Monthly Monetary Policy Statement 2019-20 on June 6, 2019, it has been decided that the minimum Leverage Ratio shall be 4% for Domestic Systemically Important Banks (DSIBs) and 3.5% for other banks.

3. Both the capital measure and the exposure measure along with Leverage Ratio are to be

disclosed on a quarter-end basis. However, banks must meet the minimum Leverage Ratio requirement at all times.

4. These guidelines shall be effective from the quarter commencing October 1, 2019.

RBI/2018-19/228 DBR. No. BAPD. BC.50 / 22.01.001/ 2018-19 dated June 28, 2019

Revision in Proforma and Reporting of Bank/Banking Outlet (BO) details under the Central Information System for Banking Infrastructure (CISBI)

Please refer to our circulars (i) Master Circular on Branch Authorisation DBOD.No.BAPD. BC.7/22.01.001/2014-15 dated July 01, 2014, (ii) DBR.CO.RRB.BL.BC.No.40/31.01.002/2018-19 dated May 31, 2019 on Circular on Rationalisation of Branch Authorisation Policy- Revision of Guidelines and (iii) DBR.No.BAPD.BC.69/22.01.001/2016-17 dated May 18, 2017 on Rationalisation of Branch Authorisation Policy–Revision of Guidelines.

2. The Reserve Bank maintains the directory of all BOs/offices in India, [known as the "Master Office File" (MOF) system], which is updated based on Proforma-I and Proforma-II, submitted by banks through email. The system allots Basic Statistical Return (BSR) code / Authorised Dealer (AD) code to BOs/offices.

3. Consistent with the needs of branch licencing and financial inclusion policies as well as the need for requisite coverage of additional dimensions/features, a new reporting system, *viz.,* Central Information System for Banking Infrastructure (CISBI) (https://cisbi.rbi.org.in), has been web-deployed to replace the legacy MOF system.

4. Under the new system, all entities are required to submit their information in one proforma (Annex-I), unlike the earlier system of collecting Proforma-I & Proforma-II separately. The instructions for submission of new Proforma, online are given in Annex-II. All the past information reported by banks have been migrated to CISBI and additional information should be reported in CISBI henceforth. The CISBI portal also contains the relevant circulars, user manuals and other relevant documents to facilitate the reporting.

5. CISBI has provision to maintain complete details of banks and AIFIs (*e.g.*, bank category, bank-group, bank code, type of license issued, various contact details of offices/senior officials, Lead-bank Districts) and history of all the changes with time stamp. Banks/AIFIs shall submit a monthly report through CISBI that their information in CISBI is correct and updated; they can also use the facility to access/download the data relating to their bank/AIFI.

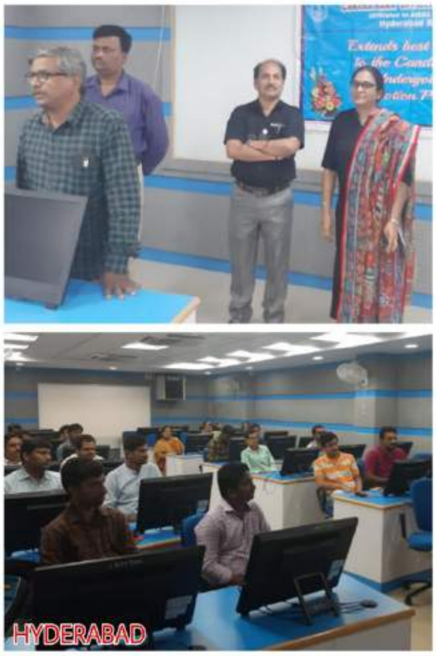
6. The Reserve Bank has provided login credentials to nodal offices of banks/AIFIs for submitting their information in CISBI. Other institutions requiring BSR/AD code can seek access to CISBI by making email request. Banks as well as AIFIs should submit the information as per the guidelines given in the Annex-III and thereafter bank/BO/Offices/ Non-Administratively Independent Office (NAIO)/ other fixed Customer Service Points (CSPs) i.e. other than BOs like ATMs, Cash Deposit Machines, Other Customer Services, etc., code would be allotted by CISBI after due validations. This is also applicable to public sector banks who were allotting BSR-Part-1 code at their level so far. The BSR code for the new BOs, offices etc. would be allotted as alpha-numeric codes (instead of numeric codes as hitherto) to accommodate the increasing number of outlets. In case of status change, banks need to edit only the relevant part.

