

Rates

- ✓ REPO RATE IS CALLED POLICY RATE OR REFERENCE RATE of RBI.
- ✓ REPO – Repurchase Option Rate
- ✓ MONETARY POLICY COMMITTEE DECIDES THE RATES –MP Committee as per sec **45ZB of RBI act**
- ✓ Monetary Policy Committee announces the rate on a bi monthly basis. – Apr, June, Aug, Oct, Dec & Feb every year.
- ✓ RBI announces Bank rate as per **Sec 49 of RBI Act 1934**

Rates

In Percentages

Date	Repo	RR	RC	MSF	BR
4.4.19	6.00	5.75	0.25	6.25	6.25
6.6.19	5.75	5.50	0.25	6.00	6.00
7.8.19	5.40	5.15	0.25	5.65	5.65
4.10.19	5.15	4.90	0.25	5.40	5.40
5.12.19	Same				
6.2.20	Same				
27.3.20	4.40	4.00	0.40	4.65	4.65

With best wishes from E. Jagannathan

Rates

In Percentages

Date	Repo	RR	RC	MSF	BR
22.5.20	4.00	3.35	0.65	4.25	4.25
06.8.20	4.00	3.35	0.65	4.25	4.25
9.10.20	4.00	3.35	0.65	4.25	4.25
4.12.20	4.00	3.35	0.65	4.25	4.25
5.02.21	4.00	3.35	0.65	4.25	4.25

Rates

In Percentages

Date	Repo	RR	RC	MSF	BR
7.4.21	4.00	3.35	0.65	4.25	4.25
4.6.21	4.00	3.35	0.65	4.25	4.25
6.8.21	4.00	3.35	0.65	4.25	4.25
8.10.21	4.00	3.35	0.65	4.25	4.25

Rates

- ✓ Reverse Repo will be less than repo
- ✓ MSF will be more than repo
- ✓ Bank rate and MSF rate are the same
- ✓ When repo operates injection of liquidity of into the system.
- ✓ When repo is increased cost of borrowings for banks will increase
- ✓ When RTGS/NEFT not credited within the prescribed time the penalty banks to pay is Repo rate + 2%

Ratios

- ✓ **CRR IS ON NDTL(AS PER SEC 42 (1) OF RBI ACT 1934 – RBI CAN FIX CRR WITHOUT ANY FLOOR OR CEILING.**
- ✓ **FROM 28.3.2020 TO 26.3.2021 CRR is 3% As on date 4%**
- ✓ **MINIMUM DAILY maintenance is 80% OF THE TOTAL RQUIREMENT from 28.3.2020 to 25.9.2020. After that it is 90%**
- ✓ **CRR IS MAINTAINED AS CASH BALANCES WITH RBI.(Chest balances + balance in CA of RBI)**

Ratios

- ✓ No interest on CRR balances from RBI
- ✓ Penal interest at 3%Pa above Bank Rate for one day short fall in a fortnight on the amount of short fall.
- ✓ Penalty for MORE THAN A DAY in a fortnight 5%Pa on the short fall
- ✓ Increase in CRR reduces the liquidity in the system

Ratios

- ✓ **STATUTORY LIQUIDITY RATIO:**
- ✓ **(Sec 24 (2A) of BR Act 1949**
- ✓ **Min 0 – Max 40% on NDTL**
- ✓ **To be maintained on Daily basis in the form of Gilt (Govt) securities**
- ✓ **WEF 11.4.2020 the SLR is 18.00%**
- ✓ **Penalty for not maintaining is same penalty as that of CRR**

Clean note policy of RBI

- ✓ All Currency Notes are Legal tender
- ✓ Rs 1, 2, 5 – single numbered notes
- ✓ Rs 10, 20, 50, 100, 200, 500, 2000 are double numbered notes
- ✓ RBI has power to print upto Rs 10,000 denomination & issue coins upto Rs 1000 denomination
- ✓ Banks have to accept soiled notes, mutilated notes from General Public and not only from their customers

Clean note policy of RBI

- ✓ Coins of 50 paise and above are legal tender
- ✓ Banks have to accept all coins which are legal tenders
- ✓ For distribution of coins to customers bank will get a commission of Rs 65 per bag of coins in Urban and Metro centers and Rs 75 in rural and semi urban centers

Soiled Note

- ❑ A soiled note means a note which has become dirty due to normal wear and tear and also
- ❑ includes a two piece note pasted together wherein both the pieces presented belong to the same note and form the entire note with no essential feature missing. – Notes with writing other than political and religious slogans
- ❑ These notes should be accepted over bank counters
- ❑ In no case, these notes should be issued to the public as re-issuable notes

Mutilated Note

- ❑ A mutilated note is a note
- ❑ Cut into two pieces of which one portion is missing
- ❑ Cut into more than two pieces and all pieces are available
- ❑ Cut into more than two pieces and one or more than one portion is missing. Mutilated notes may be presented at any of the bank branches
- ❑ The notes so presented shall be accepted, exchanged and adjudicated as per RBI Note Refund Rule.

