

इंडियन बैंक



Indian Bank

इलाहाबाद

ALLAHABAD

e-Book

Helpline for First Time Branch Managers



Indian Bank Management Academy for Growth & Excellence

इंडियन बैंक मैनेजमेंट एकेडमी फॉर ग्रोथ एंड एक्सीलेंस

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PART - I

Helpline for First Time Branch Manager

1.

THE BRANCH MANAGER – A Role Model

- The Branch Manager signifies the face of the Bank. Opinion about a Bank largely depends on one's experience with the Branch Manager.
- BM is a leader for his branch team members, who is expected to know the way, go the way and show the way. He has to have a vision for his small unit, set goals and objectives to realize the vision, to firmly guide his team to the pinnacle.
- BM is a reliable subordinate to his authorities who has to remain responsive to the corporate expectations and deliver results in terms of reaching all business parameters.
- BM has to play a multidimensional role, which requires that he adopts varying approaches to different customer segments.
- Branch Manager is also expected to maintain excellent public relations not only with the public and customers but also the functionaries in various Government, Non Government, institutional bodies apart from the general public and also keep the morale of the human machinery, at his command, high for ensuring the smooth functioning of the branch.

Thus, the BM is expected to have substantial Human Resources Management skills, knowing how to wield the carrot and stick judiciously, building his team diligently, not only being fair but also seen to be fair in all his dealings, so that his sincerity of purpose is established beyond doubt.

Thrust areas of a BM are to

- Build a good team and ensure discipline in branch administration
- Improve the core deposit of the branch and ensure proper deposit mix to maximize profitability.
- Identify the business potential and opportunities available
- Provide complaint free customer service
- Maintain close liaison and sustained rapport with officials of Government/ Semi Government / Corporate entities / Institutions / Courts / Individuals to mobilize and maximize the business.
- Maintain a record of contacts made and follow up regularly for results
- Arrange for deposit mobilization /Loans/ 3rd party product campaigns at regular intervals.
- Ensure customer due diligence and extend quality credit
- Know the competitors' activities in and around the command area.
- Check the mandatory reports viz. Exceptional Transaction, Temporary Over Draft(TOD), Balance Comparison etc.
- Good Knowledge on loan products and services of our bank and also our competitors

Since customers are our best ambassadors, the BM should maintain a high level of customer satisfaction by

- Ensuring exemplary customer service.
- Attending on priority customer complaints received directly, online or through Higher Authorities
- Conducting Joint Customer Service Committee meetings regularly.
- Improving customer services based on feedback received from the customer.
- Speedy disposal of jewel loans and redemption of jewels

Functions of Branch Manager

- Keeping a list of important customers existing as well as potential.
- Adherence of procedures and guidelines given in Manuals and circulars.
- Supervision and control over the officers and staff and enforcing discipline at all levels
- Safe custody of all important documents, articles and securities.
- Timely submission of all control and statistical returns to different authorities.
- Improving profitability of the branch and avoiding leakage of income.
- Observing strict economy in expenditure.
- Preparation of credit appraisal for renewal/review/fresh sanctions.
- Monitor end use of credit and ensure timely follow up of advances.
- Popularising various Schemes of the Bank.
- Maintaining the cash balance within limits.
- Ensuring continuous working of ATM and Bunch Note Acceptor (BNA) attached to the Branch to provide smooth and uninterrupted service.
- Checking of cash balance in ATM, BNA and Branch as per Corporate Office guidelines and ensuring proper reconciliation of accounts
- Holding of safe/grill door keys as per guidelines.
- Periodical job rotation to officers and staff and updating the same in the HRM Portal.
- Adherence to all regulatory requirements including local labour laws, Shops & Establishment Acts, Municipal laws, Revenue regulations, State and Central Acts
- Submitting Performance appraisal of the subordinates.
- Supervision and control of inward/outward mails and overnight custody of books, ledgers
- Control over debits to nominal accounts, inoperative accounts. In all branches in Scale 1, 2 and 3 the Branch Manager should be one of the signatories of debit vouchers in nominal accounts.
- Custody of specimen signature booklet and keeping them updated.
- Maintaining the branch premises clean and tidy.
- Ensuring control over staff accounts and reporting of transactions of unusual nature.
- Properly insuring / maintaining Bank's SFVM (Safe, Furniture, Vehicle, and Machinery) items and other properties.
- Proper maintenance of Branch Manager Diary.
- Ensuring that the CCTV system installed in their respective Branch / ATMs are maintained properly and kept in good working conditions.
- Ensuring that the branches are protected with automatic fire detection and alarm system
- Ensuring proper compliance of customer service guidelines with regard to dissemination of information, Banking Ombudsman scheme, Nodal Officer for Customer service and Compliance, BCSBI guidelines in respect of Citizen Charter and MSME (Micro Small & Medium & Enterprises) borrowers.
- Ensuring smooth conduct of statutory audit and regular inspection of the Branch

Managing the people

- Branch Manager is the Driving Force for the Branch administration, Business Growth and Profitability.
- As the Leader of the team and Functional Head of the Branch, it is entirely up to him/her to plan as to how the various responsibilities are allocated among the staff members in the branch so that he/she has sufficient time for carrying out his/her Marketing/Development functions.
- When a BM is satisfied over the marketing skills of certain staff members they could be assigned such responsibility as well so as to support the Branch Manager's marketing efforts.
- Branch Manager has the responsibility of managing his/her time, work schedule and Human resources available, in such a manner that either on his/ her own or with the support of colleagues, he/she is able to devote enough time for Business Growth and Expansion.
- Branch Manager has a crucial role to play in disseminating the information. It is also imperative that the Branch Manager ensures that the entire team of Branch staff members, especially the front office staff has the full knowledge of our products.
- All the Staff members should be motivated to use the latest tech products available in the Bank which will facilitate easy marketing. A knowledgeable team of staff can market the products independently and is a source of strength to the Branch Manager in reaching his targets

Conducting test check on delegated work

Branch Manager should also maintain a record of allocation of work to officers and update the same in the Officer Order Portal.

Violation of norms, rules, systems and procedures, income leakage, negligence, fraud, etc. should be recorded for the purpose of fixing up responsibility.

It is the responsibility of the Branch Manager to ensure that EVVR (Electronic Voucher Verification Report) is checked daily / regularly and authenticated for its correctness. The Branch-in-charge may get this work done through the Officers of the respective Departments/Asst. Branch Manager.

Branch Manager has to conduct test check as to the correctness of the branches A&L (Assets & Liabilities) & P&L (Profit & Loss) General Ledger and certify to that effect in the statement submitted to ZO.

Surprise checking of cash has to be carried out by the Branch Manager even if the Branch Manager is not, at any point of time, in joint custody of cash. He/ she should examine the Cash Balance Book at irregular intervals and verify the balance of cash shown therein with the physical cash balance and record the same by putting his signature on it. Ensure balancing of ATM / BNA cash, if attached, as stipulated by Corporate Office.

At any point of time physical cash should tally with the BGL (Branch General Ledger) cash balance of the branch.

Ensure that the numbered items are entered both in the Register of Numbered items and in the system.

At periodical intervals, at least once a month, the numbered items should be physically verified by the Branch Manager and a notation to this effect should be recorded in the register.

Being the Role Model of the Branch involves setting high standard for himself/herself so that his/her team should emulate, involving each and every staff, according to their strengths, to achieve the corporate goals, setting high tempo of motivation by being motivated himself/herself even during adversities and more than anything else a trouble shooter for the branch

2.

Taking charge of the Branch

Branch Managers up to Scale III should take complete charge of the branch after verifying all the securities, assets charged to the Bank and send the Relieving Manager's Certificate to the immediate controlling authorities without fail, in time.

The time line stipulated for submission of Relieving Manager Certificate is as under:

Scale I & II in rural /semi urban centers - 7 days

Scale I & II in urban/metro centers - 5 days

Scale III & above - 7 days

BM should verify latest inspection reports / Statutory Auditor's report / Concurrent Auditor's report etc for recording the compliance gaps & any abnormality / irregularity found subsequent to his taking charge, should also be immediately brought to the notice of higher authorities and effective steps for rectification should be taken.

As per guidelines issued by **CO: Inspection vide circular ADMIN-78/2017-18 dt. 01.12.2017**, the incoming Branch Manager should note down the discrepancies if any, and incorporate in Relieving Manager Certificate (RMC) and report within 3 months. If not reported, it will be construed that there is no observation / discrepancy.

The RMC should also be signed by the outgoing BM in acknowledgement and acceptance of the factual positions reported by the successor.

Thrust areas for preparing Relieving Manager's Certificate

Advances

Loan balance file and OD/OCC (Over Draft/Open Cash Credit) report to be taken and availability of all documents should be ensured.

Thorough verification of all loan documents including LOD (Loan on Deposit) and ensure availability of all documents along with sanction ticket duly signed by BM and acknowledged by Borrower. In the case of LOD, ensure the availability of the FD receipt (FDR) and credit of FD interest in LOD account

Availability of appraisal note, sanction tickets, visit report, latest review/ renewal, D11 (Acknowledgement of Debt-cum-Security) etc. to be ensured.

Verify the rate of interest charged to loans, OD, OCC accounts and ensure that correct ROI is charged in all the accounts.

Advances allowed without proper sanctions, in excess of MDL (Manager's Discretionary Limit) and not reported / confirmed (if any).

Prepare list of accounts in which review / renewal sanction has not been done.

Verify the documents of Mortgaged properties

Ensure availability of Original title deeds and other documents as stipulated in Legal Scrutiny Report LSR

Availability of legal audit report / genuineness of title deed certificate confirming the genuineness of title deed.

Availability of Memorandum of Deposit of Title deed (MOD).

Latest visit report of the property.

Details of Subsidy Reserve Fund to be verified, ensuring linking of subsidy with respective loan accounts in CBS (Core Banking Solution) through subsidy processing Module. The Balance in SRF (Subsidy Reserve Fund) should tally with CGL (Corporate General Ledger) and a record for the same should be maintained.

Verify the bills purchased register(s) / reports in EXIM Bills (Export-Import Bills) and ascertain whether proper follow-up is done for reversal in respect of long pending / overdue bills / BP returned unpaid.

Verify availability of D11 in all eligible accounts. Verify the list of time-barred documents (if any) and likely to be time-barred in 6 months for intensive follow-up. Take suitable steps for obtention of D11 in time.

Verify whether the Borrower/Co-Borrower/Guarantor has signed at all the appropriate place in the D11.

BM to verify the payment of annual guarantee fee for accounts covered under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) within the stipulated time line.

NPA reporting of accounts covered under CGTMSE well within time line.

Ascertain the position with regard to claims, if any, preferred and pending for recognition with CGTMSE / ECGC (Export Credit Guarantee Corporation).

Verify the claims of interest subvention (both Agriculture and Export advances)

Document Execution register - Ensure Document execution register is updated, signed by two officials.

Verify list of suit filed accounts, decreed accounts, EP (Execution Petition) filed accounts including those under SARFAESI / DRT (Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest/ Debts Recovery Tribunal) etc. for intensive follow up. Register / details of write off accounts to be verified.

Ascertain whether all the prescribed returns are submitted properly and promptly. Verify Compliance on Legal Audit, Legal compliance certificate, and compliance for pre-release audit.

Verify the system of reporting of sanctions/excess to controlling office by scrutinising the relevant Audit Control returns, viz., AUD -1 (Audit Returns Daily), AUW (Audit Returns Weekly), AUM (Audit Returns Monthly), Temporary Overdraft report etc.

Take custody of all the files, documents / sanction tickets / related papers and registers in connection with all advance accounts including non-fund based limits and suit filed accounts.

Verify the latest inspection report, reply submitted and submission of FRC (Final Rectification Certificate). Note down the irregularities pending for rectification.

Get all the jewels pledged to the Bank verified and re-appraised and ensure holding of all jewel packets including undelivered jewels. .

Get the files containing the claim papers of deceased parties.

Development & Administration

Physical verification of cash and ensure that BGL, CGL and physical cash balance should be tallied. Check whether the security measures such as provision of night latch, chaining of cash box, recording missing tokens etc., are in place.

Check the reconciliation of Bank's clearing accounts maintained by the branch with SBI / other Bank. Arrange to get your signature registered with the Banks where the current account of the Bank is maintained.

Verify Numbered items viz. DD (Demand Draft), TDR (Term Deposit Receipts) receipts, Cheque books etc and ensure that it tallies with register.

Check the safe / strong room / locker unit keys. Exchange the keys in operation with duplicate set. Verify Key Movement Register. Check whether the receipts issued by other Banks/branches for having deposited the duplicate keys are held in proper custody.

Verify whether all the documents containing passwords of the following are in sealed cover, classified as branch documents and are duly entered in the Branch Document Register

1. Administration of CBS
2. Automated Teller Machine (ATMs)
3. E-mail etc.,

Check the upkeep of premises. Examine the lease deed of Branch Premises, provisions governing maintenance, expiry period, etc. Check the SFVM availability, numbering, orderly maintenance.

Check whether the security alarms, fire extinguishers, CCTV, other security gadgets (ATM room access lock) and Fire alarms are in working condition, their service contracts Annual Maintenance Contract (AMCs) are in force and periodic electrical audit has been carried out.

Ensure the availability of insurance for bank's property, movable assets, Fixed Assets (Building), stocks charged to bank

Check whether the account opening forms are properly maintained and held in the custody of the officer concerned and all signatures are scanned.

Verify that no unauthorized parking a/c is maintained.

Check the master keys for lockers, keys of vacant lockers, custody of keys, and implementation of caution deposit system.

Verify as to whether all registers, ledgers, files, voucher bundles (numbered and bound daily) and other records including old records are properly preserved.

Verify the office order book and check whether work allocation has been given properly and job rotation has been done periodically. Whether register has been maintained for updation / modification of capability level of the staff on temporary/permanent basis?

Ensure that working hours/business hours, weekly holiday notice/s, comprehensive notice board and notices meant for Public are displayed at a prominent place in the branch premises.

