FRIEND & GUIDE

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THE CANARA BANK OFFICERS ASSOCIATION (REGD)

CBOA FRIEND AND GUIDE
ISSUE: OCTOBER 2019

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COVER

PIC 1: Welcoming our General Secretary, Sri. G V Manimaran at Patna Airport

PIC 2: Felicitating Mr. Uday S Lodaya on his elevation as CBOA Central Liason by Mr. Jagadeesh J S, Chairman, CBOA.

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EDITORIAL

FINTECH BANKS IN INDIAN ECONOMY

Finance and technology has a long history of mutual reinforcement, it started long age from the era of abacus, to the double entry system, clearing houses, SWIFT and so on. FINTECH just refers to use of technology to deliver financial solutions through sophisticated technology platforms. Since Global financial crisis the FINTECH banks have expended its scope to cover the full spectrum of finance and financial services. In U.S a survey showed that Americans trusted technology firms than banks to handle their money, as an outcome of the Global Financial Crisis.

In China, over 2000 peer to peer lending platforms were emerged, which were fully outside any regulatory system and they have ever since transformed the financial system of China in to a much larger extent. FINTECH banks like ALIBABA,BAIDU, and TENCENT were the major sources of that change. FINTECH banks have a characteristic over a bank is that they are “too small to care” than “ too big to ignore” and finally to “too big to fail” .In a fully “techy” atmosphere FINTECH can penetrate faster and accessibility will be easy, service will be hassle less, available at any time. But the services will be limited to those who have good technology background.

FINTECH requires Smartphone penetration and genuine sophistication regarding application programming interfaces-both of these technological development is necessary to cater good service to the customers. FINTECH have many advantages over banks, that are – they are not in any regulatory framework, working at a far off place with very limited workspace and human resources and their cost operation too less.

FINTECH banks ambit is not monitored or regulated anywhere. They have no moral binding with any nations economic growth. They don’t have a strategy to uplift the living standards of a country, like a nationalized bank do. They have only one motive that is Profit.

Banks are working under rigorous monitoring and strict regulations. Also keeping bit provisions away from profit ,to face unexpected situations, Such a stable structure is the back bone of a steadily growing economy. Many socially responsible commitments they are full fledging with due respect. Such a good culture cant be expected from a FINTECH banks which aims only the rich and ignore the poor and the average middle class and the senior citizen.

In Indian economy, in order to have a win-win situation between banks and FINTECH banks by mutual co operation in finance, investment, inter operations, risk management, payment, infrastructure, data security and customer interface. FINTECH must be regulated and monitored with proper KYC compliance. We cant live away with technology upgradation, but the good aspects be imbibed carefully and implemented meticulously. The proposed EU-India free trade agreement focuses finance, investment and insurance arena in Indian economy. Such FTA should not be mis-utilised by the foreign FINTECH banks , that should be the responsibility of authorities.

With Regards,
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

DISCIPLINARY ISSUES

Ref : GS/SEP/2019 dated 03.09.2019

Dear CANPALS,
It is very much disturbing to note that the number of show cause letters, MPPs, charge sheets, suspensions, dismissals and disproportionate punishments are steadily increasing in the recent days which were very much under control in the range of below hundred.

Frauds are also being reported high nowadays and in the majority of the cases the insiders involvement are highlighted as cause of the incident and the young officers are subjected to major punishments which has placed them in an irrevocable loss of life and reputation.

Though at times, " the knowledge gap", " pressures to achieve the targets" " presence of the fear to achieve the targets under third party products" and the " staff shortage" are claimed as the reason for such action which place the bank to face the financial loss and reputation loss, the individual implicated could not be saved with that argument.

Bank, time and again reiterates various measures to be followed strictly to apply time tested due diligence in appraising the credit proposals and the same was insisted in the various CBOA's meetings also.

CBOA also imparts various practical guidelines to be followed in discharging responsibilities in business building through Friend & guide , DIYA series, credit awareness programs, defence workshops, leadership development programs so as to guard our mother bank from being embarrassed due to the financial and reputation loss besides the severe punishment inflicted on the officers.

To arrest this trend of growing frauds and resultant punishments, it is proposed to bring out an educational series fortnightly on the various disciplinary proceedings resulted in serious punishments along with the measures which could have been taken to prevent such episode entirely.

We have sought the assistance of the reputed Defence Representatives and the senior executives of both in service and retired to associate in this mission of bringing discipline in the bank which was instantly accepted by all.

Dear friends,
Self respect is more important in life to lead it with dignity which must be preserved at the cost of anything.

FLAW FREE BANKING
&
FRAUD FREE BANK
is our objective and let's achieve it any cost.

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REF:CBOA:GS:SEP:2:2019 dated 16.09.2019
(Letter written by GS, Sri G V Manimaran to MD&CEO)

Dear Sir,
Sub: Requesting for early resolution of various issues pertaining to officers – both monetary and non-monetary taken up during our Joint Conferences.

1. **Conducting one more promotion test for scale II, III& IV to fill up the vacancies/tide over the shortage of managers in heading the branches.**

Vide our 206th Joint conference, we had taken up the subject matter wherein it was informed that the Bank is in the process of re-categorisation of branches and thereafter the matter will be examined.

Now, in view of sudden announcement of merger of Syndicate Bank with our Bank, we feel that filling up of vacancies of Managers/Senior Managers and Chief Managers has to be taken on urgent basis and the process should be completed as soon as possible which would go a long way in boosting the morale and confidence of our officers and also assuage their apprehensions to some extent in view of the impending mergers.

