FRIEND & GUIDE

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THE CANARA BANK OFFICERS ASSOCIATION (REGD)

CBOA FRIEND AND GUIDE
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COVER

CBOA General Secretary Sri. GV Manimaran with Canara Bank Chairman Padhmasri T N Manoharan during CBOA Triennial Conference

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EDITORIAL

POST LOCKDOWN ECONOMICS: ROLE OF BANKS AND REGULATORS.

Our country is entering the last week of Lockdown 4.0. We have no idea how long this will continue. Our economy is reeling under the impact of this lack of economic activity.

After the end of this lockdown the onus will fall on the banking sector to revive the economy and as a workforce committed to the development of the economy it is our bounden duty to ensure that we do whatever needs to be done. The most important aspect will be to ensure enhanced credit flow into the economy which is much needed for an effective revival. The GoI and the RBI have already taken a step in this direction by taking necessary regulatory measures to reduce lending rates. Individual banks have also come up with various COVID relief loans to keep the economy active even in the times of lockdown.

However, lending is always a double edged sword and no one understands this better than Public Sector Banks. While it has the potential to revive the economy effectively, it also has the potential to put the economy into a downward spiral if the lending goes bad.

It is here that the banking community has a lot of apprehensions. It is very much understandable that bankers are turning risk averse in this situation. Major concern for the bankers is that whether the borrowers will be able to generate enough fund flow to meet their repayment obligations as it will take some time for all the economies of the world to get up and running and various sectors to create and meet demand.

On the flip side if the required lending spurt does not happen, then we would have to face a very deep economic crisis.

It is here that the GoI and the RBI have to play a more pro-active loan. Through various regulatory means, banks have to be a given little more room to maneuver their balance sheets so that banks can lend with confidence.

One of the measures, which if undertaken could be very effective is selectively relaxing the NPA provisioning norms. bankers will be able to lend with confidence knowing that it wont deplete their profits and thereby further their capital. At the branch level also since the accounts would still be classified as NPA, monitoring and recovery efforts would also go on in the same vein.

These desperate times demand out of the box thinking and bold measures from the part of the Govt. and the regulators. Conservatism has to be put aside by all concerned and the risk of taking these measures has to be shared by both the Govt. machinery and the Banks alike. There has to be a co-ordinated and concerted effort to revive our economy and hope all stakeholders and policy makers combine their resources and come out with effective policies and reforms to tide over these turbulent times.

Regards
Editorial Team

IN CONVERSATION WITH

CBOA GENERAL SECRETARY
Sri . G V Manimaran

CANARA BANK CHAIRMAN
Padma Sri . T N Manoharan

1. **Sir, you are son of a freedom fighter, hailing from a family of farmers, a humble beginning from a village in Tamilnadu to Rashtrapathi Bhavan receiving the fourth highest civilian award of the country "PADMASREE". How do you objectively assess your journey sir?**

Answer: Pleasant Good Afternoon. If I look back to the life's journey so far, as you rightly mentioned it was a humble beginning, because I was born in a village in an agricultural background hearing the stories of independence freedom fighting from my father and an affectionate mother. Longest race also starts with small steps; while we do not know what is going to be the future, but we can always measure and take every steps in life's journey.

There was a person sitting on the banks of a lake, deeply thinking. Every day he used to come there in the evening and start thinking. One passer-by who was watching him daily was wondering what this person is thinking about. So one day out of curiosity he stopped and asked him What are you thinking so deeply?" That person replied "I am thinking how to catch a golden fish from that lake". The passer-by replied to him "Stop thinking and start fishing". So whatever you want to achieve in life, dreams can vary, but every day you should focus on your next steps. Step by step, brick by brick if you focus and try to do whatever you can undertake and do to the best of your abilities, I think growth comes on its own and glory comes on its own. So that is how I would like to objectively assess my humble journey in life, from the grass root levels of a village to the walking across Rashtrapathi Bhavan and being conferred the Padmashri award.

2. **There is an inspiring story regarding your father's reluctance to send you away from the village to study in cities. Please share that story with us wherein, how your then principal of the Government Arts College (your Pre-University college) was instrumental in convincing your father to send you to Madras for college education?**

Answer: Actually, we were five children to my parents- 3 brothers and 2 sisters; and I was the youngest. Since my father was basically an agriculturist, the families' prosperity depended upon the monsoons and availability of electricity, which fluctuated widely. My father was already educating my elder brother in a medical college in Belgaum. Therefore, when I completed my school and wanted to come to Chennai for college education, he said that he can't afford educating two sons away from the village; because every month required sending Rs 150 towards hostel, boarding-lodging and other expenses, which he could not afford that days. So he asked me to join the Government Arts local college in Gudiyatham (village name) and study the pre university degree. That was a moment of depression for me, because my dreams appeared to have shattered but then I thought, what is the response? As your response cannot succumb to setback. In every adverse situation how you bounce back, compose yourself, and work on the remedial measures is what matters. So I went to the Government Arts college and on the first day after admissions, I enquired how many students have got first class in PUC since the inception of college; the answer to which was none of the students had got first class so far in that college, which was again depressing. That evening I went back to my small house and in the 2X2 table and a wooden chair I had for my studies, I wrote on a piece of paper "IF THEY CANNOT DO IT, IT DOES NOT MEAN I CANNOT DO IT ", and put it on the wall facing my chair. Every day I used to look at that statement and start preparing. At the end of the year, 100 students wrote the pre-university degree exam in Government Arts College of which only 13 passed, 87 failed with some arrears or other. Out of 13 that passed- 11 were in third class, 1 boy in second class, and only I was in first class, for the first time in the history of that college. Our principal called my father to say "Send this boy to Chennai for higher studies". So the message I want to pass on to the youth through this is that whenever there is an adversity in your life, don't react or respond through your emotions. Perform and transform that adversity into a positivity and an advantage. That will get you whatever you want and wherever you want to be.

Message: IF NOT I- WHO? IF NOT NOW- WHEN?