Helpdesk>other website>In-house application>IB Premise

The following registers / reports should be maintained / checked properly

<ul style="list-style-type: none"> ➤ Cheque Return register. ➤ Numbered item register ➤ Complaint received Register ➤ DPN (Demand Promissory Note) Due date Register ➤ Stock Inspection Register ➤ Insurance Register ➤ Securities Register 	<ul style="list-style-type: none"> ➤ Daily checking of critical reports like e-VVR/ VVR, SWO (Single Window Operator) reports, Cash report, Supervisory Override report, Balance comparison report, TOD report ➤ Negative Balance in A&L and P&L. ➤ Joint Customer Service Committee meetings ➤ Outstanding entries in Nominal accounts and Parking accounts. ➤ Charges filed with ROC(Registrar of Companies)..
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The various omissions and commissions noticed at the time of taking over charge of branches should be thoroughly discussed with the outgoing official concerned and after making all efforts to rectify the mistakes, if there is any residue, it should be duly incorporated in the Relieving Certificate stating pertinent reasons therefore, with name/s of officer(s) responsible for such lapses.

The officials after taking over charge at the branch should make all efforts to rectify the irregularities mentioned in the certificate.

3. SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis of the Branch

As a Branch Manager, he/she must understand and make a SWOT analysis of the branch and command area which gives rich returns in business growth. For this analysis, the Branch Manager should understand that every branch will have its own strengths and weaknesses. Without understanding the strengths and weakness of the branch, the Branch manager cannot be able to run the branch effectively.

STRENGTH: The strength of a branch does not necessarily mean business opportunities alone. It also involves good human resources i.e. good knowledgeable staff, location, etc. The knowledgeable staff will always be an asset to the branch. Some staff may be good in operational side while others may be good in credit, marketing, excellent in communication, good in inter and intra personal relationships. This also helps the Branch Manager to build a team which is an essential for business growth and organizational growth as well.

Unless the Branch Manager moves out and contacts people he/she may not be able to find out the business potential of the area. Briefly **STRENGTHS** can be put up as under:

- ❖ Availability of good business potential in the area
- ❖ Achievement of Key parameters of the branch in the previous financial years
- ❖ Customer base of the branch - large customer base will provide more opportunities to attract new business through up-selling, reselling and cross selling
- ❖ Good CASA (Current Account and Savings Account) portfolio of the branch
- ❖ Manpower mix of seniors and juniors to bridge the gap in knowledge and experience
- ❖ Availability of local staff to help the Branch Manager in understanding the area, people and potential
- ❖ Good Team Spirit - morale of staff high
- ❖ Availability of the ATM and BNA
- ❖ Availability of DSA/HLC (Direct Selling Agent/Home Loan Counselors) / Recovery Agents /Business Correspondents

Thumb Rule: Branch Manager should move out of the branch to capture business available in his command area by inculcating habit of meeting new people everyday

WEAKNESS: Where there are some strengths, there will be some weaknesses in the branch too, which the Branch Manager has to accept and analyse as to how to come out of that weakness and improve upon it. It opens up new ideas/challenges to overcome the same. Major **WEAKNESS** that can be listed are:

- ❖ Location of the branch far away from the population area and potential market area
- ❖ High NPA (Non Performing Assets) portfolio
- ❖ No. of time barred documents
- ❖ No. of litigated loan accounts or fraud accounts
- ❖ Inadequate infrastructure of the branch like ambience, basic facility to the customers
- ❖ Poor Customer Service

Thumb Rule: Every weakness is an avenue for new learning and the best learning comes in the midst of weakness

OPPORTUNITIES: This analysis gives new hopes/ideas/innovations to carry out day to day business with more ease and effectiveness. Many a times, the opportunities are available but we may not be able to grab them. When others seize the opportunity, we feel that we missed it. OPPORTUNITIES available for the Branch Manager are:

- ❖ Branch can get more business from existing Customer Base with good team work
- ❖ If branch has less NPA portfolio, Branch manager can concentrate more on canvassing new business.; if NPA portfolio is substantial, there is a good scope for improving profitability through NPA recovery
- ❖ Branch Manager can form a good team, empower them suitably and involve them in growth and recovery
- ❖ By improving customer service quality and branch ambience, a qualitative difference can be brought in
- ❖ Proper training and hand holding can be provided to improve the product knowledge and confidence of the staff.

Thumb Rule: Plenty of opportunities are available on this earth for only those who strive hard to grab it.

THREATS: In any organization, the leader has to perceive the possible threats which may hamper the growth of the organization. Banking is no exception to it. As a prudent Banker one has to foresee the threats and equip himself to overcome them. Commonly observed **THREATS** for the Branch are;

- ❖ If the customer service is not up to mark - customers may prefer to move away to other Banks
- ❖ If the NPA portfolio is big and sticky -Branch manager will have to exhaust maximum time for recovery
- ❖ Lack of product and job knowledge amongst staff - Product selling will be poor
- ❖ Poor Infrastructure and inadequacy of technology - New gen customers will not get attracted
- ❖ Peer competition - presence of more no. of players in the command area
- ❖ Lack of involvement by staff - potential cause for delayed and faulty service delivery

Thumb Rule: Perceive the possible threat, act swiftly before it is too late.

Meeting top 50 Deposit and Advances Customers:

One of the most important and expected duties of the Branch Manager is to meet customers and getting connected with the people. It also implies that we have to maintain good relationship with the existing customers too. Customers are the brand ambassadors of the branch. Hence it is needless to mention that Branch Manager has to necessarily make time to meet at least top 50 deposit and advances customers. This gives an opportunity for the Branch Manager to explore the new business available from them.

The advantages of meeting the top customers can be summarized as under:

1. It provides an opportunity for the Branch Manager to assess whether the customer is satisfied with the services rendered to him, or whether any improvement is required.
2. It also gives an opportunity for the customer to express his appreciation or displeasure about the branch. This helps BM to adapt suitable strategy.
3. It also provides an opportunity to introduce new products launched in the Bank and to be able to commence marketing of the new products straightaway.
4. More importantly, when the Branch Manager meets the customers, they feel that they are given due recognition and importance for their patronage towards the Bank.

5. Frequent meeting with the top customers either depositors or borrowers prevents them to shift their accounts if other Banks approach them and induce them.

Undertaking unit visit and Visit to NPA Borrower

- Unit inspection is one of the most important and effective monitoring tools
- Before the inspection activity takes place, BM should get familiarized with the account about the facility and limit sanctioned, product manufactured, activity, process, operations in the account, movement of stock etc.,
- He must also verify receivables, comments/observations made in concurrent audit/regular inspections/statutory audit etc to address the lapses if any at the earliest as part of remedial measure.

The following should be kept in mind during stock inspections:

- Mere availability of physical stocks in the factory should alone not be depended upon.
- Checking as to the goods sold out but not dispatched is kept in the factory premises as the company is not the real owner for such goods.
- Ascertaining as to unit is engaged in doing job work on contract basis, conversion of material supplied by others and warehousing of stocks for others in similar line with activity etc.

Unit inspection should be done periodically with an element of surprise, not as a matter of routine

Meeting NPA Borrowers:

Non-Performing Assets affect the Bank in the following ways:

- The Bank is not able to recognize interest income in respect of these assets.
- In addition, the Bank is required to make prescribed provisioning ranging from 15% to 100% of such NPAs from out of interest income earned by it from other good performing assets.
- Besides impacting the profitability, large NPA position of the Bank affects its balance sheet and presents uncomfortable indices.

Branch Manager being head of the branch should make constant efforts to meet the NPA borrowers for the following reasons:

- To explore the possibility of recovery of overdue and upgradation of accounts.
- To pursue the borrower to come forward for OTS (One Time Settlement) or Lok Adalat to ensure that the recovery is made as per extant guidelines of the recovery policy.
- To get D-11 renewed to keep the documents live.
- By meeting the NPA borrower he can ascertain whether securities charged in favour of Bank are intact or not.
- To follow time line for the accounts coming under SARFAESI.

Before meeting the NPA borrower, Branch Manager has to plan the following:

1. He should be familiar with the account, borrower profile, overdue amount, critical amount, securities charged etc.
2. He should be aware of corporate guidelines about One Time Settlement, Ready Reference Amount, his powers to write off etc.
3. He should also be aware of powers of sanctioning authority in case of compromise proposals.
4. He should have the attitude to convince the borrower to come forward for settlement by explaining the advantages of repayment of account.
5. He should aim to recover maximum amount in AUC (Accounts under Collection) accounts.

4.

Business Strategies

- Branch Manager should undertake visit to various Govt. Departments, Corporates and Institutions for business.
- Identify the Govt. Departments with sizable budgetary allocation of funds. Approach the Dept Head and secure the business.
- Seek the support of ZO marketing team and Zonal Office.
- Persistent efforts should be taken to secure salary account of staff of Govt. organization, Corporate, Educational Institutions.
- Canvass the accounts of employees working in Central/State Govt organization due for retirement during the year
- BM should survey the area and visit all major commercial establishments in the locality.
- Ensure availability of Pamphlets, Brochures & leaflets of our products and services prepared **preferably in vernacular language** and arrange to distribute during the meetings/functions/camps/exhibitions organized/attended by the Bank.
- Our Bank's Canopy should be put at prime locations with special focus on bringing more SB accounts, current accounts / Working capital facilities.
- Meet the Secretary / President of the residential societies/welfare association in the command area and canvass the society/welfare association account.
- With the permission of the society/welfare association, arrange to display our canopy within their premises and canvass the accounts of the residents
- Ongoing residential projects if any in the command area should be visited and explored for tapping viable proposals
- Maintain good rapport with District Industries Centre (DIC) to capture new/existing good MSME units.
- Contact the key person of Chamber of Commerce, Industrial Manufacturing Association, Lions Club, Rotary Club, JAYCEES Club, Reputed NGOs(Non-governmental organizations),, Ladies Club, Rice Mill/Oil Mill Owners Association, Traders Association, if any in your command area and canvass business
- Judicial Department and advocate dealing with MACT (Motor Accidents Claims Tribunal) cases to be visited for canvassing the deposit accounts.
- Wholesale marketing yard nearer to branch may be contacted for Current account and working capital.
- Make a list of hospitals and clinics in your area and approach them on regular basis to extend payment facility, collection facility and credit facility. They can be convinced to have their current and saving accounts with us.
- Frequently contact all Central and State Govt Offices, Private sector undertakings, Schools, Colleges, Shops & Establishments, Petrol Bunks, MSME Units in your command area and impress them that we are offering the best products and services

- If the branch is situated in District Headquarters, make it habitual to meet the District Level Officials periodically viz: PD/DRDA(Project Director, District Rural Development Agency), PD/SRLM(Project Director, State Rural Livelihood Mission), Asst Director(Mines), Asst Director(Ex-servicemen Welfare), Chief Education Officer, District Judge, Treasury Officer, District Social Welfare Officer, Dist Adidravida Welfare Officer, Supt Engineer/Executive Engineer(Highways Dept), Supt Engineer/Executive Engineer(PWD), Deputy Director Health, Joint Director of Agriculture, Horticulture, Animal Husbandry, Special Deputy Collector(Land Acquisition), Managing Director of Sugar Mill if any nearby, Deputy Director (Agrl Marketing), Joint Director/Deputy Director (Fisheries), Central Govt Organizations if any, Religious institutions etc.
- If the branch is situated in Tehsil/Mandal/Taluk Headquarters, Tahsildar, Asst Treasury Officer, Taluk Legal Services Authority, Municipal Commissioner, Block Development Officer, Block Medical Officer, Asst Director Of Agriculture, Sub Registrar, Managing Director of Sugar Mill if any nearby, Assistant Director (Fisheries), Reputed Voluntary Organization, Clubs, Religious institutions etc., Central Govt Organizations, if any, are to be contacted regularly to secure business
- If the branch is situated in Block Headquarters, Block Development Officer, Block Medical Officer, Asst Director of Agriculture, Managing Director of Sugar Mill if any nearby, Assistant Director (Fisheries), Reputed Voluntary Organization, Clubs, Religious institutions, Central Govt Organizations if any are to be approached and repeat the visits confidently at regular interval
- Make use of the details available in the District Contact Directory Website.
- Get the support of Lead Bank to obtain contact details of the District/Taluk/Block level Officials
- Govt Departments are conducting performance review meetings at the respective Dept headquarters every month. Get permission and utilize the opportunity to address the officials attending the meeting on the scheduled date. Explain and impress upon our products that are ideally suited for the group. Get the details of the officials attended the meeting and develop to build business for the branch through further follow up.

Formation of team, Preparing Strategies & Plan of action for improving Business

- ✓ Be accessible not only to your officers, but to all members of the staff at the branch whenever they seek such an access
- ✓ Identify the strengths and skills of each Staff Member of the branch.
- ✓ Communicate clearly to all the staff members through formal/ informal meeting about goals, results etc. to be achieved.
- ✓ Every employee is an ambassador of the Bank. The message should be percolated to the grassroots level.
- ✓ Branch Manager should form a team constituting all the staff members and allocate works according to strengths of the members.
- ✓ Encourage your officers to act as "Leaders" and provide them adequate support.
- ✓ Appreciate the good work done by the officers/staff. Recognize them through oral, written or felicitation programmes.
- ✓ Plan of action should be developed for improving performance under following business parameters.
 - Deposits and Advances
 - Increase in Income
 - Reduction in Expenditure
 - Recovery of NPAs
 - Arresting of slippage
 - Increasing the clientele base
 - Promotion of the image of the Bank
- ✓ All staff members should be informed about target of the branch under different parameters and suitable steps to be taken for achieving the same.
- ✓ Make staff members to add value to the Customer Meet and other such official functions in the branch.

Strategies for improving deposit, Advances

Strategies for improving Deposit:

- Popularise our Bank's unique and customer friendly Tech Products.
- Focus on canvassing more of retail deposits, thereby expanding customer base.
- Cross selling of different products and increasing Valet Sharing.
- Canvassing minimum 5 new SB accounts every day thereby increasing clientele.
- Frequent CASA campaigns with special focus on employees of IT, other MNCs, Large Corporate, Educational Institutions, Government /PSU employees.
- Door to Door campaign to get more SB accounts.
- Visit all Business establishments in the proximity and explain benefits under various Current Account Schemes, thereby increase number of current accounts..