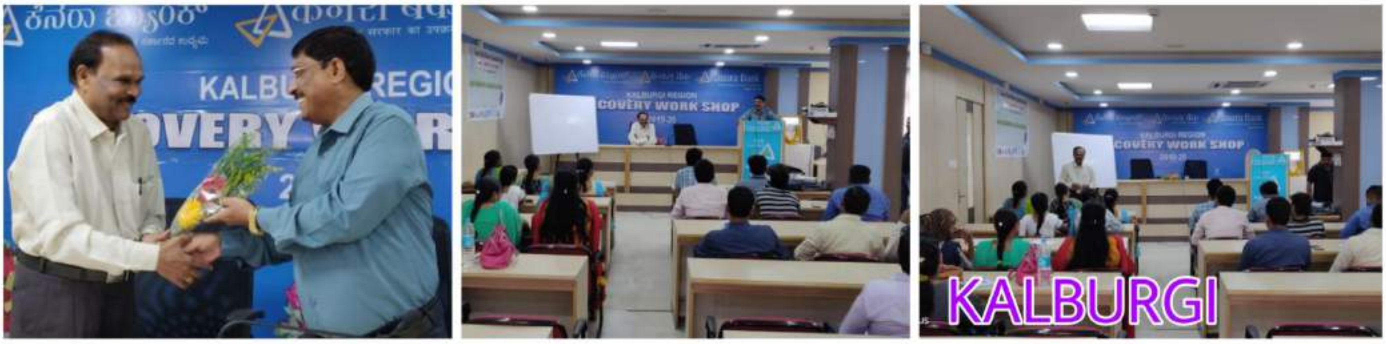
7. All banks/AIFIs should submit immediately and in any case not later than one week, the information relating to opening, closure, merger, shifting and conversion of BOs/Offices/ATMs/NAIO, etc. online through CISBI portal to DSIM, Banking Statistics Division, RBI, Central Office, C-8/9, Bandra-Kurla Complex, Mumbai-400051. At the CISBI portal, these changes are being implemented with immediate effect.