3. **Sir, you have been a decorated Charted accountant, recipient of numerous accolades and recognitions, including the Padma Shri. Perhaps, you are the first chartered accountant to be honored with Padma Shri. To many of us it is the height of success. Sir, during your address at National Conference on Indirect Taxes held at Nagpur, you have talked about: "Sustainability of happiness in digital Era". Kindly throw some light on SUCCESS AND HAPPINESS sir?**

Answer: In the initial days of our life we think that success brings happiness, which is quite natural for all of us. If we go back to our school and college days, when we are declared successful after writing an exam, it brings us joy as per natural human tendency. But as we grow in our life and evolve, we must understand it's not success that brings happiness but its each moment of life enjoyed in a happy state of mind that leads to success. So it's not success leading to happiness. But happiness leading to success. Success introduces you to the world but failure introduces the world to you. As you must know about the world also, never fear the failure. You get this maturity only when you sustain your happiness. So the message here is sustain happiness to always be successful.

SUCCESS WILL NOT GIVE YOU HAPPINESS BUT HAPPINESS WILL ALWAYS MAKE YOU SUCCESSFUL!

4. **One of the daunting questions that is disturbing present Banking generation is WORK LIFE BALANCE. Sir, you have been a decorated Charted accountant, recipient of numerous accolades and recognitions. Moreover, you have been at the helm of several apex institutions, being an important part of several committees and policy initiatives undertaken by the government. What are your thoughts on Work Life Balance?**

Answer: A very important question related to everyone is that how do we balance work and life. I will narrate a symbolic story to answer this. I had once read in a book that each one of us carry four segments all through our life- which are:

- Family and relations- of utmost priority,
- Our own health- how we maintain and sustain health because of the axiom that if wealth is lost something is lost, but if health is lost everything is lost
- Our job or profession which gives us learning for sustaining this life; and
- Value system- i.e. what values & principles you follow in life.

Let us assume that all these four segments are similar to four different balls which every human being should carry along the journey of life. Now comes the critical question that out of these four balls, three balls are made out of glass and only one ball is made out of rubber. Which one is that rubber ball? The answer is Job or the profession which gives you money is the rubber ball. This implies that family relations, health, and values governing your life are the glass balls that require to be carried very much carefully. In real life most of the people vote maximum time, attention and care to the rubber ball. While I am not saying that rubber ball is not important, what I am trying to say is just because you have to take care of the rubber ball don't be indifferent to the glass balls. Take care of the glass balls because if they are neglected and they slip & fall they are never the same again. One more secret for work life balance is that only if you take care of the glass balls, will you be capable of handling the rubber ball. Not only will you be the most successful but you will perfectly strike a balance between your personal life and work life.

5. **In one of your interviews to FRONTLINE you have said that "40% of the Happiness is derived by humans from doing things what they like, further 40% is obtained from being with persons whom they like, and the remaining 20% happiness is shared equally by Money and the Individual**

characteristics." Kindly explain to us your idea of happiness sir?

Answer: It is a process of evolution how you view happiness. Initially happiness is self-generated and is a positive state of emotion within each one of us, but as we evolve and move forward we should derive our happiness out of others happiness. How that can happen is by following a simple philosophy of finding the true meaning of life. Life by itself does not have a meaning but gives an opportunity to us to define it- how best we can give it a definition. First 25 years or so we learn, next 35 years also we earn but life becomes meaningful when we share what we have learnt with those who are in need of it. When you find joy in others, that gives you a sustained happiness. While we cannot help everyone but it is important that each one can help at least someone and thus live in the hearts of all those whose lives have been touched in this process. In this mortal life, we don't have an eternal existence but we can live for eternity in the hearts of all with whom we have shared all that we have learnt.

6. **Sir, you have also donned the role of an eminent educator and motivational speaker through various forums without charging any fee. Keeping that into account, what would be your message to the youth of this country?**

Answer: Actually, the youth of this country are blessed to be born in India. If you look at the demographic composition of the world, of the 7.5 billion world population India's population is 1.3 billion; which means out of every six persons in the world one must be an Indian. Looking at the demographic composition of population of India vis-à-vis its counterparts: America's population is stagnated, European & Australian populations are declining, Chinese & Japanese populations are aging, while India's population is the youngest population in the world with a median age of 27.5 years. The same statistic for China is 38 years, for Japan it is 48 years. For India 41% of the population is 20 years of age, while 50% of the population is between the age group 22-59 years, whereas only 9 percent of the population is 60 years and above. So in India the only message to the youth is empower yourselves by acquiring skills and knowledge. With the required skillset and knowledge in this digital age, you will stay relevant and can create your demand not only in India but anywhere in the world.

Also, as you mentioned I have been an educationist, I have got many students who are now Chartered Accountants settled across the globe. Whenever I go abroad it's nice to meet them. In one conversation with some of them, sensing their unhappy voice I asked him about what is bothering them despite being so well settled in life with such a good position in that country. Some of them were carrying a guilt of not serving within India to which I told them that "It is not necessary to be within India & serve, but what it is necessary that India should always be within you". If your country is within you, wherever you are and whatever you do it will get the credit and the glory. With India emerging as the largest human resource base in the 21st century, I believe that the youth of this nation is going to contribute significantly to the world.

ECONOMICS/FINANCE

1. **There are talks about achieving the $5 trillion GDP target by FY2024-25? What major challenges you see in that pathway sir?**

Answer: There are many challenges that can be highlighted in sectors related to education, agriculture, manufacturing, etc. Instead of getting deeper into those things I would like to highlight only two challenges. The first challenge is that though the GDP no doubt growing, our growth has come down from 7 % to 6.1 % and now it is 5%; still India is one of the fastest growing economies in the world. The main worry is that the per capita GDP is not impressive at all. In terms of size of GDP on nominal value basis, in 2010 India was at 9th position, pushing Canada to tenth position. In 2015 India overtook Brazil and Italy to move to the 7th position. In 2018 we overtook France to move to the 6th position, but unfortunately in 2019 there is slight reversal and France overtook us. I am confident that by 2020 next year we will overtake France's 2.77 trillion as well as UK's 2.82 trillion to become the fifth largest country in terms of GDP size. This will leave us in competition with Germany and Japan for the third position and eventually in the league of China and the United States, which are today at 14 trillion and 21 trillion respectively. In this journey my worry is not the size of the GDP that is going to anyway grow but we have to have an inclusive growth to improve the per capita GDP. If the per capita GDP is less that means the gap between rich and the poor is widening, implying that the poor continue to be poor and the few rich are becoming richer; while the per capita GDP is still low.