- Our inoperative / Dormant account customer should be contacted and to be convinced for routing the transactions through us. Revival of inoperative accounts will improve CASA.
- Features of various SB accounts and Current account with add-on freebies should be marketed.
- Deposit balance file as on March and Sept of previous FY should be compared with present position, any outflow of the funds should be analysed and customers should be contacted for bringing back the funds.
- Good eye-catching advertisement, pamphlets and Brochures should be prepared highlighting the ROI and maturity amount for canvassing Term deposit.
- RD campaigns to be conducted on regular basis.
- Good liaison with Govt. Department should be developed.
- Residential societies situated in the proximity to be visited and secretary / President of the society should be approached for bringing account of societies to our fold.

Strategies for improving Advances:

- List of current accounts customer with satisfactory transactions in the account should be contacted for credit marketing.
- Our existing Home loan, Vehicle loan, MSME customer should be contacted for any additional requirement like Home loan Plus, Mortgage loan, MSME loan and proving some reference for business.
- Visit business establishments and highlight the better terms and pricing/ ROI (Rate of Interest) of our products. Explore possibility of bringing good customers to our fold.
- Special camps should be conducted near Industrial areas for bringing more and more MSME units under our fold.
- Our Bank has approved many MSME clusters. Explain the benefits and get more no. of units to our fold.
- Visit upcoming Housing projects and explore for project approvals, so that Housing finance can be increased.
- Our Bank has wide range of Structured Loan Products with simplified procedures. Marketing of these products will enhance our Retail Loan portfolio.

Taking Suitable steps for increasing visibility of the Bank

- Ensure that the glow Sign board is in good condition and working properly.
- if it is not working properly or the colour of the board become dull/faded, take steps to repair / replace the glow sign board with the approval of ZO
- Bank signboard should be installed at strategic locations in your command area. It should be prominently visible and “eye-catching”.
- Keep the premises neat & clean. Staff should receive the customers with smile and render service. Make the customers feel comfortable for having visited the branch.
- Customer should leave the branch with a sense of satisfaction for having received a good customer service. The sharing of happiness experienced by the customer is the best no cost publicity for the branch to attract more customers/business
- Banners/Posters/Standees displaying our products should be kept at an appropriate place outside the branch premise.
- Get permission from appropriate authorities and display the hoardings of our Bank products at prominent locations.
- Pamphlets, Brochures & leaflets of our Bank products and services should be prepared **preferably in vernacular language** and arranged to distribute during the meetings / functions / camps / exhibitions organized/participated by the Bank
- Make use of the services of Rural Self Employment Training Institute/Indian Bank Self Employment Training Institute (RSETI/INDSETI), Financial Literacy Councilors (FLCs) in your command area to propagate our Bank’s presence and Bank’s products and services
- All Kiosk Points manned by BC (Business Correspondent) should be distinguished with a uniform sign board (preferably glow sign board) with Bank’s name and logo (specimen as per trilingual format), displays showing name of the base branch, branch code, Branch Telephone Number, name of service provider, base branch telephone number, Bank Mitras/BCs name, Mobile No., CSP location and working hours. Specimen can be obtained from Banks website
- All Customer Service Point/ Grahak Seva Kendras of the Bank have to put the new sign boards as per the format immediately after 1st April 2020 but, not later than June 2020. Specimen is available in the Bank’s site
- Ensure our participation in all campaigns/exhibitions/townhall meetings/melas conducted by Govt Organizations in your command area.
- Participate in the Kharif/Rabi Season Campaigns conducted by Dept of Agriculture in your command area
- Grievance day is attended by District Collector at District Collectorate on every Monday. District Collector will be distributing benefits under various Govt Welfare schemes during the day. Make use of the opportunity and arrange to distribute loans sanctioned under Govt Sponsored schemes/Education loans/SHG Loans through your LDM (Lead District Manager).. This will bring focus and great visibility to your branch in the eyes of your district administration

- Similarly make use of the “Grievance day” for distribution of death claims if any to the nominees under RuPAY Card (Rupee +Payment), KCC (Kisan Credit Card), PMJJBY (Pradhan Mantri Jeevan Jyoti Bima Yojana) and PMSBY (Pradhan Mantri Suraksha Bima Yojana).. This will not only bring focus and great visibility to your branch in the eyes of your District Administration but also an appropriate opportunity to promote RuPAY Card, KCC, PMJJBY and PMSBY
- For any credit camp organized in the command area of the branch, invite the Govt Officials (Block Development Officer or Block Medical Officer or Project Officer/Asst Project Officer, SNRLM, Asst. Director of Agriculture) and make them to distribute loans especially loans under Govt Sponsored schemes, SHG loans, KCC. Similarly distribute death claims if any to the nominees under RuPAY Card, KCC, PMJJBY and PMSBY
- Road Show can be organized for improving visibility.
- Door to Door CASA campaign to be organized.
- Participation in exhibition, Fair in the locality.
- Display of banners at various residential societies during festival seasons.
- Make arrangement with the newspaper distributor in the locality for distributing our pamphlets, brochures & leaf lets along with daily newspapers.
- In every public meeting organized by the Bank/branch, you must highlight those products & services that are special, attractive and sometime not available with other Banks
- Must meet those customers (especially HNI) who have not visited the branch for quite long time Meet at their place and make them feel happy to be with us. This will pave way for getting more new connections into your fold.

5.

FAQs on KYC & AML

Q. What is KYC? Why is it required?

A: KYC means “Know Your Customer”. The KYC process includes gathering information on the identity and address of customers. This procedure safeguards Banks’ services from being misused.

Q. What are the KYC requirements to open a Bank account?

A: One has to submit a “proof of identity” and “proof of addresses” together with a recent photograph.

Q. What are the documents to be given as “proof of identity” and “proof of address”?

A: Presently, there are six documents identified as “Officially Valid Documents” (OVDs), namely,

- A. Passport
- B. Driving Licence
- C. Voter’s Identity Card
- D. Proof of possession of Aadhaar number
- E. Job card issued by NREGA (National Rural Employment Guarantee Act) duly signed by an officer of the State Government
- F. Letter issued by the National Population Register containing details of name and address.

Q. Who are REs (Regulated Entities)?

A: The following are Regulated Entities?

- i. All SCBs(Scheduled Commercial Banks) / RRBs(Regional Rural Banks)/ LABs(Local Area Banks)/ Primary UCBs(Urban Cooperative Banks)//State & Central Co-operative Banks and other entity licensed under Section 22 of Banking Regulation Act, 1949
- ii. All India Financial Institutions
- iii. NBFCs (Non-Banking Financial Companies), Miscellaneous Non-Banking Companies & Residuary Non-Banking Companies
- iv. PSPs(payment service provider)/ SPs(Service Providers) & PPI (Prepaid payment instruments) Issuers
- v. All authorized persons including agents of MTSS (Money Transfer Service Scheme)

Q. What are key elements of a KYC policy?

A: The following are 4 key elements of KYC policy:

- (a) Customer Acceptance Policy;
- (b) Risk Management;
- (c) Customer Identification Procedures (CIP)
- (d) Monitoring of Transactions

Q. What is UCIC?

A: UCIC stands for Unique Customer Identification Code which shall be allotted while entering into new relationships with individual customers as also the existing customers by Bank. CDD (Customer Due Diligence) procedure is followed at the UCIC level. Thus, if an existing KYC compliant customer of the Bank desires to open another account, there shall be no need for a fresh CDD exercise.

Q. What are other documents to be considered if the OVD furnished does not have updated address?

A: The following documents or the equivalent e-documents thereof shall be deemed to be OVDs for the limited purpose of proof of address:

- I. Utility bill (not more than two months old of any service provider viz. electricity, telephone, post-paid mobile phone, piped gas, and water bill).
- II. Property or Municipal tax receipt;
- III. PPOs (Pension Payment Order) (Pension/ Family pension) issued to retired employees by Government Departments or PSUs, if they contain the address;
- IV. Letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, PSUs, SCBs, FIs, and listed companies and leave and license agreements with such employers allotting official accommodation;
- V. If the OVD presented by Foreign national doesn't contain the details of address, the documents issued by Govt. Departments of foreign jurisdiction and letter issued by Foreign embassy or Mission in India shall be accepted as a proof for address.

However, the customer shall submit OVD with current address within a period of three months of submitting the documents specified above.

Q. What are “Small Accounts”?

A. “Small Account” means a savings account which is opened in terms of sub-rule (5) of the PML Rules, 2005. In case an individual who desires to open a Bank account, Banks shall open a “Small Account”, which entails the following limitations:

- i. Aggregate of all credits in a FY does not exceed Rs. 1 lakh
- ii. Aggregate of all withdrawals & transfers in a month does not exceed Rs. 10,000
- iii. Balance at any point of time does not exceed Rs. 50,000, however, limit on balance shall not be considered in case of Government grants, welfare benefits & payment against procurements.

Q. Does a small account holder need to submit OVDs after any stipulated period?

A: Yes, the small account shall remain operational initially for a period of 12 months which can be extended for a further period of twelve months, provided the account holder applies and furnishes evidence of having applied for any of the OVDs during the first twelve months of the opening of the said account.

It should be noted that Foreign remittance shall not be allowed to be credited into the account unless the identity of the customer is fully established.

Q. What is Video based customer identification process – V-CIP?

A. V-CIP is a method of customer identification by an official of the RE by undertaking seamless, secure, real-time, consent based audio-visual interaction with the customer to obtain identification information including the documents required for CDD purpose, and to ascertain the veracity of the information furnished by the customer. Such process shall be treated as face-to-face process.

Q. Are Banks required to categorize their customers based on risk assessment?

A: Yes, Banks have to classify customers into “low”, “medium” and “high” risk categories based on assessment and risk perception of the Bank.

Q. Do Banks inform customers about this risk categorization?

A: No

Q. Do Banks periodically update their customers based on risk categorization?

A: Yes, periodic updation shall be carried out at least once in every two years for high risk customers, once in every eight years for medium risk customers and once in every ten years for low risk customers.

Q. Do low risk customers have to submit OVDs again during periodic updation?

A: In case of low risk customers when there is no change in status with respect to their identities and addresses, a self-certification to that effect shall be obtained.

Q. Is submission of PAN (Permanent Account Number) / Form 60 mandatory in case of existing customers?

A. Yes, in case of existing customers, Bank shall obtain PAN/ Form No.60, failing which Bank shall temporarily cease operations in the account till the time PAN/Form No. 60 is submitted by the customer. However, Bank shall give the customer an accessible notice and a reasonable opportunity to be heard.

Q. Who is non-face to face customers?

A. Customers who open accounts without visiting the branch/offices of the Bank or meeting the officials of the Bank.

Q. What are the enhanced due diligence Banks should take in case of non-face to face customers?

A. For accounts of non-face-to-face customers (other than Aadhaar OTP based on-boarding), Bank shall ensure that the first payment is to be effected through the customer's KYC-complied account with another Bank, for enhanced due diligence of non-face-to-face customers.

Q. What are reports to be filed with FIU-IND, Financial Intelligence Unit – India?

A. In terms of the PMLA (Prevention of Money Laundering Act) rules, the following reports should be sent to the Director, FIU-IND, New Delhi in respect of transactions referred to in Rule 3:

- i. Cash Transaction Report (CTR)
- ii. Non Profit Organizations Transaction Report (NTR)
- iii. Cross Border Wire Transfer Reports (CWTR)
- iv. Counterfeit Currency Report (CCR)
- v. Suspicious Transaction Report (STR)

Q. What is Cash Transactions Report?

A. Cash Transaction Report (CTR) include all cash transactions of the value of more than Ten lakh rupees or its equivalent in foreign currency and all series of cash transactions integrally connected to each other which have been individually valued below Rupees Ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds an amount of Ten lakh rupees or its equivalent in foreign currency.

Q. What is Non Profit Organisation Transaction Report?

A. Non-Profit Organization Transaction Reports (NTR) include all transactions involving receipts by “Non-Profit Organizations” (Accounts) of value more than rupees ten lakhs or its equivalent in foreign currency should be filed every calendar month with FIU-Ind before 15th of the succeeding month.

Q. What is Cross Border Wire Transfer Report?

A. Cross Border wire transfer report (CWTR) includes all cross border wire transfers of the value of more than five lakh rupees or its equivalent in foreign currency where either the origin or destination of fund is in India.

Q. What is Counterfeit Currency Report?

A. Counterfeit Currency Report includes all cash transactions, where forged or counterfeit Indian currency notes have been used as genuine should be reported

Q. What is Suspicious Transactions Report?

A. Suspicious transaction means a transaction as defined below, including an attempted transaction, whether or not made in cash, which, to a person acting in good faith:

- Gives rise to a reasonable ground of suspicion that it may involve proceeds of an offence specified in the Schedule to the Act, regardless of the value involved; or
- Appears to be made in circumstances of unusual or unjustified complexity; or
- Appears to not have economic rationale or bona-fide purpose; or
- Gives rise to a reasonable ground of suspicion of the activities relating to terrorism.

Q What are the RBI direction in Obtaining Aadhar as OVD?

For establishing an account based relationship, beneficial owner, authorized signatory or power of attorney holder related to any legal entity:-

The Aadhaar number where,:-

Customer is desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar Act. Customer decides to submit his Aadhaar no voluntarily to the Bank notified under first proviso to sub-section (1) of section 11A of PML Act.

Further, where the customer has submitted Aadhaar number under the above provisions, Bank shall carry out authentication of customer's number using e-KYC authentication facility provided by the UIDAI

Q- What is RBI integrated ombudsman scheme?

Under this scheme, customer can lodge their complaints through online CMS portal or sending the details through the post to RBI. The silent features of the scheme are as follows:-

- i) The bank should file its written version in reply to the issues in the complainant within 15 days before the Ombudsman for resolution.
- ii) In case the bank fails the ombudsman may proceed ex-parte based on the evidence available on record and pass appropriate order or issue an Award
- iii) There shall be no right of appeal to the bank in respect of the award issued on account of non response or non furnishing of information sought within the stipulated time.
- iv) The ombudsman shall have the power of to provide a compensation upto Rs 20 lac in addition to, up to Rs 1 lac for the loss of complainant's time, expenses incurred and for harassment/mental anguish suffered by the complainant.

Q- What is Indian Bank DigiLocker service?

DigiLocker is a flagship initiative of Ministry of Electronics & IT (MeitY) under Digital India programme. DigiLocker aims at 'Digital Empowerment' of citizens by providing access to authentic digital documents to the citizen's digital locker account. Indian Bank is registered with DigiLocker as an Authorized Partner. Currently, Indian Bank Customers can avail following services.