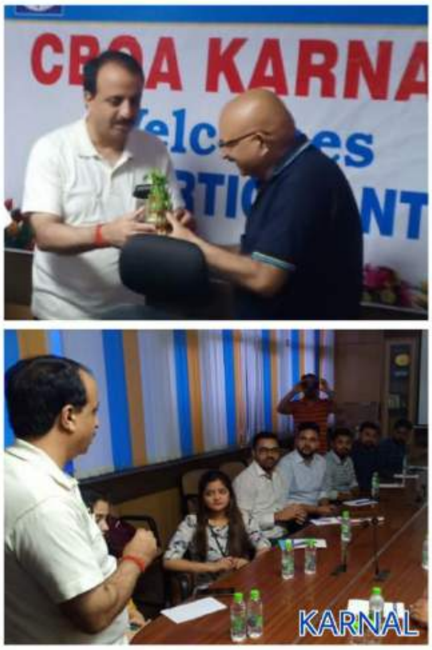
EVENTS GALLERY

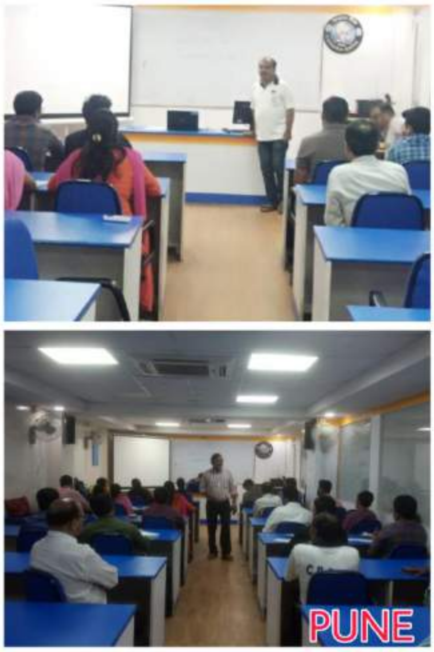
CBOA PRE PROMOTION CLASS FOR SCALE 0 TO 1 PROMOTION

CBOA PRE PROMOTION CLASS FOR SCALE 0 TO 1 PROMOTION

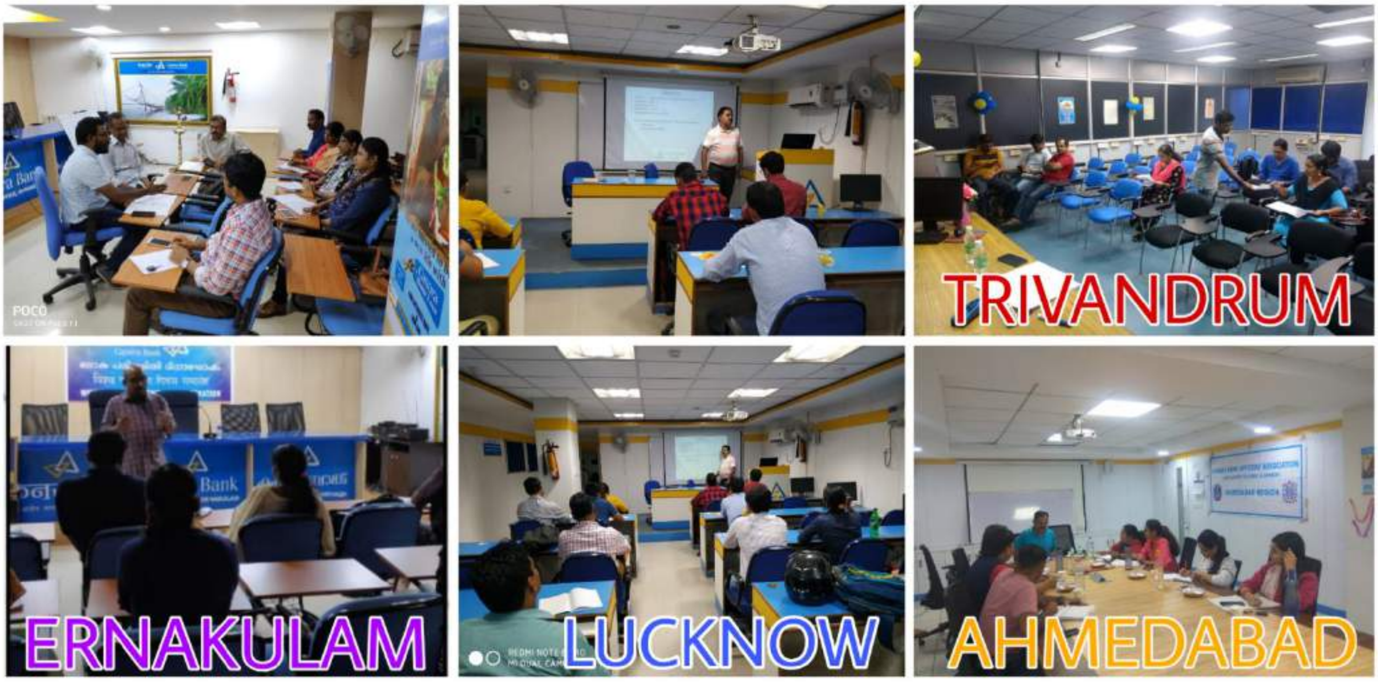