The second challenge is the structural composition of the labour force. Today if you see the workforce, agricultural sector which contributes only 16% of the GDP is having almost 55% of the workforce, manufacturing sector which contributes about 26% to the GDP has 20% of the workforce, and service sector which contributes about 56-57% of the GDP is having just 22% of the work force. This imbalance of the workforce among these three sectors has to be worked out, i.e. more workforce should migrate from agriculture to manufacturing, and maybe from service sector to manufacturing. If these two challenges are address effectively in the next two-three years, achieving 5 trillion size economy is not at all impossible and we should be able to do it.

2. **It has been discussed that there are elements of fragility in the Indian Financial system and the system's trust on the 'Corporate Balance Sheets' is eroding. What are your thoughts on this statement as a reputed Chartered Accountant? Do you think that ethical accounting rules needs to be established?**

Answer: Being in the banking sector as all of us are aware, the robustness of the balance sheets of corporate world is a matter of scrutiny. We see many of the corporate failures happening and therefore the ability to repay also is suffering and many large accounts slipping into NPAs. In light of this, there is a need for bringing in financial reforms. I am confident that the measures which are taking place in and around the financial services are aimed at it, but as Rome was not built in a day, the cleaning process is a time consuming and painful process. I always believe NPAs were created in the best of the times because indiscriminate borrowing and maybe to some extent liberal lending has resulted in NPAs -the corporate balance sheets not being so strong. But in tough situations like the present scenario I think asset quality is gaining prominence, the rules governing the way in which accounting happens like International Financial standards convert into Indian Standards etc. will bring in the required robustness in the corporate balance sheet.

3. **Kindly share with us your initial experiences during Satyam's revival? Your first boardroom discussion? In the midst of complete dejection and despondence, how did you instil confidence and positivity? What was running in your mind when you were walking through the corridors of SATYAM?**

Answer: When the Satyam crisis happened and government nominated six of us, it was a challenging task. I accepted the responsibility entrusted to me and in the beginning of the journey the simple thought that I carried was that this is an invitation by the government and hence call of the nation; and therefore as a citizen we must undertake and give our best irrespective of the consequences. So the larger objective was towards saving the reputation of the nation in the minds of the stakeholders. However, when we walked in the situation was very grave; which demanded steps to be undertaken so as to transform the adversity into positivity. So in every small milestone achieved in the Satyam Revival, instead of celebrating it quietly we celebrated as if we have got around Satyam. This gave enormous confidence in the minds of the employees. Even when we renewed contracts of the employees we celebrated it, so that the associated negativity in the minds of the employees is removed. Second, as everybody knows the Satyam Revival was done in 97 days. But we ensured we have enough board meetings. So in those 97 days, because it was a crisis situation, 22 board meetings were held, which meant that every weekend was a board meeting. After every board meeting we did press briefing and media briefing. In the board meeting where I was the chairman, I went to brief the Press when one of the journalists asked me this question "As you all are temporarily nominated by the Government, you are temporary directors in Satyam. What is that you are going to achieve when it is given that Satyam is a sinking ship and you just cannot turn it around?" With all humility at my command I responded by saying "All is temporary in this world but we can build Institutions which are permanent. We can follow principles which will have lasting values for the generations to come. We can adopt values which will have eternal existence".

This gave us the confidence that when you are associated with a larger purpose (here the revival of an organization and for protection of the stakeholders, millions of investors across the globe, 53000 employees and their families, and also 600 + Global customers), it should be driven with no personal interest. So the first Resolution that we passed in the board meeting was whatever time it takes to revive Satyam we will not take one-rupee remuneration of sitting fee and do it pro Bono for the Government and for the nation.

CANARA BANK:

1. **In one of your interviews, you have mentioned CANARA BANK AS "PEOPLES' BANK". It's a matter of pride to all of to listen to it. Why do you say that it is peoples bank Sir?**

Answer: In the journey of any institution there are three phases. Looking at the origin of Canara Bank: when it started in 1906, then the middle phase when it became a listed company and when shifted from Mangalore to Bangalore, and now where it is and what is its future plan. These three things in my view define Canara Bank as a peoples Bank. The journey reflects the Founder's Ammembal Subbarao Pai's efforts towards starting a banking institution; how he went on a bullock cart street by street and village by village seeking capital from the public. Some of the people did provide him money as capital, while many of them gave food grains as the capital. With this objective of relieving people from the clutches of money lenders who were charging people with high interest rates and fund small business operators with concessional rates, the Founder who was an educationist, philanthropist and a lawyer by profession, started his journey. Originating from there the growth of this bank is now being supported by the customers who are swelling day by day, and in the present scenario we are the third largest bank in the country.

With these consistent efforts and direction, we will be able to transform the journey of the bank by multiplying the customer patronage. And today we can proudly say we have 9 Crore customers patronizing the bank. That is why it is people's Bank.

2. **Sir, Canara bank has been known for rolling out Customer - Centric Products. What according to you differentiates Canara Bank from rest of the Public Sector Banks? What do you think is our Unique Selling Proposition (USP) of Canara Bank?**

Answer: If I can put it in two lines how Canara Bank is different from other banks: In Canara Bank we do not find the customers for our products, we find the product for our customers- that is a USP of Canara Bank.

3. **Q2 results for our Bank have restored our faith on the strong fundamentals of the great institution. How do you assess the Q2 results especially in the light of improving asset quality and increasing capital base of the bank? We have reduced Net NPA from 6.54% from Sept.2018 to**

5.51 in Sept 2019. What are your expectations for the next quarters, Sir?