- 1) E-Passbook service
- 2) Interest Certificate

6.

HUMAN RESOURCE MANAGEMENT

Human Resources play a vital role in the business interest of the branches. Branch Manager should ensure effective Human Resource Management by:

- i. Maintenance of personal records of the staff members at branch level.
- ii. Furnishing of salary and recovery inputs/details in Centralised Payroll.
- iii. Monitoring of attendance (both manual and /biometric) & punctuality of staff members
- iv. Maintenance of permission register, leave records of staff members and sanctioning of leave as per rules.
- v. Redressing of grievances of Staff Members and counselling at branch level.
- vi. Conducting staff meetings at periodic intervals and forwarding the minutes of the meeting/record of discussions to Zonal Office.
- vii. Job Rotation and allocation of work of staff members.
- viii. Maintaining Statutory registers required under various statutes
- ix. Forwarding training needs of staff members to Zonal Offices and eliciting feedback on the training and forwarding the same to Zonal Offices, Staff Training Centres etc. (Online system-nomination)
- x. Ensuring that circulars and correspondence concerning staff members are circulated to all the staff members in the branch and copies of the same displayed in the staff notice board.

Staff Meeting:

Branch Manager should ensure that regular staff meetings are conducted. The focus of the staff meetings is to bring in the much needed change in the mindset and also the manner in which the goals are to be achieved. The staff meetings shall be utilized:

- ✓ To familiarize all staff members of the branch, irrespective of the cadre, with the MoU parameters including targets given to the branch in different operational areas.
- ✓ To inform the staff about the progress in achieving the MoU/business targets and also to review the contribution of each staff member in achieving such targets and record appreciation of good performers.
- ✓ To discuss the strategies adopted by other Banks operating in the area to canvass business.
- ✓ To guide the staff members in learning new concepts in keeping with the demands of the time and in the process help them to unlearn some of the past practices which are obsolete and irrelevant today.
- ✓ To utilize the forum to educate the staff members with the new products introduced in the Bank and latest developments in the systems and procedures, both inside and outside the Bank, by reading out important Circulars and important news-items from prominent Banking related magazines.

Essentials and Requisites

- ✓ While conducting staff meetings, it is to be ensured that all the staff members attend the meeting without fail.
- ✓ Minutes of the meetings are to be properly recorded for review/follow-up on an ongoing basis.
- ✓ No frivolous and self-centered matters are discussed in these meetings.

Structured Agenda for Staff Meeting:

The focus of the meeting should be on the areas of

- Business development
- Deposits and Advances
- Increase in Income
- Reduction in Expenditure
- Recovery of NPAs
- Arresting of slippages
- Increasing the clientele base
- Promotion of the image of the Bank
- Highlighting important contents of Circulars on development/business matters
- Systems and procedures - Job Cards
- Suggestions for improvement in the business/customer service
- Strategies to be adopted by the branch management in the above areas

Periodicity

The staff meetings should be conducted invariably **once in a month**, preferably **in the first week**, so that the achievements during the previous month can be reviewed and strategies for the current month devised.

Reporting

- ✓ The Minutes of the meeting should be forwarded to the respective Zonal Office with the follow up action taken on the basis of the review of the performance of the branch with that of the previous month's meeting.
- ✓ Staff meetings are to be organised in such a way that these meetings serve as an instrument for involvement and learning process for all the staff and for taking stock of the status of the quality of customer service and business performance of the branch.

Routine Do's and Don'ts for Branch Managers

Dos:

- ✓ Branch Manager should be a role model of the branch and he should set high standards for others i.e. subordinates to follow.
- ✓ Branch Manager should inculcate the habit of reading Help Desk and Intranet every day to update on what is happening in the Bank. Develop the habit of seeing Dash Board to find out the achievements vis-à-vis targets.
- ✓ Branch Manager should ensure that every staff member has to be at his place of work (seat), commence the allotted work at the time fixed, work for the full prescribed hours of work and give maximum output.
- ✓ Branch Manager should verify important reports like Supervisor Override, Exception reports, TOD/Excess Report, SMA (Special Mention Accounts) /NPA reports etc. on day to day basis for effective monitoring.
- ✓ Verify Voucher Verification Report of Rs. 10.00 lakhs and above transactions with vouchers or assign the job to ABM every day.
- ✓ Keep all important electronic gadgets like CCTV, Fire Alarm working at all times, properly maintained in good working conditions.

- ✓ Check the critical heads Parking account, Routing account, GL heads, etc. every day to ensure that no unwanted transactions are routed through these accounts.
- ✓ Ensure all expenditure and SR II(Sundries Receivable II) vouchers are signed by two officials, one being the signature of BM or ABM
- ✓ Ensure punctuality and discipline among the staff members for smooth functioning of branch & customer service
- ✓ Allocation of Job to Subordinates and monitoring the performance.
- ✓ Ensure that the Key Movement Registers are properly maintained with the signatures of staff concerned.
- ✓ Maintain contact register with details of business sought and prospects.
- ✓ Monthly checking of jewel pockets to ensure that the number of pockets is tallying as per Loans Balance Book
- ✓ Ensure that all the documents are properly kept as per the Loan Balance Book and also ensure that the documents are renewed in time to keep them live at all times.
- ✓ Exercise due care and caution while discussing with the customers
- ✓ Conduct staff meeting every month with special focus on Business development as per structured agenda.
- ✓ Ensure that the systems and procedures are strictly adhered to.
- ✓ Complete the documentation and compliance of terms and conditions before disbursement of loans.
- ✓ Ensure Proper entries in statutory registers like Document Execution Register, EM (Equitable Mortgage) Register etc.
- ✓ Ensure the security perfection is completed in all respects like Registration of MOD, Charges and CERSAI (Central Registry of Securitisation Asset Reconstruction and Security Interest of India) etc well within the stipulated time before disbursement of loan.
- ✓ Record all enquiries and observations about the parties, inspection of property or visit to the customers place etc done for due diligence.
- ✓ Ensure that RBIA (Risk Based Internal Audit) rating should not have deteriorated during the Financial year
- ✓ Ensure that customer service is not affected on any score and the use of cell phone during office hours does not in any way affect the Customer Service or Image of the Bank. Usage of Cell Phone during office hours shall be strictly avoided.
- ✓ Ensure that all Staff members planning to travel by air under LFC (Leave Fare Concession) facility should get the Leave/LFC sanction well in advance (atleast one month) and book the tickets sufficiently early in low cost carriers at low fares only.
- ✓ Ensure that all customer based complaints are redressed in a proper manner.
- ✓ Keep healthy relationship with staffs & customers.

DON'Ts

- ✗ Don't work in haste because working in haste makes your time waste
- ✗ Don't commit to any customers unless you are confident of solving the problems

- × Don't deviate from systems and procedures. In case of absolute necessity, take permission from appropriate authority and record it.
- × Never exceed powers either administrative or credit related.
- × Don't disburse the loans unless all the terms and conditions are complied with.
- × Don't sanction advances to close relatives/ relatives of all staff members including Branch Manager, without appropriate sanction;
- × Don't fail to report violation of HO/Govt. guidelines, RBI directives, etc
- × Don't succumb to pressure while taking important decisions like sanction of loans, disbursement etc.
- × Don't mix up your emotions while taking critical decisions. Don't attach too much importance for other's problems. Try to help them within the given framework.
- × Never take a credit decision without visiting the customer's residence, work place, security offered etc.
- × Never sanction loans unless you are completely satisfied with the proposal.
- × Last but not the least **NEVER INDULGE IN SHORT CUT METHODS TO REACH TARGETS**

Performance Management System

As per EASE Agenda on Banking reforms for Human Resources, Our Bank has launched Performance Management System (PMS) to gauge the performance of our officers and motivating them for focused overall growth by assigning Key Performance Indicator (KPIs).

Key Features of Project Management System (PMS) are as under:

1. Assigning role specific KPIs to individual Officers.
2. Instead of fragmented KPIs it will be based on strategically aligned and focused KPIs.
3. Insightful dashboard to view periodical performance.
4. Linking PMS outcome to HR decision making process.
5. Strengthen the process and governance norms to hold the Sanctity of PMS.

7. Tips on Retail Liabilities

1	Rate of interest for the Interest rate on Savings Bank Deposits for the amalgamated entity	W.e.f. 21.11.2020 Uniform : 2.90% CO: Deposit vide circular Dep-23/2020-21 dt. 03.11.2020
2	Cheque book request through net Banking	For the benefit of the Savings Bank Customers who are having net Banking facility with us, a new utility is being provided for them to make a cheque book request through net Banking. A menu " Cheque Book Request " is created in the net Banking screen.
3	Opening a/c"s for the disabled persons with Autism, Cerebral palsy, Mental Retardation and Multiple Disabilities	Branches while opening Bank accounts of (i) "mentally ill persons" are advised to obtain the prescribed orders/certificates, appointing the guardian / manager to operate the account, issued by the District Courts / District Collectors and (ii) for "person with disability" by Local Level Committees of the area. Branches can download the details of the Local Level Committees of the area from the website „ <i>www.thenationaltrust.in</i> ’. They should preserve the true copy of the orders for their records along with the opening form. Stipulated KYC guidelines should also be strictly adhered to.
4	Inoperative accounts	"Savings as well as current account should be treated as inoperative/ dormant if there are no transactions in the account for over a period of two years . For the purpose of classifying the account as inoperative, both the type of transactions i.e. debit as well as credit transactions induced at the instance of customers as well as third party should be considered.
5	Repayment of inoperative accounts	(1) No payment should be made to non KYC compliant accounts. (2) Payment of unclaimed / inoperative deposits / accounts are to be authenticated by two officers of which one should be Branch Manager / Assistant Branch Manager.

6	How to make an Unclaimed deposit account as operative	An Unclaimed deposit account can be made operative only at Home Branch by using the screen 8000. There is a customer induced financial transaction within the last 10 years .
7	Whether cheque book can be issued to illiterate customers	Normally, no cheque book facility is provided to illiterate persons and blind persons. However, to meet periodic repayment of retail loans, utility bills etc., Bank would consider issuing cheque book with safeguards to protect customer interest.
8	What is the payment of Interest on Deposits maturing on a holiday?	In respect of a term deposit maturing for payment on a Sunday or a holiday or a non-business working day, Bank would pay interest at the originally contracted rate on the deposit amount of the Sunday / holiday / non-business working day, intervening between the date of the expiry of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.
9	What is a notice deposit	Notice Deposit means term deposit for specific period but withdrawable on giving at least one complete Banking days" notice.
10	What is the guideline for settlement of claim for missing person	Settlement of Claims in Respect of Missing Persons The settlement of claims in respect of missing persons would be governed by the provisions of Section 107 / 108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death. As per the provisions of Section 108 of the Indian Evidence Act, presumption of death can be raised only after a lapse of seven years from the date of his/her being reported missing. As such, the nominee / legal heirs have to raise an express presumption of death of the subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that he/she is dead, then the claim in respect of a missing person can be settled on the basis of the same.
11	What is the mode of operation under Latter or Survivor?	If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the latter i.e. B on date of maturity and to the survivor on death of anyone of the account holders.

12	What is the guideline for the Bank when customer is not happy about his choice of account	If the customer is not happy about his choice of current or Savings account (except term deposit account) within 14 days of making his/her first payment into the account, Bank would help the customer to switch to another account or Bank would give the money back with any interest it might have earned.
13	What is the payment of Interest on pre-mature withdrawal?	<ul style="list-style-type: none"> (i) Interest shall be paid at the rate applicable to the amount and period for which the deposit remained with the Bank and not at the contracted rate (ii) No interest shall be paid, where premature withdrawal of deposits takes place before completion of the minimum period specified i.e., 7 days.
14	Whether minor aged 10 years can open a SB account. If yes, what is the norm.	Minors above the age of 10 will be allowed to open and operate savings Bank account independently subject to restrictions on transaction amount, keeping in view the risk management system. Additional Banking services like internet Banking, ATM/Debit card, Cheque book facility etc., would be offered subject to account will always remain in credit and will not be allowed to be overdrawn. KYC norms & due diligence of minor should be ensured while opening and operating these accounts.
15	What is the norm for illiterates for opening SB account	The Bank may at its discretion open deposit accounts other than Current Account for an illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Joint accounts of two illiterate persons can also be opened. Normally, no cheque book facility is provided to illiterate persons. However, to meet periodic repayment of retail loans, utility bills etc, Bank would consider issuing cheque book with safeguards to protect customer interest.
16	What is the norm for Visually impaired (Blind) Persons for opening SB account	Bank will facilitate opening of Savings Bank accounts as well as Term Deposit accounts of persons with visual impairment. Such accounts will be operated by the account holder personally. Such account holders should have to be present before the branch official and affix thumb impression and they will be identified through their photographs to facilitate operations.