In fact, there is apparently acute shortage of Managers/SMs/CMs. There is overall shortage of **around 900 managers/senior managers and 300 chief managers**. Around **450 small branches and 200 medium branches** are headed by **Scale-1 officers**, and **in 220 VLBs, second line managers are not posted** besides there are several vacancies in administrative units.

Many branches including medium branches are headed by scale-1 officers who hardly have experience of 4-5 years in the Bank. We feel that this could be one of the reason for our Bank not able to improve its business. The shortage is more pronounced in respect of branches though administration units are comfortable. There is a need to increase the number of vacancies and conducting one more promotion test to fill up these vacancies. It was assured by the Management that if need be one more promotion test will be conducted during the current year.

Hence, we request your kind selves to initiate the process for special promotion process to fill up the vacancies which would help in better management of branches and improvement in business.

2. **Providing mobile sets to all and reimbursement of mobile charges to all the officers and transferring the laptop after completion of 3 years to the branch/section head.**

Providing mobile phones to all the officers would go a longway in improving the business prospects. Bank has recruited more than 17000 direct recruit officers over the past 6 years and they have all been deployed in branches and majority of them as branch heads too. The young officers will be in direct contact with the customers and it may encourage them to share their mobile phones with the customers which would be the first step in the direction of extending personalized banking service. Further AEOs who have to cater to multiple branches and always in the field require a mobile phone to be in touch with the branches as well as customers. Bank has already provided mobile phones to all the Branch-in-charges as well as Marketing officers.

Presently branches are provided with laptops and the branch in charge is supposed to hand over the laptop on transfer from the branch. Likewise, Managers and eligible officers are provided with mobile sets. The laptops/mobile phones become obsolete within 3 years and the book value of the laptop becomes Nil in three years. Hence, the Managers and eligible officers may be permitted to retain/carry the laptops/mobile sets on their transfer and retain the same on their retirement.

Hence providing a mobile set once in 3 years to all the officers is a step in the right direction to make our bank a digital Bank in tune with the vision of our PM making India a Digital India.

3. **Increase in canteen subsidy/Lunch Allowance**

The canteen subsidy was last revised during August 2012 vide Circular 264/2012. The existing canteen subsidy **of Rs.75/-** is abysmally low compared to peer Banks and not sufficient to meet even a day's snacks and coffee. Further, the expenses under this head are coming under Staff Welfare Measures, which is an impediment to increase it substantially to meet the current prices. Hence, we request you to take out this scheme from the purview of staff Welfare Measures so that a reasonable and justifiable increase in subsidy is considered. Recently, **Bank of Baroda has increased the refreshment allowance to Rs.750/- per month** and in **Syndicate Bank lunch allowance of Rs.350**/- is given to all the officers from Scale1 to 7.

Hence, we request that canteen subsidy should be substantially increased considering the requirement and stature of our Bank.

4. Revision in limits under officers' conveyance scheme.

The existing fuel/petrol limit of 65/60/55/50 litres (in Metropolitan cities/Area I/Area II/Area III respectively) for officers in MMG Scale III owing Car and 45/40/35//35 litres (in Metropolitan cities/Area I/Area II/Area III respectively) for officers in MMG Scale III owning two wheelers and officers in JMG Scale II and I (owning car/two wheeler) was fixed more than 15 years back i.e. during August 2004. But for the improvement in Conveyance expenses from Rs. 800 to Rs.1200 (in Metro and Area I, II and III) to Probationary Officers and removing the anomaly of restriction of Basic Pay of Rs.19400/- during March 2012, there has not been any review of the originally fixed fuel limit till now.

Even in Syndicate Bank which is going to be merged with us has better conveyance scheme compared to our Bank where in their Managers would get 5 litres more in pertrol limits in all the categories.

Hence, we request that the existing fuel limits may be thoroughly reviewed and substantial enhancement/improvements is given to all the officers.

5. Revision in limits under Rental Ceiling.

Enhancement in rental ceiling to the quarters of officers was effected from 1.7.2015 i.e. four years back and since then there has been a sharp rise in rentals especially in metropolitan cities. For eg. rent for a two bed room apartment in Bangalore City is around Rs.20000 with a monthly maintenance of around Rs.3000/- and for a 3 bed room apartment, the rent is around Rs.25000/- with a maintenance of around Rs.4000/-. Many of our officers especially those who are married and have family are going for 2 bed room flats and hence forced to incur substantial amount from their pockets towards rent since the present ceiling is not sufficient to pay rent as well as maintenance charges. Besides other PSU Banks are having better rental ceilings which are market related.

Further, our rental ceiling limits are fixed based on categories of Area (i.e. Metro, State Capitals, Area-I, II and III wherein for Area-III (population below 1 lakh) the rental ceiling is fixed Rs.6500/-. However, many Area-III centres across the country are part of urban agglomeration of respective Metro, Area-II and Area-I cities where the rental ceiling limits are much higher –ranging from Rs.10000/- to Rs.17000/- for scale-1 officers. Many such centres are also defined as census towns as per 2011 census. Because of this anomaly, officers working in these urban agglomeration centres are getting substantially lower rental ceilings compared to their counter parts in the main centres. For example, Bommasandra Industrial Area, which is part of Bengaluru urban agglomeration, the rental ceiling is Rs.6500/- where as in Bengaluru city it is Rs.17000/- for scale-1 officers.

Hence, we request that the existing rental ceilings are rationalized and reviewed thoroughly across all the categories and increased on par with their city centres.