Answer: Thanks to all of you - the dedicated Canpals, that the growth trajectory and profitability of the bank is quite impressive. It is calibrated and is not fluctuating or going to extremes. All the ratios are improving with the gross NPA and net NPA coming down gradually in absolute terms and moving in the right direction. Only two factors are under pressure: one is cost to income ratio, because of pressure to reduce interest rates and the cost of funds increasing making the margins shrink. That is where we are focusing how to improve the margins so that the cost to Income ratio improves. The second one is CASA- we need to work to improve CASA. The moment we improve CASA the cost of funds automatically goes down and the margins improve. Though these two are improving but we need to do little more to accelerate the growth improvement on these two areas. Rest, the future is very bright. Also, if the IBC resolution on Essar Steel happens as it was mentioned by our MD and CEO, you will find the great transformation of the quality of the balance sheet. The ratios are going to be magically different, and from then on there will be no looking back at all. So we have a promising future and coupled with the bright talent we have, the future is going to be much more exciting for Canara Bank.

4. **Sir, what were your first thoughts, when Finance Minister announced amalgamation of Syndicate bank with Canara bank? How does it feel to be an anchor bank? How do you see the process of amalgamation and how do you see Canara bank 5 years down the line?**

Answer: Consolidation of Canara Bank & Syndicate Bank is a policy decision. The government believes that banks in India have to become larger to complete the global level, because no Indian bank figures in the top 50 banks in the world. After merging the subsidiaries, the State Bank of India for the first time entered the top 50 Bank list. However, State Bank of India is smaller than the 10th largest bank in China, in the global scenario. So there are no two views that consolidation is required for Indian banks to become stronger. Where Canara Bank is concerned, the task of convergence is going to be easier, because both Syndicate bank and Canara Bank follow the same software- the core banking solution. Both use I-flex where as many other banks follow Finnacle. Therefore, technological integration challenge is ruled out in this case as we can easily integrate the technological products and software of both the banks seamlessly and smoothly. When that happens the customer integration, the workforce integration, and infrastructure integration will happen over a period of time eventually.

5. **Sir, technology and digitalization are talk of the Town. In fact, we have also embraced Technology and the best example is our CANDI. But, traditionally, banking is all about relationships. How can we become more HI TECH and still be a HIGH TOUCH bank?**

Answer: It is a digital revolution that is happening across; and the cloud computing, block-chain Technology, internet of things, Artificial intelligence, Robotic Technology etc. are in the offing. Every sector is moving rapidly. For example, if you talk of automobile sector they moved from Diesel, Petrol to Gasoline. Now from Gasoline have to move to electric vehicles and battery driven cars. Similarly, in the banking sector also the footprints of the customers are going to come down. Physical entry into the branches is going to gradually come down because of mobile banking, internet banking, and online banking. But at the same time you have to reach out. While having the best of technological products, customer service by personal interface should not be lost sight of. So we need to have a blend. I was checking up statistics with manager HR and it is insightful that though we are moving faster on technological innovative banking, side by side we are also recruiting because we are opening new branches in rural areas. So what was 44,000 five years back has now become a 60,000 work-force. In spite of 8000 people retiring, we have added on double the numbers. This is how there will always be opportunity for new talent in spite of convergence with technology, and for this we will have to blend the technology and workforce. That said, Talent and Technology is going to be the future in banking sector.

RAPID FIRE

1. **Your first as well as the most recent marathon finish time?**

Answer: I started with 10 kilometres in the beginning but later upgraded to 21 kilometres half marathon. So my first half marathon timing was 2 hours 36 minutes. My latest half marathon that was Shriram Bengaluru Marathon on 21st October was 2 hours 22 minutes, where I have improved by 14 minutes from first to last.

2. **What is the most important ingredient to fitness?**

Answer: Will power. You have to get up and get out of your house in the morning. That will power you should have. You should not find excuses of sleeping and turning down the alarm. Just get up and get out of

3. If not a CA, then what?

Answer: Anything is fine. Even if I were born as a street sweeper I would have done that job in a most passionate way. Be it sleeping in a hut or enjoying a palace, enjoy whatever the destiny gives.

4. **Arrange the following in the decreasing order of satisfaction: a) Solving a difficult yet interesting case, b) Teaching students, c) Spending the day with the family.**

Answer: Teaching students is close to my heart because we owe it to the next generation. So teaching students is the one I always cherish. Of course next comes family and last is solving challenging and interesting case because that is only optional.

5. **Even in the most stressed out situations, which is that one thing you can still find time to do?**

Answer: Listening to music - it can distress and rejuvenate you. I feel music connects you with the divinity, so listening to music is the one I cherish the most even in difficult situations. In fact, I run my half marathons listening to songs.

6. **An all-time favourite dish that can make your day?**

Answer: Actually I am very poor when it comes to food. I have no like or dislike and whatever is served with affection I enjoy it the most.

7. **A song which usually play in your head?**

Answer: It's a Tamil song which always lingers in my mind. Its translation is that I am a visualizer of bright future within me

8. **If your life's journey could be expressed through a book-title, what would it be?**

Answer: From farmer's son to Chairman of a Bank

9. **Your biggest challenge till date and how did you overcome it?**

Answer: Challenges are given to those who have the ability to handle them. Every challenge makes life interesting, but for me it was Satyam Case.

10. **If you could have any three people (dead or alive) over for dinner – who would they be?**

Answer: My parents and my Guru- the three of them (Mata-Pita-Guru)

11. **Best award you've ever received?**

Answer: Applause from CANARITES. Nothing can equal this vibration of happiness and affinity I receive. Thank you friends. In 2015 when I came into Canara Bank I was not a Banker. I Was Nobody to the institution, but you embraced me and the affection that you showered me with, made me what I am today.

12. **What makes Canara Bank special?**

Answer: Canara Bank is a very strong institution with its fundamentals being very strong. That's why you will not find it partnering just anywhere. To give an example when Kingfisher collapse happened everybody presumed Canara bank should have been a leading lender as both are in Bangalore. But we never lent 1 Rupee to Kingfisher. So fundamentals are very strong and we strive to be always closely connected with the top bankers and banks.

13. **Define the following in one sentence:**

- Leadership- It is all about creating succession in juniors. A leader is one who produces leader
- India- India is not just India, it is incredible India because there is no one country in the world which can boast of a desert, which can boast of snowfield or mountains, valleys, backwaters, forest and lakes. All this beauty in one Nation you cannot find anywhere else.
- Dreams- I want to quote Dr. APJ Abdul Kalam – "Dreams are not what you get in

your sleep, dreams are what prevent you from getting asleep till you achieve them."