17	What is the guideline for acceptance of High value Deposits?	Branches in scale I to III - up to Rs 5 crores Branches in scale IV - up to Rs. 25 crores Branches in scale V & VI - up to Rs. 50 crores
18	Time norm for Settlement of claims in respect of Deceased Account holders	The claims in respect of deceased depositors and release of payments to survivor(s)/nominees will be made within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the Bank's satisfaction.
19	How deposit amount is insured	All Bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits, now it is Rs. 5.00 lakh.
DEPOSIT PRODUCTS		
20	Who are the target customers for regular savings account?	i) Individual - Single Accounts ii) Two or more individuals - Joint Accounts iii) Illiterate persons iv) Blind persons v) Minors vi) Associations, Clubs, Societies. vii) Trusts viii) Institutions/Agencies specially permitted by the RBI.
21	What is the Minimum balance requirement for small accounts?	No minimum balance requirement has been prescribed for the following category of Savings Bank customers viz., Basic Savings Bank Deposit Account (BSBDA)/Small Account, Pensioners, Special category of customers viz., students in receipt of scholarship, Direct benefit transfer beneficiaries, Salaried class, etc
22	No. of Restrictions in Transactions at the Branch	Free unlimited cash deposit and cash withdrawal at home branch and BNAs. Beyond 50 transactions (excluding ATM/Online transactions) charges @ INR 15/- per transaction.
23	Name of the ATM cum Debit card	Rupay Platinum debit card
24	What is the maximum number of withdrawals permitted at Bank's own ATMs without charge?	Unlimited counts with per day limit of INR 50000/-
25	What is the maximum number of withdrawals permitted at other Bank ATMs without charge?	Metro ATMs**: 3 Free Transaction per month Non Metro ATMs: 5 Free Transactions per month including non-financial

26	Who are the target customers for IB-Corp SB Payroll Scheme for Salaried Class?	Regular employees of Corporate firms, IT sector, ITES(Information Technology Enabled Services),, State and Central Government Departments, Public Sector Undertakings, Semi Government organizations, Urban development authorities, Educational Institutions, MNCs, Hospitals, Hotels, Universities, Transport Corporations, Reputed Public Sector Companies, Hotels and select Private Sector Companies with atleast six month service with their organization and whose salary is credited in our branches. Reputed and select Partnership firm and Proprietorship concern. In case of Proprietorship concern it should be registered under Shop & Establishment Act and in the case of Partnership Firm, it should be a registered firm.
27	Who are the target customers for SB Platinum with sweep facility	High Net worth Individuals (HNIs), high income earning Gen- X and Corporate executives and Non Individual - Institutions and Corporates.
28	What is the product available for children of age 1 day to less than 18 years?	IB Smartkid SB account
29	Whether joint account can be opened under IB Smartkid	No
30	Who are the target customers for Capital Gain SB	All assesses who are eligible for exemption under Section 54, 54B, 54D, 54F or 54G of the Income tax Act 1961 (43 of 1961) can deposit under this scheme.
31	Is there a separate product for pensioners savings account	SB account for pensioners (Central / state / EPF pensioners)

32	What is the operation norm for BSBD account?	Holders of BSBD (Basic Savings Bank deposit account) will not be eligible for opening of any other savings Bank deposit account with us. If a customer has any other existing savings Bank deposit account with us, he/she will be required to close it within 30 days from the date of opening a Basic Savings Bank Deposit account.
33	Whether cheque book facility is available for students receiving scholarship under government schemes account	NO
34	Target customers for IND – PFMS	Name of the account facility available for Central/State Government Departments & Institutions, Statutory bodies, Trusts, Registered Societies, Autonomous Bodies and Local Bodies etc.
35	Who are the target customers for regular current account?	<p>Accounts may be opened by</p> <p>a. A person in his/her own name</p> <p>b. Two persons or more than two persons in their joint names in anyone of the forms E or S, F or S, A or S or Jointly or survivors.</p> <p>c. Accounts may also be opened in the names of companies, partnership firms, clubs, associations, religious, educational, charitable and other institutions on production of the necessary documents, copies of rules, bye-laws, etc., duly attested by authorized persons.</p> <p>d. Minor's account can also be opened at the sole discretion of the Bank (1) Through the natural guardian either jointly with the minor or singly, (2) By guardians appointed by a competent court. Only guardians will be permitted to operate such accounts.</p>
36	What is the Quarterly Average Balance for current account customers	Ordinary Current account is as follows: For Metro/Urban - Rs.5000/- For SU/Rural - Rs.2500/-
37	What is the service charge for Corporate Internet Banking -	Free to Customers of Partnership firm, Public/Private Ltd company, Trust, HUF(Hindu Undivided Family) society etc.
38	What is the service charge for Cash Deposit – Home branch / non home branch	<p>Upto Rs.2 lakhs - Free, thereafter Re.1/- per Rs.1000 Min.Rs.100/- Max.Rs.5000/-</p> <p>Up to RS.50,000/- Free Above Rs. 50,000/- Re1.00/- per 1000/- with a minimum of Rs.25/- (No cash handling charges)</p>

39	Who are the target customers for current account premium with sweep facility?	Suitable for Corporates, Traders, Businessmen, Entrepreneurs and HNI's. An average Minimum Balance of Rs. 1,00,000/- (total products of 90,00,000 per quarter i.e. 90 days X Rs.1,00,000/-) and a threshold minimum of Rs.2,00,000/- for transferring to Term Deposit. (i.e. Sweep would be effected only when the balance exceeds Rs.2 Lakhs)
40	What is the Quarterly Average Balance (QAB) -	Rs.1 lac. (QAB) to be maintained.
41	What is the minimum balance for IB Comfort individual and non individual	Rs.25000/- and Rs. 50000/-
42	Who are the target customers for IB FREEDOM account?	Traders, Businessmen, Corporate Bodies, etc.
43	Who are the target customers of Fixed deposit/Recurring deposit/Short term deposit schemes	<ul style="list-style-type: none"> • A person in his/her own name; • Minor(s) represented by his/her/their guardian; • Two persons with any one of the following clauses: <ul style="list-style-type: none"> • A. Jointly B. Either or Survivor & C. Former or Survivor • More than two persons either (a) jointly or (ii) to anyone or the survivor(s) of them: A firm, a company or an association in its name
44	How much amount can be deposited under Variable deposit scheme	<ul style="list-style-type: none"> • Initial deposit Rs.500 or in multiples of Rs.100 upto a maximum of Rs.1 lakh. • Can vary subsequent monthly installment subject to a maximum of Rs.10 lakhs per month.
45	What is the applicable additional benefits for senior citizen/staff/ex-staff senior citizen & monetary limit	Additional interest of 0.50% /1.00%/1.50% p.a payable respectively.
46	What is the special scheme formulated for disbursement of compensation to the victims of the Road Accidents & Train Accidents?	Two new products have been created on the lines offered by other Banks and as suggested by the court viz., Motor Accident Claims Annuity Deposit (MACAD) with facility of EMI (Equated Monthly Installments) & PED (Principal Equally Distributed along with monthly interest). As decided by the court and option exercised by the customer, the appropriate product can be chosen. Additionally, specific Savings Bank product viz., MACT SB for crediting the monthly annuity from MACAD has also been created.

47	How much amount can be deposited under preferential deposit scheme and tenor	Maximum Rs. 2.0 crores, Maximum 2 years.
48	How much amount can be deposited under Tax Saver Scheme	Minimum Deposit - Rs.1000/-; Maximum Amount -Rs.150000/- in a financial year.
49	Whether savings account can be opened online. If so, name of the account	IB DIGI - Online Opening of Savings Bank Account, it is available for resident customers only.
50	What is the facility available for senior citizens and how much one can withdraw?	Enhanced cash withdrawal facility without charges from non-home branches up to Rs.75,000/- per day as against the present limit of Rs.50,000/-

51. V-CIP process and rationalizing the process of periodic updation of KYC

Definition of V-CIP Video based Customer Identification Process (V V-CIP) is a method of customer identification by an official of the Bank by undertaking seamless, secure, real time, consent based audio-visual interaction with the customer to obtain identification information including the documents required for CDD purpose, and to ascertain the veracity of the information furnished by the customer. Such process shall be treated as face face-to-face process.

Revised Guidelines as per the recent amendment to MD on KYC: Revised Guidelines as per the recent amendment to MD on KYC: Video based Customer Identification Processes an alternate method of customer identification with facial recognition and customer due diligence by an authorized official of the Bank by undertaking seamless, secure live, informed-consent based audio-visual interaction with the customer to obtain identification information required for CDD purpose, and to ascertain the veracity of the information furnished by the customer through independent verification and maintaining audit trail of the process Such processes complying with prescribed standards and procedures shall be treated on par with face-to- face CIP

Parameters	Mentioned in the KYC/AML/CFT policy of the
Accounts opening under OTP based E kyc in non face to face mode	Accounts, both deposit and borrower, opened using OTP based e-KYC shall not be allowed for more than one year. Bank, is carried out. If Aadhaar details are used, the process shall be followed in its entirety including fresh Aadhaar OTP authentication
Usage of V-CIP	Bank may undertake live V-CIP, to be carried out by an official of the Bank, for establishment of an account based relationship with an individual customer, after obtaining his informed consent and shall adhere to certain stipulations mentioned in the above point Revised Guidelines as per the recent amendment on KYC: Bank may undertake V-CIP to carry out: CDD in case of new customer on-boarding for individual customers, proprietor in case of proprietorship firm, authorized signatories and Beneficial Owners (BOs) in case of Legal Entity (LE) customers. Provided that in case of CDD of a proprietorship firm, branches shall also obtain the equivalent e-document of the activity proofs with respect to the proprietorship firm, i) The existing KYC policy of the Bank, apart from undertaking CDD of the proprietor. ii) Conversion of existing accounts opened in non-face to face mode Using Aadhaar OTP based e-KYC authentication. iii) Updation/Periodic updation of KYC for eligible customers.
Periodic updation of KYC	Bank shall adopt a risk-based approach for periodic updation of KYC. However, periodic updation shall be carried out at least once in every two years for high risk customers, once in every eight years for medium risk customers and once in every ten years for low

	<p>risk customers from the date of opening of the account / last KYC updation.</p> <p>Individual Customers:</p> <p>a) No change in KYC information: In case of no change in the KYC information, a self- declaration from the customer in this regard shall be obtained through customer's email- id registered with the Bank, customer's mobile number registered with the Bank, ATMs, digital channels (such as online banking / internet banking, mobile application), letter etc.</p> <p>b) Change in address: In case of a change only in the address details of the customer, branches may obtain a copy of OVD or deemed OVD for the purpose of proof of address, declared by the customer at the time of periodic updation. Accounts of customers who were minor at the time of opening account on their becoming major: In case of customers for whom account was opened when they were minor, fresh photographs shall be obtained on their becoming a major and at that time it shall be ensured that CDD documents as per the current CDD standards are available with the branches. Wherever required, branches may carry out fresh KYC of such customers i.e. customers for whom account was opened when they were minor on their becoming a major</p> <p>Customers other than individuals:</p> <p>No change in KYC information: In case of no change in the KYC information of the LE customer, a self-declaration in this regard shall be obtained from the LE customer through its email deregistered with the Bank, ATMs, digital channels (such as online banking / internet banking, mobile etc.), letter from an official</p> <p>Authorized by the LE in this regard, board resolution etc. Further, Bank shall ensure during this process that Beneficial Ownership (BO) information available with them is accurate and shall update the same, if required, to keep it as up-to-date as possible.</p> <p>Change in KYC information: In case of change in KYC information, branches should undertake the KYC process equivalent to that applicable for on-boarding a new LE customer</p>
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Introduction of "TAB Banking" Opening of Savings Bank Account through Android TABLET

Bank has launched a new process for on boarding of Customers through "Tab Banking", which will strengthen our Retail Deposit, especially CASA portfolio. It is a paperless process, cost efficient involving instant approval for account opening. On pilot basis, 20 (twenty) branches have been authorised for opening of new SB accounts through TAB.

The process flow is as under:-

Particulars	Details
Name of the product	IND Bank Tab Banking
Coverage	TAB banking can be utilised for opening account for Resident Indian having a valid Aadhar number only.
Basic Documents to be kept ready by the Customers	a. Aadhar Card/Number b. PAN CARD c. White Paper for signature purpose
Process Flow	1) Download and install the IB Staff App - Android based, in the TABs provided to them. 2) In CBS, maker ID will be System teller ID, which will be same for all accounts opened through TAB. 3) The Bank official (Clerk/Officer), after login to IB Staff app with AD Login ID & Password, will select the "Digital SB Account Opening" icon in the Android app. 4) Customer on-boarding process will start with capturing Customer Name & Mobile No in the app. The customer will receive one OTP at this step, which needs to be shared with the Branch staff for validation of mobile number.

	<p>5) AADHAR - through Biometric validation and PAN validation will be completed using the application by the maker. The details such as Name, Address, Photo, Signature, DOB etc will be fetched from UIDAI (based on AADHAR e-KYC). The PAN details will be validated with NSDL by the application.</p> <p>6) If PAN is not available with the customer, Form 60 will be captured by the Tab application and stored as per current functionality.</p> <p>7) Other Mandatory details such as Communication address, Social attributes, Father / Spouse Name, Mother Name, Annual Income, Occupation, Marital status, State and Village Code, Nomination details, if required, will also be captured by the maker.</p> <p>8) The application is designed to obtain declarations from the customer using a single declaration form in the app. Branch Maker user will obtain various statutory declarations like:</p> <ol style="list-style-type: none"> FATCA If the customer do not want to nominate any person (As per DA1) Communication Address, if different from Permanent Address as per Aadhar. <p>9) Photo, Signature with date, PAN / Form-60 and Declaration Form of the customer to be captured using the TAB and the same will be automatically uploaded for CKYCR. At this step, the customer will be required to sign with date on a paper and a picture of the customer holding the paper next to his full face will be clicked using the tab application. It will ensure the legitimate presence of customer during the off-site face-to-face on boarding. Aadhar with same address will be considered as Pol (Proof of Identity) & PoA (Proof of Address).</p> <p>10) Bank official- Employee/Officer (maker) should take due care and verify the quality & clarity of all the images to avoid CAPC rejections before submitting the application in the TAB.</p> <p>11) After verification by the maker, the SB account will be opened with Debit Freeze status in CBS and account number will be intimated to Customer through Welcome SMS & E-mail message.</p> <p>12) After opening of the account, instant ATM/Debit Card may be issued and three (3) OTPs will be sent to registered mobile number of customer for activation of mobile banking, internet banking, UPI.</p> <p>13) Soft copies of AOF, CIF Form, Photo, Signature, Pol & PAN/Form-60 will be pushed to CAPC/Branch for verification. The checker (authorised official as per extant policy/guidelines) from CAPC/Branch will verify the data and images uploaded and unfreeze the account instantly for customer's operation.</p>
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Customer Due Diligence for transactions in Virtual Currencies (VC)

In recent communication RBI has directed to the bank to enhance the due diligence processes related to the customer who are dealing in Virtual currency including BITCOIN. Branches are advised to be more vigilant and to ensure the followings:-

- Entities dealing with so called virtual currencies and their customer maintaining account in the bank, should be classified as "High Risk" customer system and Enhanced Due Diligence (EDD) process as prescribed in the KYC/AML Policy/SOP of the Bank should be conducted for these customers without any deviation.
- Full compliance of PML Act/rules KYC/AML/CFT policy of the Bank should be ensured for any such relationship which includes high degree of vigilance in identifying the Beneficial Owner (and if necessary, Ultimate Beneficial Owner, considering the inhere transactions in their accounts.

8.

TIPS ON BANCASSURANCE

i) Why is Bancassurance important?