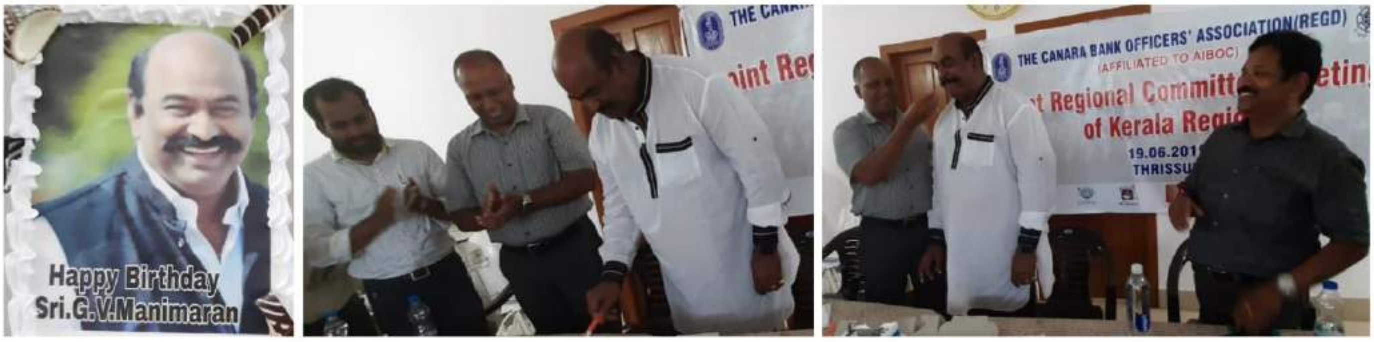




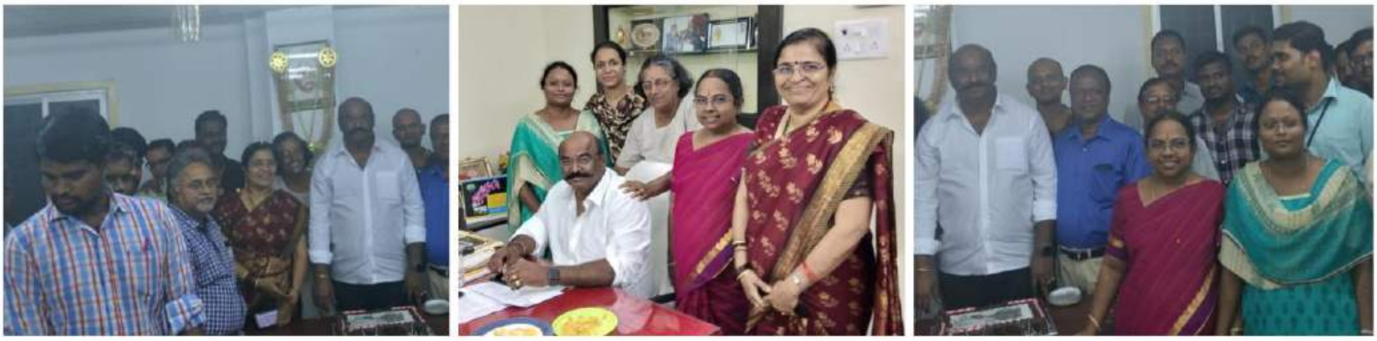


CBOA PRE PROMOTION CLASS FOR SCALE 0 TO 1 PROMOTION





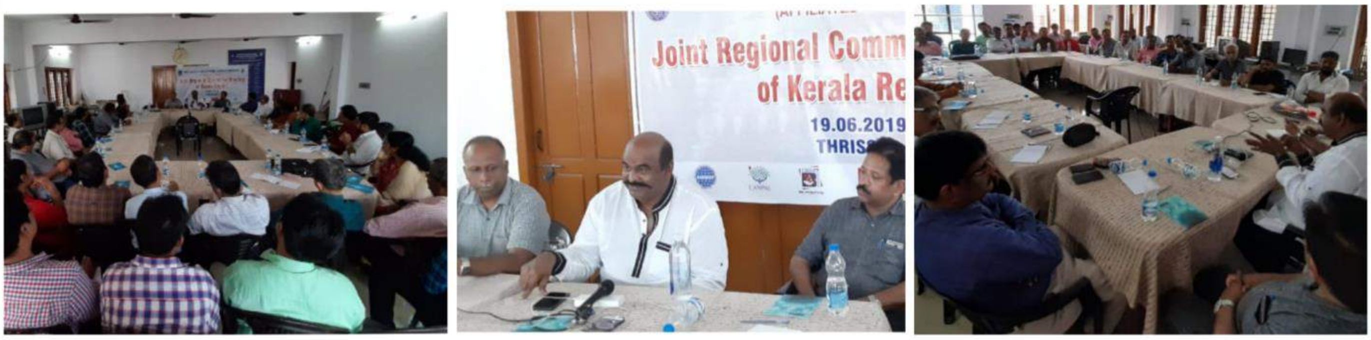
Bday celebration of our GS, Sri. G V Manimaran at Thrissur, Kerala