- Defeat - Defeat is nothing but success deferred
- Customers - Customers are the king in any business. As Mahatma Gandhi said they are the connecting nerve for your foundation and growth and the growth trajectory as well.
- Employees - Employees are the backbone of Institution
- Relationships - Relationship is a glass ball. Take care of it!
- God - God is omnipresent, omnipotent and omniscient. If you are able to find the divine power within you then I think what encounters you outside is nothing compared to what powers you have within you.
- CBOA and our GS – CBOA is a unique, renowned and robust institution. If I can describe your General Secretary Mr. Manimaran in few words - An officer, Gentleman and a fine Human Being, all the three into one. He is on a mission to create leaders.

14. **A piece of advice to the young bankers?**

Answer:

First advice: Don't limit your challenges, challenge your limitations

Second advice: This is an excellent forum happening once in three years for 3 days. Make use of this opportunity to exchange your thoughts, ask questions, become more exposed. Let me put it in very simple example - If I have one rupee, you have another rupee, if we exchange, then you will be left with 1 Rupee I gave and I'll be left with 1 rupee you gave. But if, I have an idea, you have another Idea and we exchange them. Then after that exchange, you will have to two ideas and I will have two ideas. This forum is meant for that.

15. **Finally, what's your message on this conference for all the Canpals who are watching this live across the country?**

Answer: Petty minds talk about individuals, ordinary miles talk about events, Great minds talk about ideas, thoughts, vision and the future. I am confident that all the Canpals watching this are great minds and you should be able to deliberate on new thoughts, new ideas to take this institution forward and when institution progresses, every one of us progress.

So that is the message I want to leave you with: there are only three kinds of people in this world, first who make wonders happen, second who watch wonders happen, third who wonder what happened! Canpals belong to the first category and are capable of making wonders happen.

All the very best!

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(These are the questions posed to our Chairman during the Triennial Conference by a team of Young Canpals led by our General Secretary)

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

MAY DAY GREETINGS TO ALL OF YOU.

A different experience indeed.

Industries are shut and institutions are closed.

Activities are upset, services are silenced and production is put to hold.

Labourers of organised sector are under Lockdown.

Unorganised laborers are unsettled.

Migrant labourers are retreating to their nests.

Bank officers are forced to postpone their bonafide proposals on pay demands.

No rallies.

No exchange of personal greetings among the labourers on a fully dedicated day to remember their service.

BUT, THIS WILL ALSO PASS.

Let's be in preparedness to plunge in to action.

Let's be in readiness to rebuild the industries, institutions, economy and our BELOVED NATION.

Above all, we the WORKING LOT ONLY TO RESTORE AND REVITALISE THE COURAGE, CONFIDENCE, MORALE AND MOTIVATION.

BECAUSE WE ONLY MUST DO, WE CAN ONLY DO AND WE WILL DO.

CBOA ZINDABAD

AINBOF ZINDABAD

AIBOC ZINDABAD

REF:CBOA:GS:APR:2:2020APRIL 08, 2020
Letter to MD and CEO
Sub :: LOANS & ADVANCES TO STAFF – REDUCTION IN RATE OF INTEREST

We thank your good self and the Bank for the proactive steps taken for the welfare of the employees post amalgamation by making available the best of the benefits.

The rate of interest on various Staff Loans were last revised vide Circular 210/2017 dated 19.04.2017. Thereafter, over the last few years, the rate of interest for public has been revised downwards substantially.

Hence there is a need to review the rate of interest on various staff loans to pass on interest rate reduction benefit to our staff also.

Keeping in view our Banks'endeavor to improve the facilities to staff and be on par with the best in the industry, we request reduction in rate of interest for the various loan schemes extended to our employees as under.

SL NO	LOAN SCHEME	RATE OF INTEREST (EXISTING)	RATE OF INTEREST (PROPOSED)
1	EMPLOYEE HOUSING LOAN	7.00% Simple	5.50% Simple
2	CAR LOAN	7.00% Simple	5.50% Simple
3	TWO WHEELER LOAN a) Upto Rs 40,000/- b) Above Rs 40,000/- upto Rs 1,00,000/-	 7.00% Simple 7.50% Simple	 5.50% Simple 6.00% Simple
4	CLEAN OD/DPN	8.00% Compounded monthly	6.50% Compounded monthly
5	EDUCATION LOAN (Extended to ward of the employee where employees are joint borrowers	RLLR	RLLR (presently 7.30%)

Sir, We understand that SBI & Bank of Baroda have reduced the ROI on the Loans/Advances to their staff effective from 01.04.2020. We request for similar reduction in ROI for our employees also.

Sir, Further, as per the understanding, best of the facilities available in the banks were to be made available to the merged entity.

However, it is observed that the Clean OD facility available to the Officers of e-Syndicate Bank amounting to Rs 12.00 lacs (the entire amount can be availed by way of Clean OD) has not been made available to the Officers of the amalgamated entity and the same has been retained at Rs 10.00 lacs only (of which Officer can avail OD up to a maximum of Rs 6.50 lacs and balance by way of DPN).

Sir, We request that the above requirements may kindly be look in to, and we are sure that the availabilities of such facility on par with the peer banks will instill the sense of pride and responsibility among all the staff and will be booster & catalyst to dedicate further in building the business and bank.

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REF: CBOA: GS: APR: 2020 April, 24 2020

Letter to MD and CEO

Sub: PANDEMIC COVID-19 VIRUS – SAFETY AND WELFARE OF EMPLOYEES

In the wake of COVID-19 pandemic and the nation-wide lockdown announced by Hon'ble Prime Minister on 24.03.2020 for 21 days lasting up to 14.04.2020, our Bank issued various communications regarding preventive measures to be adopted for prevention and control of novel COVID-19 outbreak which includes suspension of biometric attendance, exemption of Persons with Disabilities (PwD) from duties, etc.