1. It is an important source of Non- interest income which is risk free unlike the interest income which has inherent risk in the form of credit risk.
2. Bank can become single point financial service provider for all customer needs, enabling us to strengthen our relationship with the customers.

ii) What are the kinds of insurance our Bank is involved in marketing?

Our Bank is soliciting, procuring and servicing Insurance business of

1. Life insurers
2. General insurers
3. Health insurers

iii) What are the agencies Insurance products are being marketed by our Bank?

Three Life Insurance Companies namely

- (1) Life Insurance Corporation of India,
 - (2) SBI Life Insurance Co Ltd and
 - (3) Aditya Birla Sunlife Insurance Co Ltd (ABSLI)
- and

Three Non- Life Insurance Companies namely

- (1) United India Insurance Co Ltd,
- (2) Chola MS General Insurance Co Ltd
- (3) M/s Universal Sompo General Insurance Company Ltd (USGICL). (After complying with regulatory guidelines).

Bank also markets the **Health Insurance Policies** of

- 1.General Insurance Corporate Agent tie-up partners.
- 2.Bank has corporate agency arrangements with stand-alone Health Insurance Company Max Bupa Health Insurance Co Ltd.

For **Group Credit Life coverage**, Bank has tie-up agreement with

1. Kotak Life Insurance Company
2. PNB MetLife insurance
3. SBI Life Insurance Co Ltd
4. Aditya Birla Sunlife Insurance Co Ltd (ABSLI)
5. Chola MS General Insurance Co Ltd.
6. HDFC Standard Life Insurance Co Ltd
7. Bajaj Allianz Life Insurance Co Ltd

For offering Group insurance schemes securing life of the borrowers under various loan products including Overdraft and CC Accounts.

iv) What are the types of Insurance Products sold and serviced by our Bank?

Life insurance products marketed are,

1. Traditional endowment and money back policies
2. Term plans
3. Single premium plan
4. Whole life plan
5. Pension and annuity plans
6. ULIP(Unit linked Insurance Plan)

Bank would also offer **simple group life products** to compliment certain Bank products like housing loan and education loan.

In **general insurance** Bank shall solicit business from individual and corporate clients to cover their risks. Bank shall provide

1. Fire and standard perils
2. Marine insurance
3. Group medical
4. Theft/ burglary
5. Workmen compensation policy
6. Professional indemnity and other policies

Bank shall also offer

1. Personal accident
2. Home insurance
3. Motor insurance
4. Health insurance
5. Other general insurance policies in retail category

In **Health Insurance** Bank shall market health insurance products like

1. Individual / Group health insurance,
2. Individual / Group Personal Accident Plan
3. Customized Policy either through our general insurance partners or an independent Health insurance Company

v).What are the points to be noted in soliciting Insurance business?

1. Insurance shall be solicited only by the employees holding a valid certificate issued by IRDA(Insurance Regulatory and Development Authority) to act as **Specified person**, under the Regulation
2. The prospect/customer **will not be compelled to buy** an insurance product being offered along with Indian Bank products
3. Insurance product shall be **offered on the basis of need analysis** and financial assessment of the customer
4. **All requisite information** as per IRDA regulation in respect of the insurance product being offered **shall be disseminated** to the prospect/customer

vi) What are the aspects where Bank has to service the Insurance business?

The Bank is committed to service its customers during the entire period of the contract in accordance with the procedure defined under the Board Approved policy

1. Assisting in payment of premium
2. Providing necessary assistance and guidance in the event of a claim
3. Providing all other services and guidance on issues which arise during the course of an insurance contract
4. Handling of customer requests, complaints and queries
5. Wherever required or requested by the customer, the Bank will guide the customer through the process of opening an insurance repository account with any of the repositories authorized by IRDA for having his policy stored in electronic form.
6. Enable customers to pay their renewal premiums in a convenient manner through Bank branches as well as through net Banking and other technology initiatives
7. Maintain records of customer renewals and ensure that they are reminded to pay their premiums so that their insurance cover does not lapse

vii) What are the Grievance Redressal Mechanism available?

Under grievance redressal mechanism, Customer will be allowed to approach any of the branches of the Bank to register a complaint

1. All complaints will be recorded in the complaints system/register and due acknowledgement will be issued to customers with unique reference number for tracking of complaint
2. All the personnel across the Bank who directly or indirectly deal with customers will be provided training to handle insurance related complaints
3. The complaints of the customers will be duly reviewed and if required, investigated suitably and adequately
4. Customer will be duly responded with review or investigation findings within prescribed regulatory timelines along with information regarding escalation matrix
5. In case customer is not satisfied with the response of the Bank, the complaint will be dealt at the appropriate senior level of the Bank for timely and proper resolution as and when required

Our Bank is having a Distribution tie-up for selling their Products with which all Mutual Funds?

At present our Bank is having tie up on digital platform with:

1. M/s UTI AMC Co Ltd
2. Reliance Nippon AMC,
3. SBI Mutual Fund
4. DSP Mutual Fund
5. Tata Mutual Fund
6. Principal PNB AMC
7. Kotak Mahindra AMC
8. Franklin Templeton AMC
9. Essel Finance AMC
10. FISDOM

viii) What is the AMFI Registration Number (ARN) of our Bank as a distributor of Mutual Fund products?

ARN 17645 (The application form for mutual fund schemes shall have provision for disclosing the unique identity number and it should be ensured that the ARN number is given there.

SALIENT FEATURES OF SOME OF THE INSURANCE SCHEMES BEING MARKETED BY OUR BANK

1.AROGYARAKSHA

“Arogya Raksha Group Health Insurance Policy” is one of the popular cobranded Bancassurance products offered exclusively to the a/c holders of our Bank by M/s. United Insurance Co.Ltd (UIIC). It helps families in safe guarding their scarce financial resources against any unplanned medical expenses.

Income Tax Benefits: Rebates available to policy holders under Sec. 80D of Income Tax Act for Medclaim Premium paid up to Rs.55,000/- (Self and family + Senior citizen parents -Exemption limit Rs. 25,000/- +Rs. 30,000/- = Rs. 55,000/-) and Rs. 60,000/- (Self(senior citizen) and family + senior citizen parents -Exemption limit Rs. 30,000/- + Rs. 30,000/- = Rs. 60,000/-) in addition to Rs. 1.50 lakh available as rebate under Sec. 80 C of IT Act.

Plans

Plan A: A/c holder + Spouse + Two dependent children (1+3) for age group up to 35* years

Plan B: A/c holder + Spouse + Two dependent children (1+3) for age group >35* years up to 70* Years.

Plan C: A/c holder + Spouse + Two dependent children + dependent parents (1+5) for age Up to 70* years.

*refers to age of the eldest member covered under the group.

Age limit at entry level: 3 months to 70 years and renewals allowed for Life time

Minimum Insurance Slab: Rs.1 lakh under all three Plans

Renewal: allowed on Annual basis with 30 days of Grace period from the date of expiry of policy

Portability: allowed subject to customer submitting the previous year's policy copies and No claim certificate from the existing insurance company.

Hospitalization for Major Illnesses: Actual expenses or 80% of sum insured whichever is lower.

Personal Accident Cover: is automatically provided - up to the SI for the Proposer, 50% of that for the Spouse and 25% each for the children covered, subject to terms and conditions of our Personal Accident policy as applicable.

Application forms, Premium Rates and complete terms and conditions: uploaded in internet at our Banks web site www.indianBank.in, and intranet at our Home Page and In-House Application in Help Desk. (Help desk/In house application/Bancassurance products/Arogya Raksha).

Branches are entitled to a commission @ 15% on basic premium (net of GST) collected on all Arogya Raksha policies (Fresh& Renewal policies) and thereby increase their non-interest income.

2.IB HOME SURAKSHA **(BY ARRANGEMENT WITH KOTAKMAHINDRA LIFE INSURANCE COMPANY LIMITED)**

All home loan & other mortgage-based loan borrowers (including NRIs), Top up loans to existing HL borrowers and Staff Home Loans as per eligibility specified hereunder can join the group insurance scheme.

Product	Home Loan, Loan Against Property and Top up Loans	Staff Home Loan
Features	repayment 3 to 30 years	repayment 3 to 30 years
Eligibility	Minimum age:18 years (ALB) Maximum entry age:65yrs(ALB) Maximum exit age: 75yrs(ALB)	Minimum age:18 years (ALB) Maximum entry age: 65yrs(ALB) Maximum exit age: 75yrs(ALB)
Insurance Cover	Min-Rs.5000/--Max-Rs.1000 lakhs	Min-Rs.5000/--Max-Rs.1000 lakhs
Insurance Term	Min-3yrs-Max-30 yrs	Min-3yrs-Max-30 yrs

3.IB VIDYARATHI SURAKSHA

(Group Life cover to Education Loan Borrowers by arrangement with M/s PNB Metlife India Insurance Company Ltd)

The Scheme is applicable to all branches of our Bank.

The Scheme, designed exclusively for our customers, offers Group Life Insurance coverage at competitive rates to all the eligible educational loan student borrowers.

Only student borrower is covered and parents or other co-borrowers are not eligible

This is a single premium policy & if required, Bank finances premium as an integral loan component that is repayable in monthly EMIs

Minimum age at entry - 15 years (As on last birthday): Maximum age at entry - 60 years (As on last birthday): Cover available up to the age of 70 years (As on Last birthday)

Cover Available: Minimum Period of 3 years and Maximum of 25 years.

Sum Assured: Minimum Rs.0.10 lakhs and Maximum of Rs.100.00 lakhs

The coverage is on a decreasing basis based on loan repayment Schedule.

Income-Tax Rebate is available under Sec. 80 C of Income - Tax Act for the premium paid under this Scheme.

GROUP CRITI CARE” Critical Illness Coverage from Max Bupa Health

Apart from covering of Life of Borrowers through Credit Life Coverage, also strives to extend specific coverage like coverage of Loan amount against Critical Illness to Borrowers

Key features of the product, Group Criti Care will be as under:

Product Name	GROUP CRITI CARE (GCC)		
Target Customers	Borrowers and Co- Borrowers of NEW LOANS sanctioned within Last 30 days.		
Entry Age & Sum	Only Borrower	Sum Assured	
	Age of Entry	Minimum	Maximum

Assured Matrix	18-50 yrs	Rs. 1 Lakh	Rs. 3 Crore
	51- 55 yrs	Rs. 1 Lakh	Rs. 1 Crore
	Borrower & Co-Borrower	Sum Assured Per individual (Borrower / Co-Borrower) Subject to Maximum 2 Individuals including Borrower per Loan and Combined Sum Assured of Individuals doesn't Exceed Loan limit. For Co-Borrower cases Sum Assured will be equally divided amongst both Borrower and Co-Borrower.	
	Age of Entry	Minimum	Maximum
	18-50 yrs	Rs. 1 lakh	Rs. 3 Crore
	51- 55 yrs	Rs. 1 Lakh	Rs. 1 Crore
Other Key features	<p>Policy tenure: Minimum 1 year ; Maximum 5 years.</p> <ul style="list-style-type: none"> ➤ Immediate settlement of claim upon Diagnosis of Critical Illness, ➤ No condition of Minimum Period of Survival or Minimum Waiting period. (For cases of Borrower and Co-Borrower, 50% of the Coverage would be settled on anyone of them diagnosed / met eventuality. For Both diagnosed / met eventuality, 100% of Coverage will be settled) ➤ A Lump sum payment equivalent to chosen sum insured will be settled to insured upon diagnosis, out of which Bank's Loan will be settled out of claim amount and remaining amount, if any, will be paid to the claimant / surviving Borrower / Co-Borrower. ➤ Accidental Coverage equal to the sum insured available. ➤ 100% Coverage on Accident Death and Permanent Total disability. ➤ Income Protector Rider for Salaried Borrowers / Co-Borrower: Additional coverage to protect Income of Borrower in case of Critical Illness diagnosis to the tune of Rs. 25000 per month(Fixed), Maximum for 3 months on the account of Loss of Job due to diagnosed listed Critical Illness 		

9.

COMPLIANCE

Types of Compliance

The compliance functions in the Bank shall be divided into three broad categories.

Statutory Compliance: The Bank has to ensure strict observance of all statutory Provisions contained in various legislations such as Banking Regulation Act, Reserve Bank of India Act, Foreign Exchange Management Act, Prevention of Money Laundering Act, etc.

Regulatory Compliance: The Bank has to ensure strict observance of other regulatory guidelines issued from time to time by the regulators such as RBI, SEBI (Securities and Exchange Board of India), IRDA, etc. Such compliances shall be termed as Regulatory compliance.

Other Compliances: In addition to the statutory and regulatory compliance, the Bank has to comply with standards and codes prescribed by IBA (Indian Banks' Association), FEDAI (Foreign Exchange Dealer's Association of India), FIMMDA (Fixed Income Money Market and Derivatives Association of India) etc and also Bank's internal policies and fair practices code. Such compliances are termed as other compliances.

Compliance to be submitted by Branches:

- At branches, the A B M will perform the role of compliance officer.
- However, in single man branches the Branch Manager / Officer in charge of the branch will perform the role of the compliance officer.
- The Compliance Officer in each branch shall submit the online compliance report on compliances / non-compliance of various compliance issues to CO: Compliance Dept.
- In addition, the Compliance Officer in each branch shall submit a quarterly Compliance Certificate to Zonal Office in the prescribed format.

Branch Manager should ensure Compliance to:

- ✓ KYC & AML guidelines.
- ✓ BCSBI guidelines.
- ✓ BCSBI - MSME guidelines.
- ✓ Compliance to particular scheme/ Product & Policy guidelines while extending credit facility.
- ✓ Exercising powers as per Booklet on Credit and Credit related power while extending credit facility under MDL.

10.