Bday celebration of our GS, Sri. G V Manimaran at Chennai

CBOA President, Sri. B K Mehtha Visit to Lucknow Region

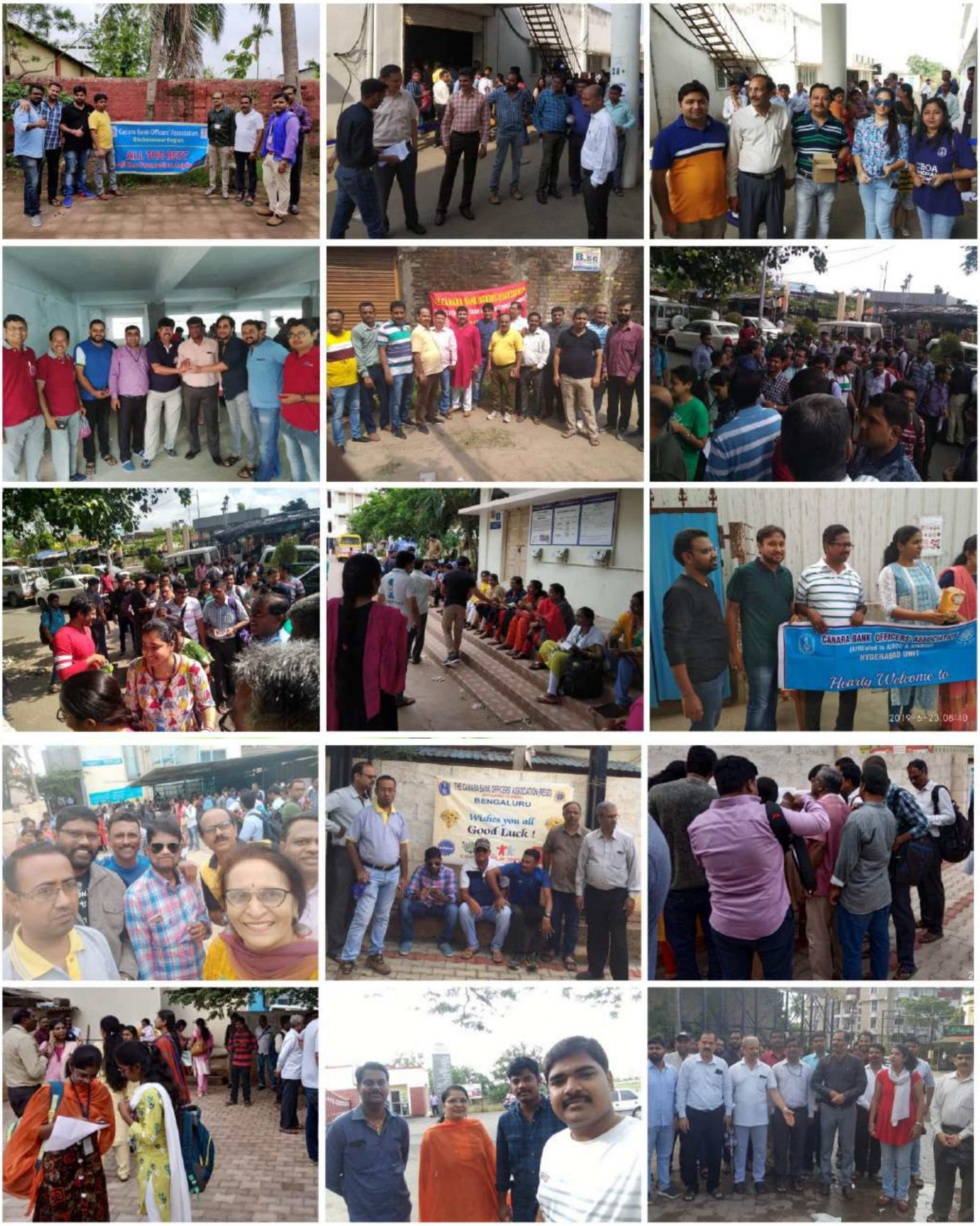
Inauguration of CBOA holiday home at Rameswaram



Gen Secretary Sri G V Manimaran addressing Joint Regional Committee Meeting of Trivandrum Circle @ Trissur.

General Secretary Sri G V Manimaran addressing General Body Meeting of Trissur Region

Meeting and greeting the SWOs attending promotion test at various centres all over the country