However, owing to the exponential increase in affected cases and surge in the number of Red Alert Zones, the Nationwide lockdown has been extended by the Government of India till 03.05.2020. In spite of the unprecedented extraordinary situation still persisting, the Bank's committed workforce is continuing to extend its services to its customers, which has received appreciations from the Hon'ble Finance Minister, the Department of Financial Services and the public in general.

Yet, the spread of the highly contagious virus & implementation of stringent curbs such as complete lockdown by the State Government and various other reasons such as;

- Total shut down of public conveyance
- Branch or Offices closed down or premises sealed as per direction of Local authorities
- Curfew imposed in the area of residence
- Forced Quarantine due to shut down by local authorities.
- Suggested Quarantine (By Bank)
- Home Quarantine on Doctor's advice etc.,

has restricted many of the staff members from attending office/ branches.

The H.O *communication 263/2020 dated 04 04 2020* issued has exempted employees who are persons with disabilities, employees at higher health risk including pregnant employees and Divyangjan-persons with disabilities (PwD) from attending Offices/Branches for their safety, protection and also in the larger interest of the society.

While the aforesaid circular barred all officers from including employees with disabilities, employees at higher health risk including pregnant employees from the roster, it also denied any Special Leave for such exempted employees which has paved way for different interpretations at different administrative units, depriving many employees of the benefits of the relaxations.

Therefore, for the benefit of the deserving officers/ employees of the bank and to establish the true spirit behind such relaxations, clarification for the following can be issued;

1. Is the exempted category of employees eligible for work from home? If yes, can Branch/ Section/ Wing Heads sanction the same?
2. Is roster system, which ensures implementation of Social Distancing available to all administrative Offices/ Branches?
3. If roster system is permitted as a Business Contingency Plan of the Bank, can Branch/ Section/ Wing Heads permit the implementation of the same?
4. In case of Bank branches implementing roster system (25%-50%), will the benefit of work from home be extended to the batch of staffs not being physically present in branch premises?
5. Will the absence of Officers/ employees of Branches/ Offices closed temporarily in areas identified as containment zones be treated as Special Leave?
6. Will the officers/ employees of branches in containment zones be provided with On Duty, as they have to necessarily visit the branch premises on daily basis for ATM cash loading as per the directions of the District Collector?

7. To contain the spread of the COVID -19 Virus few districts in some states have been brought under complete lockdown by the respective State Governments, and permitted the Banks to extend essential banking services with not more than 33% staff strength. Whether in such cases, the Branch/ Section/ Wing Heads authorised to permit the implementation of the State orders?

In view of the above discussed confusions at the implementation level, to obviate the hardships to the employees and to keep the employees motivated & dedicated, we appeal to your good self to issue guidelines to treat various kinds of absence of staff members during the Covid-19 lockdown period as follows:

Reason for Absence	Absence may be treated as
Employees on Forced Quarantine due to shut down by local authorities	Special Leave, sanctioned by Branch/ Section Head
Employees on suggested Quarantine (By Bank)	Special Leave, sanctioned by Branch/ Section Head
Employees on Home Quarantine on Doctor's advice	Special/Additional Sick Leave
All Offices/ Branches where arrangement has been made as per roster for reduced attendance on working days OR alternate day work from home arrangement is in place	On Duty- For the days the employee is working from Home/ at home as per roster
Visually Impaired/ Physically Handicapped Employees/ Pregnant employees / Employees with serious ailments or high health risk exempted from duty	On Duty- For the days the employee is working from Home. Or Special Sick Leave
All employees of Branch or Offices closed down or premises sealed as per direction of Local authorities or due to imposition of Curfew in the area until their redeployment elsewhere	Special Leave, sanctioned by Branch/ Section Head.
Employees unable to attend office due to Curfew imposed in the area of their residence	Special Leave, sanctioned by Branch/ Section Head.
Employees who went out of Station for Official work under approved tour programme, but were not able to travel back to Branch/ Office	Special Leave, sanctioned by Branch/ Section Head/ Permission report to the nearest branch.
Employees who went out of Station for other than Official work but were not able to travel back to Branch/ Office	Addl. Privilege Leave/ Permission report to the nearest branch
Officials who were on audit/ regular inspection duty but are unable to report back to base branch/ office on account of lockdown	Special Leave, sanctioned by Branch/ Section Head/ Permitting them to work in a nearest branch.
Officials who were on duty at the time of declaration of lockdown and were exempt from reporting for duty	Special Leave, sanctioned by Branch/ Section Head.
Officials who have been repatriated from foreign offices but could not report to Branch/ Office after completion of mandatory foreign leave	Special Leave, sanctioned by Branch/ Section Head/ permission to report to the nearest branch

Further, the following guidelines may also be considered,

1. The period of absence can be reckoned from 21.03.2020 till lockdown is lifted.
2. The Branch/ Office/ Section Head maybe authorised to take a decision on how to treat the period of absence of an employee as per the above guidelines, taking into consideration the actual circumstances.
3. In case of cluster, we may also close the branches within the radius of five kms. retaining one branch with adequate staff, thanks to the CBS.
4. To avoid misconception, communication may be issued with guidelines of the Bank which covers e- Syndicate Bank too.

The Canara Bank Officers' Association takes the opportunity to applaud the various Safety & Welfare measure of the Bank extended at these testing times.

Assuring our continued support in all your endeavours for the growth of our Bank.

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REF: CBOA: GS: MAY: 2020 May, 08 2020
Letter to MD and CEO

Sub: PANDEMIC COVID-19 VIRUS – PROPHYLACTIC MEASURES AND WELFARE OF EMPLOYEES

At the outset the Canara Bank Officers' Association expresses its gratitude and appreciation to the Bank and its apex level decision makers for being compassionate and generous in extending various reimbursement and compensation benefits to the committed workforce of the Bank during the prevailing pandemic of Novel Corona Virus (COVID-19) which has spread across the world.

In response, the Officers/ employees of the Bank have reciprocated the benevolence shown by the Bank by continuing to serve the customers taking all the prophylactic measurers and ensuring responsible banking amidst the pandemic and the subsequent lockdown.