6. Improvement in Housing Loan Scheme to Officers

The cost of acquiring a residential property has gone up substantially. A three bed room apartment in any of the metropolitan city costs around Rs.70 lakhs and 3 bed room apartment is around Rs.90 lakhs. In Bangalore City, recently the State Govt. has raised the guidance value enormously which has escalated the prices. State Bank of India recently increased the Housing Loan Quantum to **Rs.60.00 lakhs for officers** and even in Syndicate Bank the minimum limit for officers is Rs.60 lakhs. Hence we seek the enhancement in the existing Housing Loan quantum to **at least Rs.60.00 lakhs for officers in Scale-I and Rs.70.00 lakhs for officers in Scale-II & III**. In order to repay the enhanced limits, we also request that interest on housing loans be **reduced to 5% simple p.a.** It is pertinent to note here that Finance Minister has reduced the interest on house building adavance to Govt employees linking it 10 year Treasury bonds.

7. Increase in business development expenses.

The existing Business development expenses (Rs.9000/8000/7000 to Scale III, II and I respectively) was fixed during 2014. Also considering that the **Business of the Bank has more than doubled over the last 5 years** and as our officers and Managers have to work in a very competitive business environment, there is an urgent need for enhancing the Business Development Expenses substantially.

8. Providing quarters facility anywhere in India.

Bank has already recruited more than 17000 direct recruit officers/managers since 2009. Most of them were given placements anywhere in India far away from their native state. Majority of them are single and they will not be able to shift their family (mostly their parents) for obvious reasons. Further many officers/managers who are taking promotion and transferred to other states are leaving behind their family /not shifting their family due to several reasons like medical condition of their parents, education of their children etc.

In view of the above, we request that officers can be given an option to have quarter's facility anywhere in India in their place of choice as prevalent in State bank of India.

9. Introduction of Bereavement Leave.

Our Bank has been pioneer in adopting best HR practices. Employees in the Bank are eligible for leave of various kinds as per Service rules. Accordingly, to retain and improve our position as one of the best organization to work for, we suggest implementation of special leave in the form of "Bereavement Leave" as done in SBI.

Bereavement Leave is a paid leave granted to an employee on loss of family member. This kind of leave allows employees to spend time with their families in their hour of crisis and grief. On death of an immediate relative an employee is required to make arrangements for and attend the funeral and other rituals. The employee also needs some time to cope with the loss of a family member.

10. Transfers after 30th June – To be restricted to within the city, in case of outside circle transfers – payment of mid academic transfer allowance and retention of quarters as per extant guidelines.

Of late we observe that many officers /managers who are under orders of home state transfers/transfers within the state have not been relieved despite clear instructions of PM section to relieve them on a specific date to enable them to report at the transferee place **on or before 30th June.**

Further, many fresh transfer orders are issued well after the cut off date.

The above situation has put our officers and managers in great difficulty and inconvenience- 1. that they couldn't admit their children to good schools/colleges and their wards have lost couple of months of their academics 2. They couldn't get placements nearer to their home town and 3. They couldn't get suitable quarters. 4. They are unable to shift their families since some of them have already admitted their children to schools and colleges in their existing place of work.

In view of the foregoing, we request that these officers and managers are permitted/provided with the mid academic transfer allowance and retention of quarters as per our extant guidelines.

11. Transfer of both the spouses simultaneously to the requested place to enable them to move together/setup their family.

In terms of our transfer policy, it is provided that when the spouse of the officer is employed in our Bank/any PSU/Central/State Govt services, as far as possible he/she be posted at the same place subject to administrative exigencies.

Further, it has been practice in our Bank that when both the spouses are working in our Bank, their transfers will be effected simultaneously to the requested place to enable them to move together/set up their family.

We request that such cases are dealt more sympathetically and systematically to avoid inconvenience to our officers.

12. Providing crèche facilities in all the Circle Offices/ROs.

Our Bank has been recruiting officers and clerks in thousands since 2009. Over 18000 young officers have been recruited so far and nearly 40% i.e. around 7200 are women officers who are in the age group of 25 to 30. It is obvious that all these young women officers either must have already married or would be marrying immediately after joining the Bank. Most of these women officers are given placement in metros and urban centres and being working women they find it difficult to look after their children since most of them working outside their home town/state.

Hence, in order to give a better work atmosphere, there is an urgent need to establish crèche facilities at our various urban and metro centres, as far as possible within their working premises, so that our young women officers can leave children peacefully and work for the Bank. It is pertinent here to note that Labour Ministry, Govt. of India has mandated all establishments whether public or private to provide crèche facilities for their employees, either on the office premises or within a 500 metre distance and the Ministry is expected to make this new provision in the coming budget session.

In this connection, Our Bank has taken initiative to set up crèches and first such crèche has been opened in Head Office, Bangalore. We request the Bank to open more crèches in all the circle offices and also Regional offices throughout the country.

13. Introduction of hardship allowance for Branch in charge.

Branch in charge is the sole person who is responsible for bringing business for the Bank and achieving the set targets and implementing the various schemes of the Bank and also of the Govt. of India. **The performance of the Bank is directly depending upon the performance of the Branch Head**. It is therefore essential that the Branch Heads are not only capable and skilled but must also be equally committed, passionate about the Bank's goals and must have the necessary zeal/drive to bring business. Our Bank has opened thousand of branches in the nook and corner of the country and many are located in remote rural areas and are headed by direct recruit officers. These young officers who do not have any practical experience in Banking are directly heading the branches and facing lot of hardship.