PREVENTIVE VIGILANCE

- Preventive vigilance is the application of common prudence to ensure that various organisational functions are carried out in line with extant Rules / Regulations / procedures in a fair and transparent manner without compromising on ethical values.
- Some of the salient points of preventive vigilance in general are given below for easy reference:

Do's:

- Follow the systems and procedures meticulously.
- Follow the Rules and Regulations without any violation. When the situation warrants a deviation on account of necessity, record the reasons for the deviation taken and get it confirmed by your higher authority.
- Discharge your duty sincerely, honestly and faithfully at all times.
- Follow the KYC guidelines scrupulously.
- Maintain strict secrecy of the Bank's affairs.
- Observe strictly the Rules and Regulations concerning your personal conduct.
- Be choosy in attending the social functions of customers for which you are invited.
- Avoid seeking donations from customers and others.
- Do not indulge in any other business inside the Banking premises.
- If there are oral instructions, get the same confirmed immediately in writing.
- Record your important decisions in paper and preserve the file.
- Pay utmost attention to internal control.
- Always be alert in the branch and be responsive.
- It is to be noted that corruption starts in a small way initially. Try to check the same in the initial stage itself.
- Ensure integrity and devotion to duty of persons under your control and authority.
- Maintain your accounts properly and submit proper Assets and Liabilities statement.
- Lead a life-style consistent with your income.
- Maintain at all times, calm and cool composure, smiling and ready to face challenges.
- Always display a professional's attitude towards all your duties.
- Always take pride that you are a role model for others.

Don'ts:

- Do not be under obligation to any one particularly those with whom you have the official dealings.
- Do not engage in any commercial proposition while being in the service of the Bank.
- Do not conduct yourself in a manner unbecoming of your status.
- Always believe that our actions in the Bank are watched.
- Do not be a silent spectator for the misdeeds of your colleagues in the Bank and see that it is reported to higher authorities, immediately on notice.
- Do not make any short-cut to the established procedures.
- Do not feel shy to consult your colleagues or superiors if you have doubt in any transaction to be undertaken. Utilize "**Shankasamadhan**" for resolution of query.

- Do not route the savings and funds of your relatives and others through your accounts.
- Always maintain proper accounting of your funds and claim your entitlement from the Bank within time.
- Do not show any favouritism or commit any irregularity in expenditure matters.
- Do not gossip in office in bad taste about others.
- Do not delay disposal of the complaints as every complaint has some substance.
- Do not indulge in any dishonest or improper act even in your private life, for it would bring discredit to you and the Bank.
- Do not place over-reliance on your subordinates and colleagues.
- Do not compromise your password to others as that is a key to a very big world for the misuser.
- Do not allow your personal emotions in carrying out the job as the office atmosphere is a professional place.

As we all deal in money - huge public money - we are duty bound to have vigilance awareness in all our dealings. Here is a list of some important vigilance awareness points, which a Banker should always remember & ensure in his dealings at work:

- ✓ Always distrust to trust. Don't believe or trust anything or anyone at first sight - customers or professionals (CA, Lawyer etc.,) or your own colleagues. Anyone can have an evil design in his mind.
- ✓ Don't forget that the moral values in the society have eroded much and everybody is materialistic today. So, the first impression need not be the best impression forever.
- ✓ Remember the famous quote "There is no Free Lunch". No one offers you something for nothing in return.
- ✓ Don't try to by-pass any process flow in a transaction (e.g: in today's CBS environment, many people are putting through transaction in unpermitted heads, if the permitted heads don't allow to proceed)
- ✓ Job rotation must be there across all the cadres. It may disturb the routine for some days. But, failure to do it can dislodge the Branch and yourself. Don't forget some recent happenings you might have heard about.
- ✓ Always be wary of those who always behave too aggressive or too submissive. Both are definitely having some ulterior motif. Both "too aggressive & too submissive" behaviors are the tactics used to overpower you or to bowl out you
- ✓ Watch the changes in the standard of living of your colleagues, more particularly that of those working in cash, advances and forex.
- ✓ Don't encourage or support anything which talks of deviating or violating the systems & procedures to achieve some goal
- ✓ Always have a substitute for each work desk. Don't depend upon too much on any single person
- ✓ The three dangerous persons (staff) you should be very careful about :- *(a) The one who behaves goody - goody with everyone (b) The one who gives suggestions for everything, even when not

asked for (c) The one who is showing a lot of interest to know everything and collects information about everything*

- ✓ Another dangerous person is the one who resists change of his work allocation / seat
- ✓ Don't get carried away by a customer's looks, richness and pomp nature of living. Many people manage to get big loans from Banks by this "Show Bazi" culture & later default
- ✓ Operational smoothness is important to feel comfortable at office. But it should not be achieved at the cost of diluting the norms and violating the systems & procedures
- ✓ Be analytical, inquisitive & do lot of probing (questioning & interaction) while handling credit proposals - both with the customers and about the papers you are dealing with
- ✓ Don't give any suggestions or guidance to the one who wants to use the Banking channel to evade tax and government dues
- ✓ Never underestimate the importance of dual responsibility in the handling of cash keys, safe custody, safe deposit lockers etc.
- ✓ A lot has been told about Password secrecy in many forums. But still many don't adhere to their password secrecy. Never ever give your password to others or take theirs, to do a work. It is a Damocles" Sword
- ✓ And a final word of caution "KYC" not only means, "Know your Customer"; it also means "Know your Colleague". There are many people who have suffered beyond description because of a bad colleague, whom they did not understand fully; but believed blindly.
- ✓ Don't verify any transaction without seeing document although senior staff or dear colleague might have put the entry.
- ✓ Be careful before obeying any oral instructions.

Monitoring measures – illustrative:

- Jewel Loans - not too much dependence on jewel appraiser. Should not allow him to meddle with works related to Branch officers/ award staff.
- Jewel appraiser should be engaged ONLY for appraisal of Jewel quality.
- Verification of jewel packets and contents.
- Auction of Jewels after the due date.
- How to talk HNI & Govt officials and how to treat them. If we visit them, go with ID card and visiting card with prior appointment.
- Keeping CCTV camera, ATM in working conditions and guidelines to be followed up during cash remittance.
- Ensuring of EVVR verification.
- All loan documents to be kept in the safe room/ cupboard immediately.
- Maintenance of document execution register, godown register, stock register, DL register, and application received register, duly entering details then and there.
- Collection of stock and book-debt statements periodically for OCC accounts and entering of value of stocks, debtors and creditors in collateral master. Book-debts to be certified by CA every quarter as decided in sanction ticket/ scheme. Unit visits / Visit of EM properties periodically.
- Prompt review/ renewal of accounts - make use of a report pushed by CDC on 25th of every month.

- Follow-up of accounts right from overdue stage (SMA-0) so as to avert slippage to SMA-2 / Sub Standard in later stages, using “overdue monitoring” option menu in Help desk.
- Counter-checking of all documents / particulars received from borrower.
- Rectification of Inspection observations and various observations of ZO/MC (Zonal Office/Management Committee) etc. then and there.
- DPN due date to be followed up before six months itself utilising the CDC report pushed on last day of the month.
- Keeping a checklist of various loans including SLP (Structured Loan Products), MSME loans.
- Keeping ready-reckoner for interest, processing charges, Bill handling charges and other important operational charges.
- Keeping the ambience of the premises and work environment neat and clean.
- AUW reports to be verified and sent to ZO on every Monday.
- Submission of Relieving Manager’s certificate in time.
- Verification of Loan documents and tallying the same with Loan balance file periodically.
- Nominal accounts to be verified often.
- Analysis of Loan portfolio and regular touch with top-100 customers.
- Credits and debits in newly opened accounts to be monitored, especially large value credit and debit.
- RTGS/NEFT (Real Time Gross Settlement/National Electronic Fund Transfer) inward and outward reports to be monitored for doubtful transactions and large value transactions.
- ATM fraudulent withdrawal complaints and other cyber fraud complaints to be attended immediately by reporting to the relevant authorities and follow up of the same to be done.
- Due diligence for all loan accounts and highly operated SB, Current accounts to be done.
- Documentation of the loan accounts to be made in front of the branch Officials only.
- Timely renewal of all insurance in loan accounts, CERSAI registration, ROC filing wherever mandatory.
- Legal scrutiny report and valuation report to be done by the panel lawyer and valuer only and the report details to be independently verified by the branch Manager.
- Discrete market enquiry by the branch Manager with regard to the borrower, Property Company etc is mandatory.
- Updation of knowledge by latest developments and amendments will enable the Branch Manager to avoid untoward incidents/frauds.
- BGL accounts debits to be verified with the reports from CDC and any unwarranted entry to be brought to the higher authority.
- Strict adherence to maker and checker concept.
- **Passwords** not to be disclosed or system not to be given to anyone for passing the queue.
- Log out the screen while leaving the seat temporarily.
- Numbered items to be maintained in dual custody as per rules.
- Lockers to be operated by officer in charge of the department.
- A preventive vigilance committee should be formed at all the Scale IV and above branches and also at select branches as identified by the zonal head depending upon their risk/vulnerability

profile. The committee should be headed by the branch head with one member each from officer and award staff.

The meeting to be conducted once in two months and the following can be discussed by recording the minutes in preventive vigilance meeting register.

- Observance of KYC norms
- Maintenance of secrecy of passwords
- New procedure /products/controls introduced by the Bank.
- Latest Fraud trends/modus operandi of recent frauds
- Regular checking of audit trail reports/Exceptional transaction reports
- Balancing of manual books
- Whether documentation formalities are being observed for asset cases
- Views/observations/Information of the members of the staff/Officers regarding non observance of system and procedures by the officials of branch. Suggestions should be invited for strengthening the preventive vigilance mechanism.
- Report of compliance/action taken on the points discussed in the previous meeting.
- A good appraisal does not only mean analyzing the financial statements and projections submitted by potential borrowers. It involves going beyond the paper work and independently gathering information on the borrower.
- This requires accessing public databases, news reports on any adverse government action like raids etc.
- A good appraisal should take into account problems brewing in the industry, in the promoters" group etc which may show the direction in which a company's operations are going on and whether there is inherent resilience in the promoters and the project.
- Post disbursement follow up is to be complied. Early warning signals thrown by loan accounts should put the officials on alert.
- Apart from obtaining the relevant documents, effort should be made to „Know the customer" in the real sense-his background, his declared activities/profession.
- Discreet enquiries to be made on the Suppliers/buyers to check if they are on the same line of business or are bogus entities. Such timely checks help identify frauds at an early stage.
- Data analytics and intelligence gathering be made use of, to make fraud detection as near to real time as possible.
- Apart from Know your customer, know your employee and know your partner/agent .Due diligence on our agents like CA, Valuers, and Advocates in the loan assessment are also an essential safeguard.

“Be vigilant, Prevent Frauds & Safe guard our Bank and our own selves”

11.

AUDIT AND INSPECTION

AUDIT:

- Branch Manager should monitor following on daily basis and ensure that there should not be any pendency :
 - ✓ EVVR checking.
 - ✓ Signature Scanning.
 - ✓ Recovery of Locker rent arrears.
 - ✓ TOD
 - ✓ Excess over the limit sanctioned
 - ✓ CGL & CGL differences
 - ✓ Outstanding balances in:
 - Funds in transit (FIT)
 - Parking EXIM
 - Routing a/c
 - FIT-ATM
 - RTGS INTERBANK
 - NEFT INTERBANK
 - SYSTEM DRAFT
 - ✓ C2C (Customer to Customer) Reversals : BGL - 86903, 86911, 86904
 - ✓ A&L Negative Balances
- Branch Manager should ensure submission of AUW-1 along with copy of appraisal note and Sanction ticket of credit facilities sanctioned under MDL for limit of Rs.10 lakhs & above.
- Branch Manager should ensure that Monthly Audit Return- AUM should be submitted (Online) well within time line without fail.
- Branch Manager should ensure that all books are adjusted and there should not be any unreconciled BGL / unadjusted books of accounts.
- Recovery of EM charges, Documentation charges, Term loan review charges etc should be recovered in all eligible without fail.
- Branch Manager to ensure that correct ROI is applied in all loan / OCC accounts and there should not be any leakage of income.
- Branch Manager should refer circular on Annual Closing of accounts and Statutory Audit issued by CO: Accounts dept and ensure preparedness of branch for smooth conduct of Statutory Audit.

INSPECTION:

Tools at the Branch Level:

- ✓ Unit/Factory Visit Reports
- ✓ Stock Statements/Book Debts Statements.
- ✓ Reports on Concurrent audit, Credit Audit, Risk Based Internal Audit, Statutory Audit, RBI Inspection, Stock Audit, Legal Audit etc.
- ✓ Quarterly Information System (QIS).

- ✓ Monthly Credit Relationship Manager Report (CRM Reports)
- ✓ Scrutiny of operations in the account (Poor turnover, vis-à-vis, sales realization, overdues, frequent return of cheques / bills, issuing cheques not connected to main business, frequent excess drawing, frequent devolvement of LCs/invoking of BGs etc).
- ✓ GST (Goods and Service Tax) Return/ Challans/ Production Report / Account Operation / Balance Sheet / Quarterly Progress Report etc.
- ✓ Audited/Provisional Financial Statements
- ✓ Annual accounts filed with Registrar of Companies - Verification through search at Office of Registrar of Companies by empanelled Company Secretaries / Chartered Accountants or by our own Officers, wherever need is felt, to ascertain / compare with the balance sheet particulars filed with Registrar of Companies.
- ✓ Adverse newspaper, market reports, including exit of key management persons / Board Members. Exchange of information / reports with other Banks in consortium meetings.
- ✓ External / Internal Credit Rating.
- ✓ Sharp fall in the share price of the Company.

Monthly Credit Relationship Manager Report (CRM Reports):

For monitoring of high value advances of Rs.1.00 Crore and above, the Monthly Credit Relationship Manager Report (CRM Reports) is to be submitted through the software made available in EWS portal.

Accounts to be covered under Credit Audit:

Category	Limit
Standard borrowal A/Cs with rating of IB-BBB (Obligor) and above	Rs.5 Crore & above
Standard borrowal A/Cs with rating below IB-BBB (Obligor)	Rs.1 Crore & above

STOCK AUDIT

Stock and book-debt audit should be conducted on yearly basis* (the gap between two such audits should not exceed 15 months) for all advances except NBFC (sanctioned against stocks / books debts as primary security) having aggregate fund based and non-fund based exposure equal to or above the threshold limit as given below:

S. No	Type of Customer	Threshold limit (Working Capital – FB + NFB) for Stock Audit (Rs. in Crore)
1	Individual / Partnership Firm	1.00
2	Private Limited Companies	2.00
3	Public Limited Companies	5.00
4	Public Sector Undertakings	Exempted
5	Consortium Advances - As Member	As per policy of leader
6	Consortium Advances - As Leader	As mentioned in S.No.1 to 4 above
7	Multiple Banking	As per the policy of the Bank having the largest Exposure
8	Stock Audit of NPA Accounts@	To be conducted on an annual basis for working capital limit of Rs.1.00 Crore and above irrespective of constitution
9	Contractors (Highways, power projects and other infrastructure projects)	5.00 (provided the exposure is covered with 100% collateral security)

LEGAL AUDIT:

A system of legal audit for accounts with exposure of Rs.100 Lakh and above where mortgage of property is involved has been put in place.