However, the exponential increase in the number of affected cases and surge in the number of Red Alert Zones, especially in the states of Maharashtra, Gujarat, Delhi and Tamil Nadu is a matter of grave concern. Of the 56500 confirmed cases in the country, the four states accounts for nearly 64% of total confirmed cases among them. Mumbai, Delhi, Ahmedabad, Pune, Chennai, Indore, Thane, Jaipur, Surat and Agra are the 10 worst hit cities, classified as Red Zones and accounts for over 50% of total Covid-19 cases in India.

Since banking industry is a service industry, there is a need for Officers/ employees of the Bank to exercise extra precaution when discharging their duties, to take care of themselves and their family members. Nevertheless, the recent increase in the number of frontline workers being affected by the deadly virus, particularly in the aforesaid cities has created a sense of fear and doubt in the minds of Banks workforce.

In light of the above, to infuse confidence and to clear the minds of the workforce, Canara Bank Officers Association appeals to your good self to issue guidelines for the Bank to enter into tie up with the Healthcare centres / Laboratories approved by the Government, for Covid- 19 testing of staff members of the Bank. The tie up with testing centres shall be extended to entire country, with cities/ regions/ areas demarcated as Red Zone/ Containment Zone by the state officials accorded priority, followed by cities/ regions demarcated as Orange and Green.

Further, early detection of cases by testing, is paramount for swift medical treatment/ isolation to prevent the spread of the virus. The testing procedures when implemented will augment the confidence of the Banks workforce and also prevent Bank branches/ offices from turning into Corona Hotspots.

Sir, CBOA also suggests that the Bank may reimburse the cost of testing for Covid -19 to such staff members working in Red/ Containment Zones as a goodwill gesture, which will motivate the workforce to contribute more for the sustained growth of the Bank.

Looking forward to your positive response and assuring our unfeigned support for the growth of the Bank.

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Ref : CBOA/MAY/2020/GS Date : 16.05.2020
Letter to GM, HR Wing, HO

Sub: Inclusion of WP 9547/2006 in the Promotion Proceedings

In the promotion proceedings issued to the Promotees, the clause, as below, is included giving an indication to the promotees that their promotion is a provisional one.

"WHEREAS, in view of the orders passed by the Hon'ble High Court of Madras, Chennai in WP 9547/2006, pending final decision in the Writ Petition, the Hon'ble High Court has passed an interim order that any promotions effected will be subject to the outcome / orders in the writ petition. Hence, the promotion effected herein shall be provision and subject to the outcome orders in the writ petition"

We wish to bring to your kind information that the said Writ Petition has been disposed off in 2011 itself with the nature of disposal being "Withdrawn Dismissed". The above can be verified in the High Court of Madras website also. For your ready reference we furnish a copy of the case status downloaded from the website.

Hence, We request you to kindly remove the above clause from the promotion proceeding issued hereafter.

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Ref: GS letter dated 07.05.2020

Understanding Prudential Write Off

RBI in its letter Ref.No.DOS.CO.RIA.Cell/ AM(14)/ 09.39.003/ 2019-20 dated 24 4 2020, addressed to one Shri Saket Gokhale, provided the information on top 50 willful defaulters and their sum of Funded Amount Outstanding & Amount technically / Prudentially written off as on Sep 30, 2019 reported in CRILC by banks, in response to his RTI request. The sum of such Prudentially written off amount of the top 50 willful defaulters is Rs.68,607 crore.

The power of the social media, especially to negative news, was amply demonstrated with this information too, that in no time it was flashed all over – FB, Twitter, WhatsApp and what not.

Expectedly there was big hue and cry. The lay man charged that the banks were hand in glove with the willful defaulters. The so-called educated class (non-bankers) chose to not verify or understand (a) how could even the Regulator (RBI) who provided the information sought, merely do so if what the banks did was against its (RBI's) guidelines (b) at least Google to know the difference between 'Write Off' and 'Prudential Write Off'.

And height of pity, even the experienced serving and retired bankers chose to merely forward the above information in social media rather than justifying the act of the banks which is well within the guidelines issued by RBI and their own internal framework.

In this unfortunate background, it is incumbent on us to understand the situation better for our own good and for purpose of clarification to whoever is interested to know. Fundamental, though it may look, let us take this as an opportunity to have a recap.

Methodologies in Loan Recovery

- Minimizing fresh accretion of NPAs
- Upgradation of existing NPAs

- Enforcement of securities as per the provisions of SARFAESI Act
- Enforcement of securities as per the terms of loan documents (in respect of secured assets not covered under SARFAESI Act)
- Recovery by compromise / One Time Settlement
- Recovery through legal action
- Invoking claims with ECGC / CGTMSE
- Minimizing provision by improving recovery / security coverage
- Sale of NPAs to ARCs

Our Bank has put in place a thoroughly formulated and documented Loan Recovery Policy, in which 'Write Off' and 'Prudential Write Off' are defined as under:

A. Write Off

- Maintenance of accounts where there are no further chances of recovery either by legal process / persuasion does not serve any purpose considering the carrying cost of such assets.
- Continuation of such accounts in the books of the Bank may only inflate NPA level affecting various critical business parameters. Writing off such assets makes the Balance Sheet cleaner and leaner. Hence, after exhausting all avenues of recovery, Bank may consider writing off such dues after proper sanction from the appropriate authorities

B. Prudential Write Off

The guidelines of RBI on prudential write off are detailed in RBI's Master Circular on Prudential Norms and Income Recognition which are as under:

"In terms of Section 43(D) of the Income Tax Act, 1961, Income by way of interest in relation to such categories of bad and doubtful debts as may be prescribed having regard to the guidelines issued by RBI in relation to such debts, shall be chargeable to tax in the previous year in which it is credited to the Bank's profit and loss account or received, whichever is earlier."

This stipulation is not applicable to provisioning required to be made as indicated above. In other words, amount set aside for making provision for NPAs as above are not eligible for tax deductions. Therefore, the Bank should either make full provision as per the guidelines or write-off such advances and claim such tax benefits.

In the light of the above guidelines, Bank may write off advances at HO level, even though the relative advances are still outstanding in the branch books by making 100% provision for loss assets. In tune with the above guidelines and to avail the tax benefits, Bank has put in place a polity on Prudential Write Off in consultation with the Auditors taking into consideration the category of assets, age of assets and also based on the guidelines received from RBI.