Hence in order to make the position of Branch in charge more attractive and distinctive in terms of rewards and perquisites commensurating with the challenges and responsibility attached to their role, there is a need to introduce a perquisite for them as an additional monetary benefit. Recently, our peer bank, Bank of Baroda has introduced the same ranging from Rs.5000/- pm to Rs.10000/- pm.

Hence, we request that our Bank also should introduce such an allowance for branch heads in tune with the peer banks.

14. Disciplinary Proceedings and Suspensions – a) Need for adhering to time schedules b) conducting transparent investigations and c) adhering to accountability policy guidelines in letter and spirit.

<u>TIMELY DSIPOSAL OF DISCIPLINARY CASES:</u>
Disciplinary cases create many issues to the concerned officers as below;

- Mental agony
- Stress commences from the investigation stage itself
- Social stigma
- Comes in the way of improvement of business as decision making is hampered
- Affects the promotion prospects of the eligible officers

However, we observe that there is inordinate delay in each stage of the disciplinary proceedings right from calling explanation for the alleged lapses, conducting investigations, issuing charge sheets after 12-24 months of submitting reply to the explanation calling letters, casual drawing of charge sheets incorporating all the inspection observations in toto without verifying whether the same was corrected/rounded off.

We have come across many cases where charge sheets are issued even after 4 years/more than two inspections disregarding the guidelines in the accountability policy.

Multiple investigations are conducted in the same case (it has become a norm that usually more than 2 investigations are conducted in most of the cases) which would indicate an unprofessional attitude and also cast aspersions on the intention of the administration.

In most of the cases, as a routine matter, charge sheets are issued at the fag end of the service of the officers, mostly during the last month of his retirement causing extreme mental agony and stress to the concerned officers despite the alleged lapses are very old, sometimes more than 4-6 years old and after 2-4 inspections which is clearly in violation of the true spirit of Accountability policy.

Hence the disciplinary cases should be conducted and concluded in a time bound and transparent manner and any undue delay should be avoided. Further all disciplinary cases, if any, should be concluded before 6 months prior to the retirement of the officers.

SUSPENSION NOT BEYOND 3 MONTHS.

Suspension also puts the concerned officers at lot of stress, mental agony, monetary loss, creates a social stigma and has a psychological impact on the officers. As such it should be endeavoured that suspension should not be resorted to at all and if there is a concern that his continuation in the particular branch / officer would affect the investigation then the officer can be posted to any other branch / officer with in the region / circle so that there will not be any interference in the investigation.

Even in inevitable cases, the period of placing the officer under suspension should not be more than 3 months within which Bank should try to complete the formalities as required. Suspended employees should not be transferred out of state and should be transferred within the region or circle as far as possible. Bank should also endeavour to revoke suspensions in time bound manner as per the accountability Policy of the Bank. Further, It is requested that posting should be done within the Region/Circle when suspensions are revoked.

In view of the foregoing we request the Management:

- For timely disposal of disciplinary cases, Appeals and review petitions
- Not resort to imposition cash recovery.
- To ensure revoking of suspension within 3 months and posting of suspended officers should be done within the Region/Circle when suspensions are revoked.

15. APAS automation – Adverse impact on officers/managers working in branches. Need for rationalizing targets.

An individual's performance is better gauged in consonance with the branch's performance that one is posted. However, there may be anomalies that are inevitable when common grading system is used to measure an individual's performance like a person graded high when branch performs better or a person graded low when a branch performs low. The following have to be taken into consideration while going for automation of APAS system.

Targets have to be assigned to the branches scientifically taking into account the demography and potential. It has been a practice that targets are allotted to the branches based on previous year's figures.

Targets have been allocated giving some percentage increase in all the parameters instead of basing on the actual potential of branches The targets allotted may not be fitting to the place a manager is posted. Example: an ambitious MSME target to a college or campus branch.

Achievement of targets depends upon various internal and external factors and universally rating the officers based on the system may de-motivate Branch In-charges. (Draught is declared in many of the places, hence recovery of agricultural loans will become extremely difficult. Even there are certain restrictions to send notices to the defaulters)

A branch manager may achieve targets for three consecutive quarters and may miss-out for the last quarter. If we go by only figures, we may not arrive at fair performance appraisal. Similarly, another branch manager may not achieve any parameters during the last three quarters and may achieve fourth quarter targets.

What is imperative is that an officer's effort is more important than mere achievement of targets. Example, If inspection is overdue in a particular branch when the incumbent takes charge, his entire time may go for closure of inspection. Every Branch has its own problems and just numbers may not yield any results.

It has been a practice that if any lacunas, complaints, fraud, excessive NPA or customer complaints there is a tendency to shift the concerned manager to administration and post a new manager to the branch and the new incumbent's productive time may go only for rectifying the issues than business development.

Even now, a good number of branches are working with one manager/officer and one clerk and without basic infrastructure. When, the Bank cannot provide necessary infrastructure, the ability of the branches/manager to achieve the targets will definitely be much lower compared to the better equipped branches in terms of manpower and infrastructure.

Further, there is no incentive for branches who have achieved over and above the targets fixed. If manual intervention is not there, reporting authority may not be in a position to award additional marks to outstanding performance. Majority of the Branch managers may restrict themselves only to the targets and may not go an extra mile to achieve exceptional targets.

We have many VLBs which are headed by Scale II. The mere fact that a scale 2 is heading VLB is an indication of his performance.

Since the APAS in respect of officers/managers working in branches is automated /quantified, officers and managers working in administrative offices have distinct advantage over those working in branches, which would have a bearing on their promotion prospects. **Effort is important than the achievement.** Hence, it is imperative to give the discretion to reporting authority to award the marks as per the performance against potential.