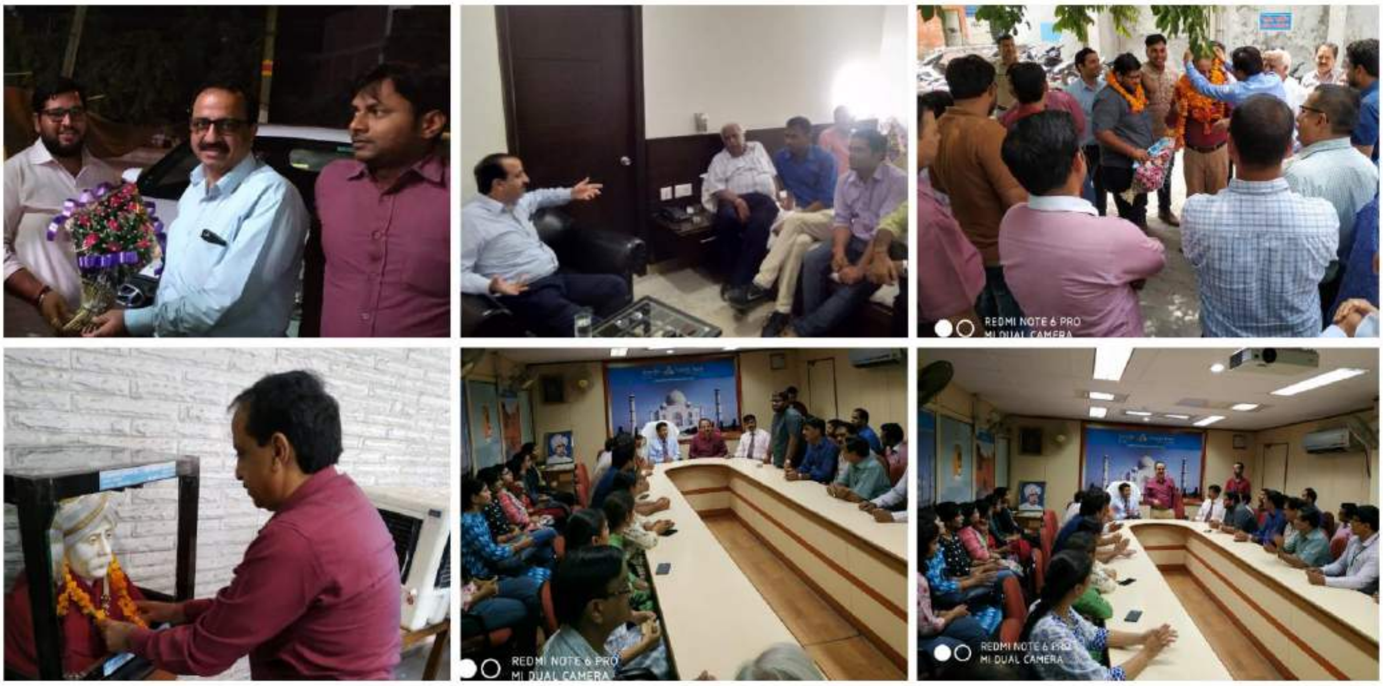
Felicitation of Retirees

General Body Meeting and Delegates Election at Malappuram Region, Trivandrum

General Body Meeting and Delegates Election at Calicut Region, Trivandrum

General Body Meeting and Delegates Election at Kannur Region, Trivandrum

Cluster Meetings at Palakkad Region, Trivandrum

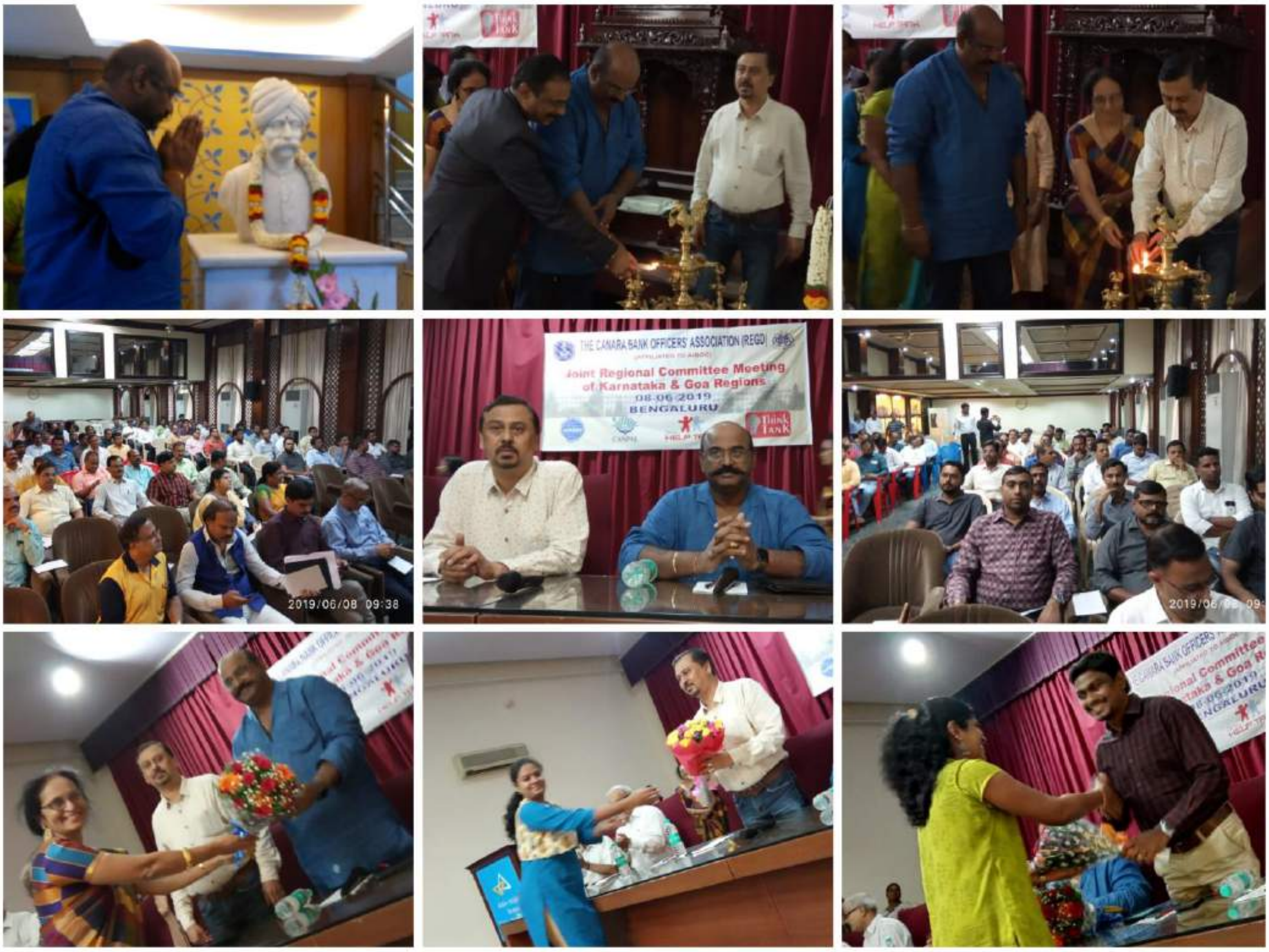


President, Sri B K Mehtha visit to Agra