Mismatched note

- ✓ a note which has been formed by joining a half note of any one note to a half note of another note.
- ✓ All mismatched notes are to be adjudicated as per guidelines given for adjudication of Mutilated notes

Extremely Brittle, Burnt, Charred, Stuck up Notes

- Notes which have turned extremely brittle or are badly burnt, charred or inseparably stuck up together and, therefore, cannot withstand normal handling
- shall not be accepted by the bank branches for exchange. Instead, the holders may be advised to tender these notes to the Issue Office concerned where they will be adjudicated under a Special Procedure.

Adjudication of Mutilated Notes

- Upto Rs 20 no half value.
- Rs 50 and above either full value or half value depending upon the area of the single largest piece
- Mismatched Notes Re 1 to Rs 20
- If area of any piece is more than 50% of area of respective denomination or if both the pieces of more than 50% - full value. If none of the two pieces more than 50% - reject

Adjudication of Mutilated Notes

- **Mismatched Notes of Rs 50 & above**
- **the two pieces may be treated as two separate claims & dealt with accordingly.**
 - **Pay the customer for exchange value arrived and issue a rejection advice for the notes rejected**
 - **In no case customer should be given back mutilated notes.**
 - **All bank branches to accept soiled notes and adjudicate mutilated notes**

Note Refund Rule amendment Sep 2018 – Mutilated Notes

DENOMINATION (RS)	AREA (IN SQUARE CENTIMETER)	MIN AREA OF SINGLE LARGEST PIECE TO GET FULL VALUE
1	61.11	31
2	67.41	34
5	73.71	37
10	86.31	44
10 New MG	77.49	39
20	92.61	47
20 New MG	81.27	41

No half value upto Rs 20 denomination

Note Refund Rule amendment Sep 2018 -MUTILATED

DENOMINATION	AREA (SQ CM)	FULL VALUE (80%)	HALF VALUE (40%)
50	107.31	86	43
50 NEW MG	89.10	72	36
100	114.61	92	46
100 NEW MG	93.72	75	38
200	96.36	78	39
500	99.00	80	40
2000	109.56	88	44

EXCHANGE OF SOILED & MUTILATED NOTE

- ❑ Where the number of notes presented by a person is up to 20 pieces with a maximum value of Rs.5000 per day, banks should exchange them over the counter, free of charge.
- ❑ Where the number of notes presented by a person exceeds 20 pieces or Rs.5000 in value per day, banks may accept them, against receipt, for value to be credited later. Banks may levy service charges.
- ❑ Daily if a person exchanges caution to be exercised

COUNTERFEIT NOTE

- Banknotes tendered over the counter should be examined for authenticity through authenticity machines.**
- No credit to customer's account is to be given for Counterfeit Notes, if any, detected**
- Counterfeit Notes should not be returned to the tenderer or destroyed by the bank branches.**

COUNTERFEIT NOTE

- ❑ Failure of the bank to impound Counterfeit Notes detected at their end will be construed as wilful involvement of the bank concerned in circulating Counterfeit Notes and penalty will be imposed.
- ❑ Notes determined as counterfeit shall be stamped as "COUNTERFEIT NOTE" and impounded.
- ❑ Ack to be issued to the tenderer- to be signed by the cashier and the tenderer. To be issued even if the tenderer does not sign

COUNTERFEIT NOTE

- Detection upto 4 pieces in a single remittance to be reported to the Nodal police station by the end of the month along with the notes
- 5 pieces and above immediately.
- To be followed up and received back.
- To be retained for 3 years from the date of receipt from Police
- To be retained for 3 years after completion of court case if any.

COUNTERFEIT NOTE

- ❑ Violation of RBI guidelines in not exchanging soiled or mutilated notes, not accepting coins, not reporting counterfeit notes Penalty is as under:
- ❑ Penalty Rs 10000 per occasion for not adhering the guidelines upto 5 occasions
- ❑ Rs 5 lac for each occasion beyond 5th occasion and it has to be published in the public domain and bank has to report it in its Annual report

Banking Ombudsman

- ✓ Under BR Act –
- ✓ 2002. 1.1.2016 and 1.7.2017 and 31.1.2019
- ✓ A person or his authorized agent – not an advocate can file a complaint – even through electronic media (email)
- ✓ Jurisdiction – For credit card – billing address of the card holder - for others the location of the branch
- ✓ Digital transaction – branch – If centralized the address of the customer

Banking Ombudsman

- ✓ **Complaints can be made when:**
- ✓ **A complaint was made to the bank and the bank had rejected it OR no reply was received within a period of one month OR the complainant is not satisfied with the reply given by the bank.**
- ✓ **Period of one year has not yet lapsed after receipt of bank reply.**