16. Removing the draconian clause recently added in the Accountability Policy.

The very objective of Accountability policy is to accelerate the banking culture by removing the fear psychosis and instill confidence on the Administration.

After the introduction of the Accountability policy the confidence level among the sanctioning authorities have gone up and the fear psychosis has sizably been reduced.

Administration has earned a great amount of goodwill and the charge sheets are also very reasonably reduced and now it is hovering in the range of 100 at any point of time which has crossed four digit mark at one point of time.

Even the punishment by the administration has not been viewed as vindictive by the officers in view of the confidence on the system built up over a period.

The small committee of the IBA officially recognized and appreciated the robustness of our accountability policy which was considered as the best in the industry.

Such being the robustness and advantage of our Accountability policy, an amendment has been brought out in the revised staff accountability policy as mentioned below.

Avoidance in decision taking/ delay in decision making under notion that "no work no accountability." Non fulfilment / non achievement of expected business parameters and also avoiding of taking bonafide business decision without justifiable reasons.

We wish to submit our views and plea on the subject amendment which goes as follows:

The amendment is very much against the very objective and spirit of the accountability policy which aims to erase the fear psychosis and to minimize the scope for disciplinary action **unless and otherwise malafide intentions are established.**

Disciplinary actions are semi judicial and thus the charges should be syncing with the CBOSR otherwise there is a scope for challenging in the court of law.

The very objectives of the Accountability Policy is to specifically document every intricacies involved in any process either it is credit or non credit areas and attempt to specify the responsibility of every individual involved in the process and to fix the Accountability in case of slip on such individual. But the non achievement of the parameters is a very broad area and it would be difficult to fix responsibility on an individual which defeats the very purpose of the Accountability policy.

The non achievement of business parameter is an end product, wherein the business building under goes various review process by various levels has got many scopes for mid term corrections.

Non achievement of the parameters involves many internal, external and personal factors of the various levels involved where the individuals may not be having control.

It may be impractical to bring the uniformity and transparency in the disciplinary process which is the basic structure of the Accountability policy. In the absence of which it would open up the scope for shifting the responsibility, witch-hunting and generating fear Psychosis and ultimately erode the professionalism which is the need of the hour.

We now have huge number of youths as officers and managers to head the branches after the re-categorisation without much exposure and experience and this attempt will totally demoralize them.

Above all, the goodwill being prevalent among the various cadres in our institution may get eroded and mutual distrust will set in.

One more aspect is that "Staff Accountability Policy" is not for defining misconduct. By adding such clause we will be demeaning the sanctity of said policy for which it was brought out as mentioned above. Further, it will be creating a negative impact on the workforce and will be redoing the good things which it has achieved all these days.

In view of the foregoing and also in view of the comforts available to the administration to correct and amend the scenario of non performance we request that the above amendment made in the Accountability Policy is done away with at the earliest.

17. Furniture scheme – 1. Excluding the GST component from the overall furniture limit 2. Reducing the period for purchase of fresh set of furnitures from 10 years to 7 years.

The basic cost of furniture items has increased over more than 30-40% over the period of 5 years and also the percentage of tax has increased with the introduction of GST. This has resulted in the officers getting less furniture items with their eligible limit as the limit is also not undergone change. Hence, we request the Bank to exclude GST from the overall limit so that the officers can purchase the necessary items within the existing limit.

The furniture scheme introduced during 2013 stipulates a period of 10 years for purchase of fresh set of furniture which we feel is a very long period since the life span electronic/electric items is hardly 3 years and other furniture items around 6-7 years**. Hence, we request the Bank to reduce the period of purchase of fresh set of furniture to 6-7 years instead of 10 years at present.**

18. Payment of nightshift allowance in specialized units like DIT, Account Sections/LPCs etc.

DIT has sections like the data center, ATM switch which are being manned 24 / 7 / 365 days. Further, all our Account Sections who are handling clearing operations are also working 24/7.

There are other sections in DIT which are available for the Branches well before their Business hours and function till the DBA proceeds for end day, (like CBS Helpdesk which caters to the needs of the Branches).

Some of the sections in DIT and Accounts sections have to function on NI act holidays of Karnataka to cater to the needs of Branches which function in other parts of the country. Maximum officials are required to work on these days, as it remains a regular working day. Working on these days are not defined, nor compensated.

Those working on odd hours are compensated with an amount of Rs175.00, which was fixed long back and meagre compared to the amount of work load that too at odd hours.

Many a time those manning data center at ITI facility, K R Puram during odd hours have to go without food.

In view of the foregoing, we request that the odd hours/night shift allowance be increased substantially not only for DIT employees but also covering all officers/employees who are doing such types of work over and above the regular working hours.

19. Proper utilization of Marketing officers/managers – Option for MOs to shift to general banking after 5 years as per the extant guidelines.

We are getting feedback from our managers and officers that core business of deposit mobilisation and lending is kept on back burner and entire thrust appears to have been given on cross selling.

We are not against the third party products and it's income to the Balance sheet.

No incentive to be attached to any cadre for selling the third party products which always encourages some avarice individuals even to compromise with the advances customers and credit policies, ultimately resulting in NPA. **Any incidental incentives should go to the Bank's income.**

If at all we need to accelerate the selling of third party products, it shall be carried out by separate vertical and shall not be thrusted on the branch managers who are expected to concentrate more on the core business like CASA and RECOVERY.