General Body Meeting and Delegates Election at Alappuzha District, Trivandrum

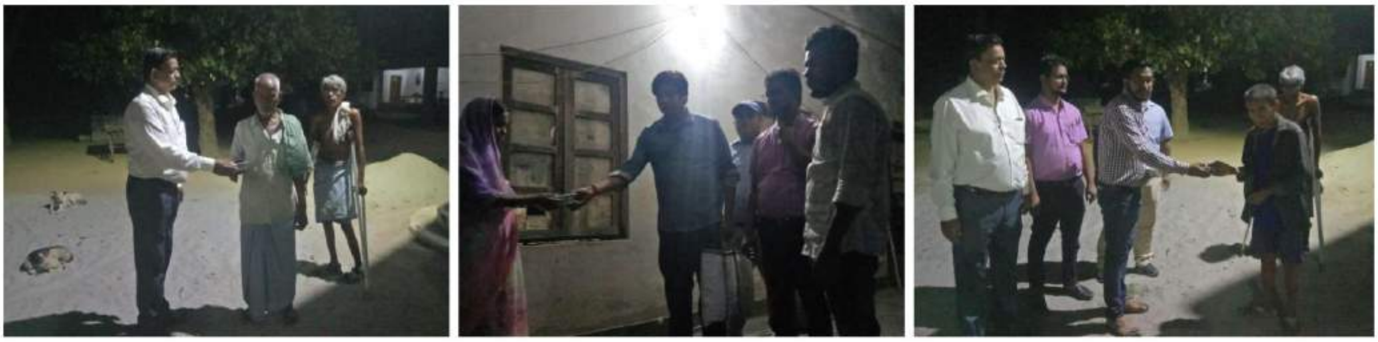
Blood donation camp by CBOA Vijayawada

Wednesday Meeting @ Chennai



Joint Regional Committee Meeting of Karnataka State at Head Office Bangalore.

Branch Visit by CBOA Ranga Reddy Unit



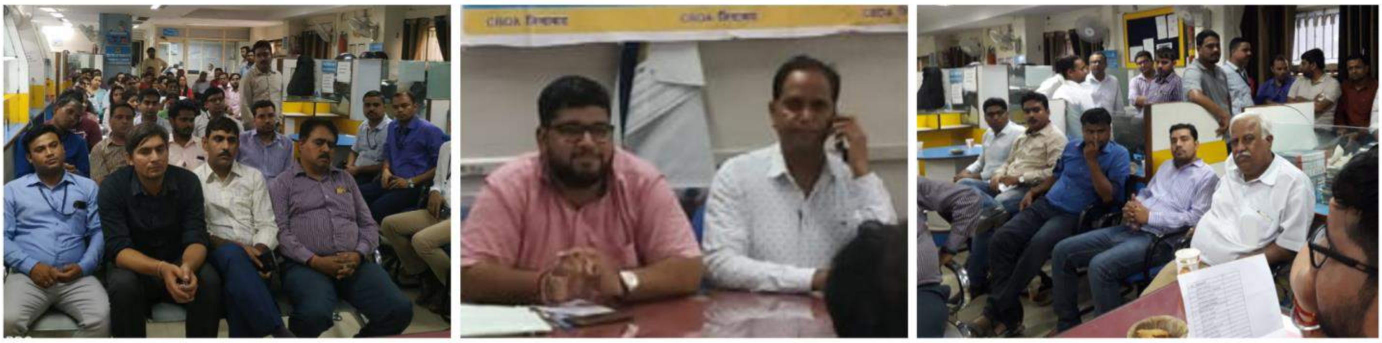
Distribution of food packets to the poor by CBOA Ghorakpur Region