In short, 'Write Off' applies to loan accounts where no tangible assets are available, the borrowers are dead and there is no prospect of recovery after exhausting all possible remedies and even if suits are filed against the defaulters. Sometimes it may so happen that even if the borrowers are jailed there is no prospect of recovery. As banks have to incur expenses in these unproductive suit filed accounts by making court appearances they make a conscious decision not to file cases in these accounts after obtaining permission from higher authorities to waive legal action.

NPAs are huge drain on the banks' profitability and banks have to increase their capital when the NPA increases besides making huge provisions towards the NPA and these provisions will increase in course of time, as detailed below:

NPA category	Time period	Provision
Sub Standard	First year	15%
Doubtful-1	Second year	25%
Doubtful-2	3rd year to 5th year	40%
Doubtful-3	5 years and beyond	100%

These provisioning requirements cause the biggest drain on the banks' profits. By technically writing off these accounts, banks can save considerable amounts on their Capital as well as provisioning requirements.

'Prudential Write Off' also known as Technical Write Off is permitted by RBI and the details of such write offs are disclosed in the balance sheet of all the banks who have undertaken such an exercise.

Technical write off is applied to doubtful or loss accounts which do not earn any income but requires 100% provisioning from bank's profit and loss account against the loan, to protect depositors even if not a single rupee is repaid.

Though at head office level such amounts are written off, the amounts continue to be outstanding in the books of the branches.

Thus they are double loss for the bank as no income is earned as well as full provision is made for the purpose of balance sheet requirements in terms of RBI guidelines on Income Recognition, Asset Classification and Provisioning.

However such Prudentially Written Off accounts carry tangible assets mortgaged to bank which are recoverable through legal measures. Banks file suit in these accounts and they maintain account details in a memorandum ledger which are not part of bank's principal books of accounts.

Banks gain by such write off as they need not make 100% provisions from their profit and loss account. Besides it is also possible to recover dues by sale of mortgaged assets through legal measures. The benefit to the banks by technical write offs is that they get resources from the released provisions for fresh, quality lending to the needy sector for continuing the growth of the economy.

Hon'ble Finance Minister, Nirmala Sitharaman has pointed out that between 2009-10 and 2013-14, scheduled commercial banks had written off Rs.1,45,226 crore under the Technical Write Off category. She has added that Government of India is pursuing these willful defaulters by filing 9,967 recovery suits and 3,515 FIRs.

The RBI reply referred above is only in the nature of 'information' for a query under the RTI Act. While providing such information, RBI is not liable to explain or define the intricacies of such information.

For nearly three decades, PSBs, despite our strenuous efforts in the hardest of times and the toughest of terrains and our commitment adequately demonstrated again and again for the nation's development, did not muster public support. Media cannot be expected to be neutral.

PSBs are the easy whipping boy of the media. It is their business to provide what the readers' look for. We, as responsible bankers, have a duty to understand for ourselves and provide clarity for the general public too to allay misgivings. We request all bankers to use every opportunity to clear the air of such misinformation.

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COME
BECOME OUR ASSOCIATE

THE CANARA BANK OFFICERS ASSOCIATION (CBOA)
started in 1966 even before the nationalisation and has completed more than 5 decades of its existence. CBOA continues its never ending crusade for securing more lasgting facilities for all the officers in Canara Bank.

CBOA is the only Recognized Association representing Officers.

CBOA is the only Association that has no Political alignment

CBOA is affiliated to AINBOF & AIBOC, the largest National Organisation of Officers with absolute majority in Banks and representing 91% of the Officers in the Banking Industry.

CBOA holds periodical Joint Conferences with the Bank Management to lay down policies on promotion, transfers and other service matters of interest concerning the Officers community.

CBOA has sponsored and created a Thrift Society at Chennai and a Welfare Fund at Mumbai, granting death relief to members besides assistance to its members on Hospitalisation.

CBOA is authorized to nominate its representative to the Apex Body of the Bank - The Board

CBOA has been publishing its periodical e-magazine "FRIEND & GUIDE", a knowledge magazine called "Light Circle", "CBOA's Digest" & "Promotion Guides" for the benefit of members / non-members.

CBOA has been conducting systematic classes/mock interview sessions at all the important centres all over India along with Online Promotion Tests for JMG Scale I, MMG Scale II & III for the benefit of members / non-members.

COME BECOME OUR ASSOCIATE

EXTRA FACILITIES TO MEMBERS AVAILABLE ON JOINING CBOA OFFICERS' THRIFT SOCIETY

WELFARE SCHEMES FOR MEMBERS BY CBOA

PROGRESS AND PROSPERITY THROUGH SERVICE WITH SINCERITY

cboa

The list of Welfare Measures by CBOA:

Death Relief of ₹**10 lakhs** to the family of the deceased member.

Reimbursement upto ₹**2 lakhs** on the disallowed portion of our Bank's Hospitalisation Reimbursement Scheme.

Gift of ₹5000 to the CanBandhan couples on the occasion of their marriage.

Gift of ₹1000 to our members on the occasion of their marriage.

Incentive for the toppers in the various promotion tests conducted by our Bank.

Clerical to Officer

All India Topper - 25000/- | Circle Topper - 10000/-

Scale - I to Scale - II & Scale - II to Scale - III

First Position ₹7000/- | Second Position ₹5000/- | Third Position ₹3000/-

Gift to our members on their retirement

₹20000/- who have completed membership of 5 years & above.
₹10000/- who have completed membership of 3 years & upto 5 years.
₹5000/- who have completed membership of less than 3 years.

Canpal Castle (CBOA Holiday Home) - At below locations

Functional - Amritsar | Chandigarh | Chennai | Coimbatore | Hampi | Kalaburagi Kolkata | Rameshwaram | Tirupati | Trivendrum

Proposed - Madurai | Kodaikanal | Velankanni | Bangalore | Gaya | Varanasi | Ajmer Delhi & Dharmasala

CANPAL Think Tank CBOA HELP TANK 10 THUS WE CAN