BO

- ✓ **The complaints pending before a court, tribunal or any other forum can not be referred to Ombudsman.**
- ✓ **BO to award or reject within 30 days of receipt of complaint.**

BO

- ✓ Customer to send acceptance of award within 30 days from the date of receipt of the award to the bank.
- ✓ Bank to implement within 30 days from the date of receipt of acceptance by customer
- ✓ Appeal to appellate authority (Dy Governor of RBI) within 30 days from the date of receipt of the award by customer
- ✓ within 30 days from the date of acceptance of award by the customer Bank to appeal.
- ✓ AA can extend the date by another 30 days.

BO

- ✓ Bank can appeal within 30 days from the date of acceptance of award by the customer- Appeal to be done only by MD and CEO or the person authorized by him.
- ✓ AA may dismiss or allow the appeal, set aside the award. Send back to Ombudsman for fresh disposal or modify the award or pass any order as it may fit.
- ✓ All pending award of more than 3 months banks to place a note to Board

BO

- ✓ **Amendment wef 1.7.2017**
- ✓ **Deficiency in service arising out of sale of insurance / Mutual Fund / Other Third Part Product**
- ✓ **Maximum Award increased from Rs 1 million to Rs 2 million**
- ✓ **Max award for cost/ mental agony Rs 0.10 million**
- ✓ **BO for digital transaction wef 31.1.2019 as per Payments and Settlement system Act**
- ✓ **Similar procedure as that of normal BO.**

Garnishee Order

- ✓ **A lends money to B**
- ✓ **B has not repaid**
- ✓ **A comes to know that B has deposit with Bank X**
- ✓ **A approaches court to attach the deposit of B with Bank X and give the money to him**

Garnishee Order

- ✓ Provision is in Sec 60 of Code of Civil Procedure 1908.
- ✓ Issued by court- Judgement Creditor (Mr A) – Judgement Debtor. (Mr B) –The bank where the judgement debtor (Mr B) has the funds is called garnishee.(Bank X).
- ✓ Garnishee also known as Judgement debtor's debtor.

Garnishee Order

- ✓ Two types of orders:
- ✓ Order Nisi and Order Absolute
- ✓ Order Nisi – bank recovers its over dues if any from the judgement debtor's account and informs the balance in the account to the court.
- ✓ Also informs the judgement debtor ie its customer. – No need to remit to court.
- ✓ Order Absolute– Bank remits the amount to the court as per the order and informs the customer. If amount not mentioned in the order the entire amount to be remitted to court

Garnishee Order

- ✓ **Banker Customer relationship should be Debtor – Creditor. (deposit account / Credit balance)**
- ✓ **Banker and Court relationship is Trustee & Beneficiary**
- ✓ **Order in the name of A – Joint Accounts in the name of A & B can not be attached. Order in joint names of A & B, individual accounts are attachable.**
- ✓ **Proprietorship and the proprietor are considered as one and the same for this order. So if the order in the name of Proprietor his personal account and proprietorship accounts are attachable as well as vice versa.**

Garnishee Order

- ✓ **SB, CA, Term Dep accounts and Credit balance in OD/OCC accounts are attachable.**
- ✓ **Only clear balances are eligible.**
- ✓ **Term deposit attachable but payment to court only upon maturity**
- ✓ **Account debited, token issued but cash yet to be parted with / acct debited but clearing time for return not over/account debited but debit advise not yet despatched to the customer are attachable**

Garnishee Order – Accounts not Attachable

- ✓ Cheques sent in clearing – shadow balance in the account – clearing not yet regularized not attachable.
- ✓ FDR is kept as collateral for a loan FDR not attachable. – Against FDR if VSL is given-balance in FDR after liability is attachable on maturity.
- ✓ Order not applicable on Foreign branches.
- ✓ Order in the name of Partnership firm – Firm acct and partners acct if any attachable and not vice versa.

Garnishee Order – Accounts not attachable

- ✓ Funds in the name of deceased customer and insolvent persons not attachable.
- ✓ OD/OCC accounts – unavailed limit not attachable.
- ✓ Cheque marked good for payment – for the amount of the cheque not attachable.
- ✓ Amount deposited after the order is received not attachable.
- ✓ Safe deposit lockers / articles not attachable
- ✓ Bank is Trustee and Court is beneficiary

Nomination - Eligibility

- ✓ Accounts in the name of individuals
- ✓ Deposit accounts in the name of Individuals (either single or Joint) only are eligible for nomination.
- ✓ Locker accounts are eligible for nomination (Single or Joint)
- ✓ Safe custody article- If deposited in single name only nomination is allowed.
- ✓ Proprietorship accounts also eligible for nomination but it can not be nominee
- ✓ Gold loans are also eligible for nomination

Nomination - Eligibility

- ✓ Accounts in representative capacity other than Proprietorship accounts not eligible for nomination (HUF, Partnership, Trust, Company , Societies)
- ✓ Minor account represented by guardian is eligible for nomination. Guardian to sign
- ✓ Minors can not nominate for his self operated account – if he insists???