Planting of Trees by CBOA Etah Region

Delegate Election @ Bidar District

Delegate Election @ Etah Region

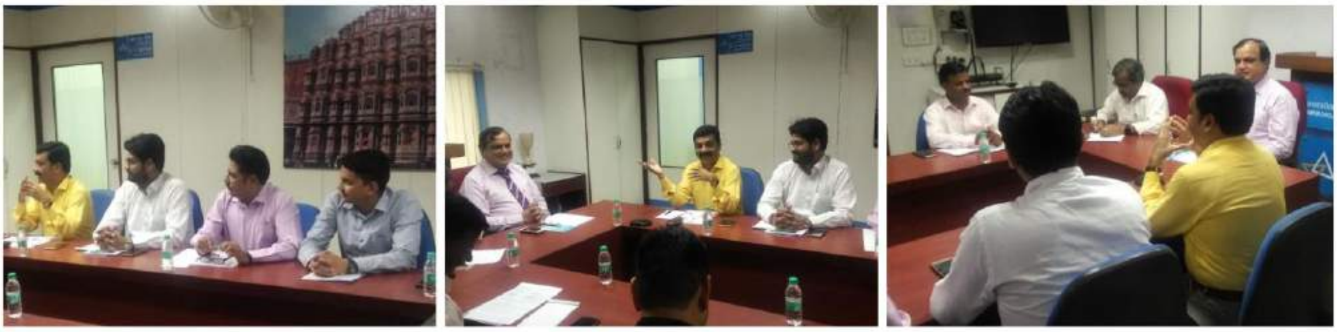
Joint RC Meeting @ Patna



General Body Meeting and Delegates Election at Agra

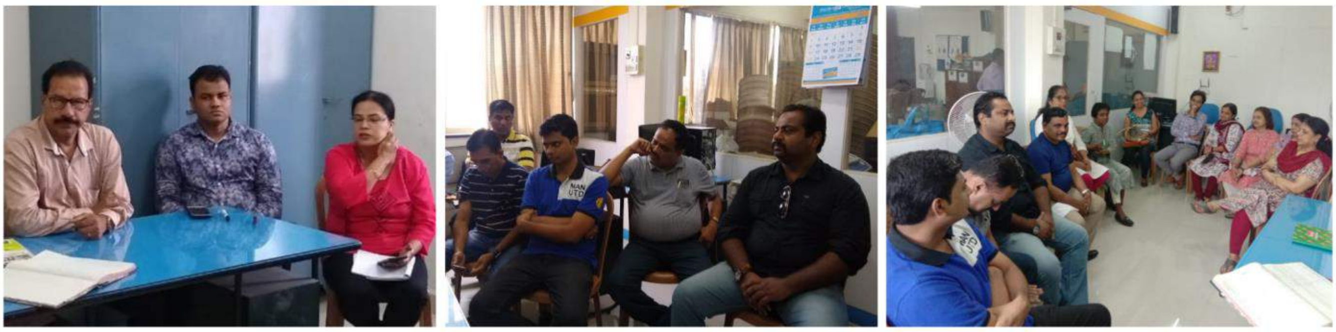
CLJM @ Delhi

CLJM @ Guwahati



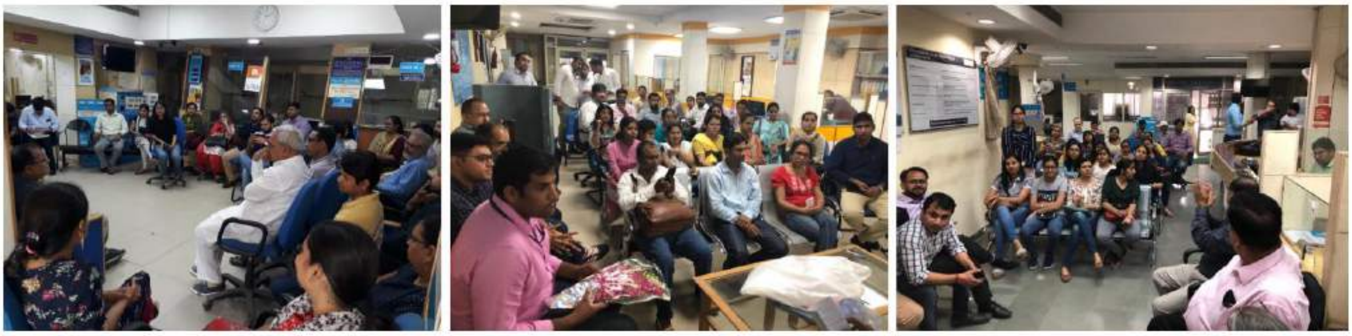
CLJM @ Rajasthan

Wednesday Meeting @ Hyderabad



Joint Regional Committee Meeting at Mumbai

Wednesday Meeting at Banglore



General Body Meeting and Delegates Election at Faridabad

General Body Meeting and Delegates Election at Warangal

Branch visit at Vijayawada

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