Unlike other customers across the world, the behavior of the Indian customer is unique/differs with others. After investing in some long term instruments like FD in the bank for safety, the surplus available in SB is only invested in third party products and such investments have negative impact on the CASA deposits of the Bank.

In terms of the extant guidelines, there is an option for specialist officers like MOs to shift to general banking after completion of 5 years. Bank has taken a decision to shift all the marketing managers who have completed 5 years to general banking during 2018. However, the same is stopped from the current year creating lot of confusion and disappointment among marketing managers who feel that their career is restricted to only marketing and they do not stand any chance of getting exposure in the normal banking in the future. We request that all other MOs who are promoted to Scale-2 i.e. to Manager cadre must be given an option for shifting to the general banking in order to have continuity in the policy and also encourage them to integrate into the general banking system.

20. Remove the pressure on MOs to sell third party products which affect the core business and quality of advances and also to publish white paper on the NPA due to third party products.

Many times marketing officers are blamed in various forums for poor performance under various parameters.

Availability of third party products should help our Bank to retain the customers if they want to avail such products.

It can't be sold at the cost of our core products.

Targets given to Marketing officers/ Managers are unrealistic, along with they have to monitor and take care of all the MOs of their RO. For example, opening of 100 Govt. and payroll accounts month on month with other regular targets is not possible as it takes follow-up for couple of months to canvass a Govt/TASC/Payroll account

Targets are set on imaginary level rather than ground level with no logical rationale. Many times huge targets are given to MOs for campaigns in addition to their regular targets which fetches no addition points.

Focus is shifted every now and then as soon as any product/campaign is launched by various wings.

Participation of Marketing officers in EXPOs/camps on public holidays should be monetarily compensated.

21. Increase in Milestone award

The limit for Milestone award was fixed long back. The present limit doesn't really commensurate the 25 long years of dedicated and committed service rendered by our officers to their mother bank. The milestone award provided as a celebration of this special event should be memorable one for the officers and should be cherished by them.

In view of the foregoing we request the Bank to increase the limit substantially under milestone award.

22. Providing additional newspaper (financial) for officers:

At present Officers working in the Bank are permitted for re-imbursement of one news paper subscription of local/Financial paper. Since knowledge is essential for officers working in financial sector, all officers may be permitted to subscribe for two news papers one national/local and one financial in a month. Providing two daily news papers especially a financial daily will definitely improve the knowledge of the officers which will enable them in improving their performance in the Bank.

23. Medical Insurance Scheme – Reimbursement of 100% claims by the Bank to the serving officers and bearing the cost of premium on behalf of the retiriees.

The Joint Note signed between IBA and Officer Organisations dated 20.05.2015, explicitly states that

"While reimbursement to the officers / employees shall be made by the Banks as hitherto, the Scheme shall be administered by the Banks through a scheme worked out between IBA/Banks and Insurance companies and officers / employees would in no way be directly bound by the terms and conditions of such scheme or arrangements.

However, for the purpose of clarity and information, the details of the Scheme worked out between IBA/Banks and insurance companies is appended herein as Appendix I & II"

The above said paragraphs that clearly spell out the spirit and scope of the hospitalisation scheme as below

To extend better coverage for the officers and dependents.

To reimburse the expenditures to the fullest extent this was having restriction till that time.

Fullest reimbursement in the case of domiciliary hospitalisation and treatment to the officers and their dependents.

The arrangement / agreement is to be between the banks and insurance companies only and the officers will not be bound by the terms and conditions of such scheme or arrangements.

The purpose of the Annexure IV to the joint note is for the purpose of clarity and information only.

Scheme would not supersede the continuation of any bank-level arrangement or scheme providing for reimbursement of medical expenses, which is not covered herein, that may be in operation in any Bank.

It is amply clear from the above that officers and employees will be getting the fullest demand and this arrangement is nothing to do with the officers as it was between Bank and Insurance Companies.

In view of the we urge the Bank to reimburse 100% medical claims of members irrespective of the claim amount without referring to the arrangement between the Bank and the Insurance company.

We earnestly request your kind selves to resolve the above issues in order to send positive signals across the officers community which would go a longway in establishing goodwill and boost the morale of the officers to make them involve wholeheartedly in the growth and business development of our mother Bank.

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Ref : GS/WHATSAPP/2019 dated 13.09.2019

Dear Friends,
Our Illustrious Chairman of CBOA Mr Bharadwaj R K laid down his office as per the great tradition of CBOA on his superannuation on August 31.

CBOA is proud to co-opt Mr J S Jagadeesh our energetic VP and ebullient Central Liaison AS THE CHAIRMAN OF CBOA.

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Ref : GS/WHATSAPP/2019 dated 18.09.2019

Dear Friends,
As you are all aware that on the superannuation of Mr R K Bharadwaj our Chairman, Mr J S Jagadeesh was elevated to the position of CHAIRMAN CBOA.

CBOA is pleased to appoint Sri UDAY S LODAYA, DY. GENERAL SECRETARY, CBOA as CENTRAL LIAISON OFFICER of CBOA to deal with the issues pertaining to CBOA with the HO administration.

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RBI Notifications

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2019-20/53 DBR.DIR.BC.No.14/13.03.00/2019-20 dated September 04, 2019

External Benchmark Based Lending

As you are aware, Reserve Bank had constituted an Internal Study Group (ISG) to examine various aspects of the marginal cost of funds-based lending rate (MCLR) system. The final report of the ISG was published in October 2017 for public feedback. The ISG observed that internal benchmarks such as the Base rate/MCLR have not delivered effective transmission of monetary policy. The Study Group had, therefore, recommended a switchover to an external benchmark in a time-bound manner.