TRANSACTION	REGISTRATION	SETTLEMENT		
DEPOSIT	45ZA	45ZB		
SAFE CUSTODY	45ZC	45ZD		
LOCKER	45 ZE	45 ZF		
TRANSACTION	TYPE	NUMBER OF NOMINEE		
DEPOSIT	SING / JOINT PROPRIETERSHIP	SINGLE INDIVIDUAL		
SAFE CUSTODY	SINGLE/PROSHIP For Joint No nomination	SINGLE INDIVIDUAL		
LOCKER	Single /JOINT EoR PROPRIETERSHIP	SINGLE INDIVIDUAL		
LOCKER	JOINT (Operation Jtly)	>1 INDIVIDUAL		

Nomination

ACCOUNT	REGISTRATION & Addition	CANCELATION	VARIATION
DEPOSIT	NF 1037 (DA1)	DA-2 NF 144	DA-3NF 145
SAFE CUSTODY	SC-1 NF 343	SC-2 NF 344	SC-3 NF345
LOCKER SINGLE	SL-1 Part of agreement	SL-2 NF 348	SL-3 349
LOCKER JT Capital gains	SL-1A Part of agreement NF 733	SL-2 NF 348 Form F	SL-3A 350 Form F

Nomination – Eligibility

- ✓ An insolvent person/insane can not nominate but they can be nominees
- ✓ RBI guidelines -Nomination is compulsory in single named accounts
- ✓ Witness for nomination is needed for illiterate depositors accounts
- ✓ Printing of “Nomination Registered” is mandatory in Deposit receipt and Pass Books.
- ✓ Name of the nominee to be printed only at the request of account holder

Nomination – Who can be nominee?

- ✓ Nominee to be an individual only- HUF and others like company, firm, trust, Proprietorship etc can not be nominees
- ✓ Nominee can be a minor/insolvent – Person to receive the money to be indicated
- ✓ All account holders have to sign the nomination form.
- ✓ Nomination can be cancelled, varied any number of times with the consent of all account holders.
- ✓ **Nominees are the trustees of legal heirs.**

Nomination – Who can be nominee?

- ✓ Nominees are single individual
- ✓ Nominee not to sign in nomination form. KYC documents of nominees need not be obtained
- ✓ Illiterates can nominate and can be nominees also
- ✓ Nominee can be any individual- need not be relatives

Nomination

- ✓ In **Joint deposit** accounts Nominee right arises upon the death of all depositors.
- ✓ Branches to settle nomination irrespective of amount as well as Safe deposit article and also in respect of Lockers and Gold loan

Nomination

- In joint locker accounts operation jointly nominee can be more than one individual.
- In locker with operation condition jointly nominee right arises upon the death of one of the joint hirers.
- If locker in the name of A & B operation jointly –
- Nomination Mr X and Mr Y. Upon death of Mr A, contents to be vacated and given to Mr B and Mr X and Mr Y. Legal heirs of A does not enter into picture.

Nomination

- If it is deposit payable jointly only if A and B dies nominee will enter into picture. If A only dies settle to B and legal heirs of A since it is payable jointly.
- Documents for settlement:
- Death Certificate
- Claim form NF 147 signed by nominee. To be attested by Magistrate, Officer of Central or State Govt or Bank or Two well known persons acceptable to the Bank
- Proof of identification of nominee like Aadhar, DL, Passport etc

Nomination

- ✓ Stamped receipt from the nominee irrespective of the amount.
- ✓ When legal heir and nominee approaches the bank claim to be settled in favour of the nominee
- ✓ But if there is a succession certificate or Probate holder approaches the bank or if there is a court order restraining the bank from making payment to nominee bank has to abide by the succession certificate, Probate or Court order

Death Claim Forms

- ✓ Claim amount upto Rs 10,000 – Appendix 2
- ✓ Claim amount >Rs 10,000 upto Rs 50,000
Appendix 3 of Manual on death claim and nomination updated till 31.3.2020
- ✓ Claim amount >Rs 50,000 - NF 1020 with Annexures

Death Claim delegation

Authority	Amt (Rs in lac)
• Mgrs/SMs in charge of Brs	2.00
• Scale 4 heading branches	3.00
• Scale4inROs/Scale5headingbranches	5.00
• Scale 5 in ROs	10.00
• DGMs	Full Power
• Lockers/Safe custody article	DGM
• Scale 4 and 5 heading branches on leave beyond 7 days – Powers for Mgr/SM	2.00