2. As a step in that direction, it was announced in the fifth bi-monthly Monetary Policy Statement for 2018-19 under 'Statement on Developmental and Regulatory Policies' dated December 05, 2018, that all new floating rate personal or retail loans and floating rate loans to Micro and Small Enterprises extended by banks from April 1, 2019 shall be linked to external benchmarks. Subsequently, it was announced in the first bi-monthly Monetary Policy Statement for 2019-20 under 'Statement on Developmental and Regulatory Policies' dated April 04, 2019 to hold further consultations with stakeholders and work out an effective mechanism for transmission of rates. Based on the consultations with stakeholders, it has now been decided to link all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises extended by banks with effect from October 01, 2019 to external benchmarks.

Chief General Manager

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RBI/ 2019-20/ 54 DBR. No. Ret.BC.14/ 12.07.160/ 2019- 20 dated September 03, 2019

Alteration in the name of "IDFC Bank Limited" to "IDFC FIRST Bank Limited" in the Second Schedule to the Reserve Bank of India Act, 1934

We advise that the name of " IDFC Bank Limited " has been changed to "IDFC FIRST Bank Limited" in the Second Schedule to the Reserve Bank of India Act, 1934 with effect from January 12, 2019 by Notification DBR.PSBD.No.7234/16.01.146/2018-19 dated March 01, 2019 published in the Gazette of India (Part III-Section 4) dated March 30 – April 05, 2019.

General Manager

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RBI/2019-20/59 DBR.No.BP.BC.17/21.06.001/2019-20 dated September 12, 2019

Risk Weight for Consumer Credit except credit card receivables

Please refer to paragraph 6 of the Statement on Developmental and Regulatory Policies dated August 7, 2019 on 'Reduction in risk weight for consumer credit except credit card receivables' (extract enclosed).

2. As per extant instructions, consumer credit, including personal loans and credit card receivables but excluding educational loans, attracts a higher risk weight of 125 per cent or higher, if warranted by the external rating of the counterparty.

3. On a review, it has been decided to reduce the risk weight for consumer credit, including personal loans, but excluding credit card receivables, to 100%. Other stipulations remain the same.

Chief General Manager-in-Charge

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RBI/2019-20/60 DBR.No.BP.BC.18/21.01.003/2019-20 dated September 12, 2019

Large Exposures Framework

Please refer to paragraph 7 (a) of the Statement on Developmental and Regulatory Policies dated August 7, 2019 on 'Harmonisation of single counterparty exposure limit for banks' exposures to a single NBFC with general single counterparty exposure limit' (extract enclosed).

2. In terms of circular DBR.No.BP.BC.43/21.01.003/2018-19 dated June 03, 2019 on "Large Exposures Framework (LEF)", banks' exposures to a single NBFC is restricted to 15 percent of their available eligible capital base, while general single counterparty exposure limit is 20 percent, which can be extended to 25 percent by banks' Boards under exceptional circumstances.

3. It has been decided that a bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 percent of that bank's eligible capital base. Bank finance to NBFCs predominantly engaged in lending against gold will continue to be governed by limits prescribed in circular DBOD.BP.BC.No.106/21.04.172/2011-12 dated May 18, 2012.

Chief General Manager-in-Charge

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RBI/ 2019-20/ 61 DPSS. CO. PD. No.605/ 02.27.020/ 2019-20 dated September 16, 2019

Bharat Bill Payment System - Expansion of biller categories

Please refer to the guidelines on Bharat Bill Payment System (BBPS) issued by the Reserve Bank of India vide circularno.DPSS.CO.PD.No.940/02.27.020/2014-2015 on November 28, 2014. BBPS, as an interoperable platform for repetitive bill payments, currently covers bills of five segments viz. Direct to Home (DTH), Electricity, Gas, Telecom and Water.

2. As announced in para 3 of the Statement on Developmental and Regulatory Policies released with the Third Bimonthly Monetary Policy Statement 2019-20 of August 07, 2019, it has been decided to expand the scope and coverage of BBPS to include all categories of billers who raise recurring bills (except prepaid recharges) as eligible participants, on a voluntary basis.

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

Chief General Manager

RBI/ 2019-20/ 66 FIDD. CO. Plan. BC.12/ 04.09.01/ 2019-20 dated September 20, 2019

Priority Sector Lending (PSL) – Classification of Exports under priority Sector

In order to boost credit to export sector, it has been decided to effect following changes in para 8 of the "Master Direction on Priority Sector Lending-targets and Classification" dated July 7, 2016 (updated as on December 4, 2018) pertaining to export credit.Enhance the sanctioned limit, for classification of export credit under PSL, from ₹ 250 million per borrower to ₹ 400 million per borrower.

Remove the existing criteria of 'units having turnover of up to ₹ 1 billion'

2. The existing guidelines for domestic scheduled commercial banks to classify 'Incremental export credit over corresponding date of the preceding year, upto 2 per cent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher' under PSL will continue to be applicable subject to the criteria mentioned at (i) above.

3. There is no change in the present instructions in respect of foreign banks.

Chief General Manager-in-Charge

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RBI/ 2019-20/ 67 DPSS. CO. PD No.629/ 02.01.014/ 2019-20 dated September 20, 2019

Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems

Please refer to the Statement on Developmental and Regulatory policies issued as part of Monetary Policy statement dated April 4, 2019 wherein it was proposed that the Reserve Bank would put in place a framework on Turn Around Time (TAT) for resolution of customer complaints and compensation framework across all authorised payment systems.

2. It has been observed that a large number of customer complaints emanate on account of unsuccessful or 'failed' transactions. Failure could be on account of various factors not directly attributable to the customer such as disruption of communication links, non-availability of cash in ATMs, time-out of sessions, non-credit to

beneficiary's account due to various causes, etc. Rectification / Compensation paid to the customer for these 'failed' transactions is not uniform.

3. After consultation with various stakeholders, the framework for TAT for failed transactions and compensation therefor has been finalised which will result in customer confidence and bring in uniformity in processing of the failed transactions. The same is enclosed as Annex to this circular.

4. It may be noted that :

- the prescribed TAT is the outer limit for resolution of failed transactions; and
- the banks and other operators / system participants shall endeavour towards quicker resolution of such failed transactions.

5. Wherever financial compensation is involved, the same shall be effected to the customer's account suo moto, without waiting for a complaint or claim from the customer.

6. Customers who do not get the benefit of redress of the failure as defined in the TAT, can register a complaint to the Banking Ombudsman of Reserve Bank of India.

7. This directive is issued under Section 10(2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007) and shall come into effect from October 15, 2019.

Chief General Manager

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RBI/ 2019-20/ 70 DGBA. GBD. No.653/ 42.01.011/ 2019-20 dated September 26, 2019

Recovery of Interest on delayed remittance of Government Receipts into Government Account

Please refer to our circular DGBA.GAD.No.H-4831/42.01.011/2012-13 dated February 13, 2013 wherein, in order to bring uniformity in the procedure of reporting both central and State government transactions to Reserve Bank, it was advised that the petty claims of delayed period of penal interest involving amount of ₹ 500/- or below will be ignored and excluded from the purview of penal interest.

2. With a view to bring further uniformity in the procedure for reporting both central and state government transactions to Reserve Bank, it has been decided with the approval of Comptroller and Auditor General of India that instructions given in para 7.4 of CGA's OM S-11012/1(31)/AC(22)/2015/RBD/332-424 dated March 9, 2016, will be made applicable to State government transactions also i.e ignoring petty claims of penal interest involving an amount of ₹ 500/- or below and excluding them from the purview of penal interest, and applying the limit of penal interest of ₹ 500/- on per transaction basis.

3. You may bring this instruction immediately to the notice of your branches accredited to conduct state government transactions as the related instructions are already in place.

4. The state governments are also being advised about the issuance of this instruction.

Chief General Manger

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RBI/2019-20/ 71 DGBA. GBD. No.661/ 42.01.011/ 2019-20 dated September 26, 2019

Remittance of government receipts (physical receipts) to Government account

Please refer to the Office Memorandum No. S-11012/1(31)/AC(22)/2015/RBD/332-424 dated March 9, 2016 issued by Office of Controller General of Accounts, Ministry of Finance (copy enclosed) along with our Circulars DGBA.GAD.No.H-11763/42.01.011/2006-07 dated January 24, 2007, DGBA.GAD.No.H-7790/42.01.011/2009-10 dated April 7, 2010 and DGBA.GAD No.H-3203/42.01.011/2014-15 January 21, 2015 on the above subject.

2. O/o CGA, vide OM No. S-11012/2/3(17)/RBI/2018/GBA/1558-1606 dated September 19, 2019 (copy enclosed) has prescribed revised timelines for credit of physical government receipts into government accounts at RBI, in supersession of earlier instructions on this matter.

3. As per the above referred OM, the instructions become effective from October 1, 2019.

4. Agency banks are advised to take necessary action.

Chief General Manager

EVENTS OF SEPTEMBER

General Secretary, Sri G V Manimaran addressing Delegates at Ranchi

General Secretary, Sri G V Manimaran addressing Delegates at Hyderabad

General Secretary, Sri G V Manimaran addressing Delegates at General Members at Patna

General Secretary, Sri G V Manimaran addressing Delegates and General Members at Rajasthan

General Secretary, Sri G V Manimaran addressing Delegates at Pune

General Secretary, Sri G V Manimaran addressing General Members Meet at Ranchi

CLJM at Chennai

Felicitation of Mr. Chella Nehru

Mr. Chella Nehru, Armed guard of Manamadurai is an inspiration to all. Under the leadership of Sri. G V Manimaran, CBOA Madurai gifted a Cash Award of Rs.5000.00 to Mr. Chella Nehru for his presence of mind and timely decision at the rught time in discharging his dutiesto save life of our collegues at Manamadurai Branch.

CLJM at Jaipur, Rajasthan

Team Calicut with Mr. Jacob P C, JGS, handing over CBOA Benevolent fund of Rs.500000.00 to the family of Late Mrs. Mini

Felicitation of Mr. Jagadeesh J S on his elevation as CBOA Chairman.

Felicitation of Mr. Uday S Lodaya on his elevation as CBOA Central Liason.

Branch visit by Team CBOA Calicut

Branch Visit by Team Agra Region.

Team Delhi visit to Chandigarh Region

Members meet at Guwahati

Team Jaipur visit to Chandigarh Region

Members meet at Kottayam Region.

Members meet at Ahmedabad

Members meet at Bangalore

Members meet at Chennai

Members meet at Durgapur

Branch visit by Team Jodhpur

Inter Region Cricket Tournament organised by CBOA Kottayam Region at Alappuzha, Trivandrum. During the inaugural Session an amount of Rs.75000.00 collected by the Canpals of Kottayam was handed over to Alappuzha MP, Mr. Arif as donation to Chief Minister's Disaster Relief fund to help the flood effected.

Flood relief activities by Team CBOA Chandigarh