Preparedness for RBIA:

- ✓ Branch Manager should ensure that all Loan/OD/OCC documents are arranged as per Loan /OD/OCC Balance file.
- ✓ Branch Manager should ensure that all documents are properly filled up.
- ✓ Duly filled in D11 should be placed along with documents.
- ✓ EM creation, Registration with SRO (Sub Registrar's Office) and CERSAI is completed in all eligible accounts and record is properly placed along with the loan documents.
- ✓ Unit Visit report / Visit report of Mortgaged properties should be prepared and placed along with the loan documents.
- ✓ Branch Manager should ensure that charge with CERSAI has been registered for all movable and immovable and record for same is available along with the loan documents.
- ✓ Branch Manager should obtain latest EC (Encumbrance Certificate) and TPR (Tax Paid Receipt) of mortgaged property.
- ✓ Branch Manager should ensure that Genuineness of Title deed is obtained in all cases where immovable properties has been taken as collateral.
- ✓ Review/ Renewal to be completed for all the accounts.
- ✓ Latest financials and Stock statement to be obtained for the OD/ OCC accounts.
- ✓ Branch Manager should verify sanction ticket and ensure that all terms and conditions of sanction have been complied. In case of any pending compliance, suitable steps to be initiated for complying the same.
- ✓ There should not be any persisting irregularity pertaining to Zero Tolerance Area (ZTA).
- ✓ Some important areas where adverse observations are generally made during RBIA of branches are:
 - Time Barred DPNs
 - Missing Loan Documents
 - Blank Documents
 - EM related deficiencies
 - Security of Agricultural property for Non Agri purposes.
 - Third party securities
 - CERSAI
- ✓ Unit inspection module has been ported in help desk. Branch Manager should ensure that unit visit is updated in the module.

Rectification of irregularities observed in RBIA reply and FRC:

- ✓ Branch Manager should go through last RBIA report and ensure rectification of pending/persisting irregularities.

- ✓ During the course of RBIA, Branch Manager should ensure proper coordination of ABM / Loan officer with the inspecting officials for rectification of on the spot irregularities pointed out.
- ✓ Branch Manager must take proactive steps for rectification of pending irregularities immediately after completion of RBIA.
- ✓ Due importance to be given for rectification of irregularities observed in RBIA and rectification replies to the RBIA reports should be submitted within the stipulated period.
- ✓ Apart from replying to inspection reports and furnishing FRCs in time, Branch Manager should ensure that lapses pointed out during RBIA are not repeated again.

12.

Staff accountability

- **Staff Accountability:** It is a process to find out why a borrowal account has failed, besides determining the factors that resulted in loss/ likely loss. It is a fact finding exercise and not a fault finding exercise.
- Staff accountability study should be taken up after providing one calendar quarter of cooling period for fresh slippage of all NPA accounts.
- If the account is not upgraded during the cooling period, examination of Staff Accountability shall be undertaken. However, the cooling period is not applicable for accounts which slip to NPA for the second or successive times.
- The trigger point for conducting Staff Accountability study will be earliest of any one of the following events occurring in the borrowal accounts
 - ✚ account slipping to NPA category
 - ✚ at the time of filing suit
 - ✚ at the time of considering OTS either in NPA or in standard accounts (in exceptional cases)
 - ✚ Any adverse findings reported in any audit including Concurrent Audit, Credit Audit, Stock Audit, RBIA, LFAR (Long Form Audit Report), Branch visit report by Executives, RBI Inspection Report, etc warranting study on staff lapses.
- “Non-credit areas where malafide intention or violations of procedural guidelines are observed shall also be brought under the ambit of Staff accountability”. An illustrative list of such irregularities is given below.
 - ✓ Non-compliance to KYC/AML/CFT (Know Your Customer/ Anti-Money Laundering/ Combating of Financing of Terrorism) guidelines.
 - ✓ Failure to comply with external guidelines viz. FEMA (Foreign Exchange Management Act), RBI guidelines etc.
 - ✓ Unauthorised debit to customers account
 - ✓ Unauthorised debit to Branch GLs
 - ✓ Irregularities in procurement of goods, works and services including appointment of consultants, TPE, etc
 - ✓ Misutilisation of staff benefits like LFC, etc
 - ✓ Misappropriation of Customer’s / Bank’s funds
 - ✓ Lacking control in and misuse of nominal accounts such as Sundry Deposit, Sundries Receivable, Subsidy Reserve Fund, etc.
 - ✓ Opening/maintaining/using of unauthorised parking/ fictitious accounts
 - ✓ Lacking control over leakage of interest/non-interest income
 - ✓ Allowing loan documents to get time barred
 - ✓ Failure in filing of EP, etc in time
- While submitting the Staff Accountability Report, the Branch Manager should scrutinize all aspects of the account; make a mention of all the lapses observed and the official’s responsible, irrespective of whether or not the loss / potential loss is caused by the lapses of the official/s concerned.
- For submitting the Staff Accountability Report, the Branch Manager should, besides examining the files and documents of the account, also examine regular/snap/special inspection reports, concurrent audit reports, RBI inspection reports, etc., to assess as to whether there have been lapses on the part of the official/s concerned.

- The staff accountability study exercise be conducted and completed within 90 days from the earliest of trigger point in case of Standard / SMA Assets or from the end of the cooling period in case of NPA accounts.
- In all cases of slippage of assets - accounts with exposure of less than Rs. 10 lakhs, into non performing category, the Staff Accountability Report (as per annexure I or II as per Staff Accountability Policy 2018-19, as the case may be) shall be prepared and submitted by the Branch Manager to the Zonal Manager within 15 days from the date of end of cooling period for fresh NPA accounts and from the date of NPA for accounts which slip to NPA for the second or successive times.
- The advance had been sanctioned by the incumbent Branch Manager himself; examining staff accountability shall be done by officer nominated by ZO.

Routine Do's and Don'ts for Branch Managers

Dos:

- ✓ BM should be a role model of the branch and he should set high standards for others i.e. subordinates to follow.
- ✓ BM should inculcate the habit of reading Help Desk and Intranet every day to update on what is happening in the Bank. Develop the habit of seeing Dash Board to find out the achievements vis-à-vis targets.
- ✓ BM should verify important reports like supervisory override, exceptional reports, TOD/Excess Report, SMA/NPA accounts etc. on day to day basis for effective monitoring.
- ✓ Verify Voucher Verification Report of Rs. 10.00 lakhs and above transactions with vouchers or assign the job to ABM every day.
- ✓ Keep all important electronic gadgets like CCTV, Fire Alarm working at all times, properly maintained in good working conditions.
- ✓ Check the critical heads Parking account, Routing account, GL heads, etc. every day to ensure that no unwanted transactions are routed through these accounts.
- ✓ Ensure all expenditure and SR II vouchers are signed by two officials, one being the signature of BM or ABM
- ✓ Ensure punctuality and discipline among staff for smooth function of branch & customer service
- ✓ Allocation of Job to Subordinates and monitoring the performance.
- ✓ Ensure that the Key Movement Registers are properly maintained with the signatures of staff concerned.
- ✓ Maintain contact register with details of business sought and prospects.
- ✓ Monthly checking of jewel pockets to ensure that the number of pockets is tallying as per Loans Balance Book.
- ✓ Ensure that all the documents are properly kept as per the Loan Balance Book and also ensure that the documents are renewed in time to keep them live at all times.
- ✓ Exercise due care and caution while discussing with the customers
- ✓ Conduct staff meeting every month with special focus on Business development as per structured agenda.
- ✓ Ensure that the systems and procedures are strictly adhered to

- ✓ Complete the documentation and compliance of terms and conditions before disbursement of loans.
- ✓ Ensure Proper entries in statutory registers like Document Execution Register, EM Register etc.
- ✓ Ensure the security perfection is completed in all respects like Registration of MOTD, Charges and CERSAI etc well within the stipulated time before disbursement of loan.
- ✓ Record all enquiries and observations about the parties, inspection of property or visit to the customers place etc done for due diligence.
- ✓ Keep healthy relationship with staffs & customers.

DON'Ts

- ✗ Don't work in haste because working in haste makes your time waste
- ✗ Don't commit to any customers unless you are confident of solving the problems
- ✗ Don't deviate from systems and procedures. In case of absolute necessity, take permission from appropriate authority and record it.
- ✗ Never exceed powers either administrative or credit related.
- ✗ Don't disburse the loans unless all the terms and conditions are complied with.
- ✗ Don't succumb to pressure while taking important decisions like sanction of loans, disbursement etc.
- ✗ Don't mix up your emotions while taking critical decisions. Don't attach too much importance for other's problems. Try to help them within the given framework.
- ✗ Never take a credit decision without visiting the customer's residence, work place, security offered etc.
- ✗ Never sanction loans unless you are completely satisfied with the proposal.
- ✗ Last but not the least **NEVER INDULGE IN SHORT CUT METHODS TO REACH TARGETS**

Staff Accountability: The objective of staff accountability policy is to enhance the morale of the employees who are working in the interest of the organisation within the frame work of Bank's guidelines. It is a process to find out why a borrowal account has failed, besides determining the factors that resulted in loss/ likely loss. It is a fact finding exercise and not a fault finding exercise. The process is carried out in a) Credit Area b) Non- Credit area. Staff accountability draw a line between a business loss which has arisen as a consequence of bonafide commercial decisions and an extraordinary loss which has occurred due to malafide/motivated/ reckless / negligent performance of duties.

Staff accountability study for all fresh NPA accounts should be taken up immediately upon flagging the account as NPA without any cooling period. However if the account is upgraded during the process of staff accountability study by recovering the critical/overdue amount SA study may be deferred.

Staff accountability study need not be conducted for

- I. All government sponsored loans with book balance upto Rs 3.00 lakhs as on date of NPA
- II. All DRI loans
- III. All educational loans with sanctioned limit upto and inclusive of Rs 4.00 lakhs

- IV. All crop loans/IBKCC sanctioned with limit upto and inclusive of Rs 1.00 lakh, just because the account has turned NPA unless otherwise warranted for reasons like fraud, malice, serious irregularities/allegations reported against branch Manager etc and at the discretion of Zonal Manager.
- **The trigger point for conducting Staff Accountability study for loan account will be earliest of any one of the following events occurring in the borrowal accounts**
 - ✓ Account slipping to NPA category
 - ✓ At the time of filing suit
 - ✓ At the time of considering OTS either in NPA or in standard accounts (in exceptional cases)
 - ✓ Any adverse findings reported in any audit including Concurrent Audit, Credit Audit, Stock Audit, RBIA, LFAR, Branch visit report by Executives, RBI Inspection Report, etc warranting study on staff lapses.
 - **“Non-credit areas where malafide intention or violation of procedural guidelines is observed shall also be brought under the ambit of staff accountability”.** An illustrative list of such irregularities is given below.
 - ✓ Non-compliance to KYC/AML/CFT guidelines .
 - ✓ Failure to comply with external guidelines viz. FEMA, RBI guidelines etc.
 - ✓ Unauthorised debit to customers account
 - ✓ Unauthorised debit to Branch GLs
 - ✓ Irregularities in procurement of goods, works and services including appointment of consultants, TPE, etc
 - ✓ Misutilisation of staff benefits like LFC, etc
 - ✓ Misappropriation of Customers' / Bank's funds
 - ✓ Lacking control in and misuse of nominal accounts such as Sundry Deposit, Sundries Receivable, Subsidy Reserve Fund, etc.
 - ✓ Opening/maintaining/using of unauthorised parking/ fictitious accounts
 - ✓ Lacking control over leakage of interest/non-interest income
 - ✓ Allowing loan documents to get time barred
 - ✓ Failure in filing of EP, etc in time
 - **Entire exercise of examination of staff accountability is to be completed within**
 - i. 180 days of identification/classification of any advance related account as NPA
 - ii. 90 days from the date of reporting of incidence in all other cases.
 - Staff accountability process is to be completed on priority basis for accounts/cases where retiring staff are involved.
 - **Quick Mortality Borrowal Accounts:**
 - All Accounts becoming NPA within a period of one year from the date of first disbursement, in respect of limits sanctioned to borrowers for the first time are to be treated as Quick Mortality Cases.
 - Wherever two or more instances of Quick Mortality Cases with Individual Book balance of Rs 10lakhs and above are reported by a branch during a quarter, ZM shall take up with ZACE to decide whether to verify all loans sanctioned by the branch and get the same recorded in the minutes of the ZACE meetings
 - **In case of quick mortality borrowal accounts** staff accountability is to be examined carefully from various angles such as verification of KYC norms, CIBIL, due diligence of borrower/firm/company/trust etc and for different stages like pre sanction appraisal, sanction, disbursement, monitoring etc as per various policies of the Bank.

- Staff accountability study shall be restricted to successive two regular RBIA(Risk based internal audit) or regular inspections during the three years from the time of commission of the lapse in question or within 4 years from the date of relief of the official/s concerned from the branch whichever is later. However where malafide intention or fraud is observed staff accountability may be looked into beyond this period.
- **Staff accountability study is based on the outstanding balance (excluding MOI/MLE/MEX) (Memorandum of Interest/ Memorandum of Legal Expenses/ Memorandum of Other Expenses).**
- The standard format/s devised by CO: Staff accountability cell shall be used for the study of staff accountability.
- **Authority to determine staff accountability:**

Exposure in the account	Competent authority
Less than Rs 25 lakhs	Committee on staff accountability headed by Zonal Manager(ZMSAC)
Rs 25 lakhs and above and less than Rs200 lakhs	Zonal staff accountability committee--- ZSAC
Rs 200 lakhs and above, less than Rs 500 lakhs	Staff accountability committee at FGM office--FGMOSAC
Rs 500 lakhs and above	Staff accountability committee at Corporate office--COSAC

- **While submitting the Staff Accountability Report**, the Branch Manager should scrutinize all aspects of the account, make a mention of all the lapses observed and the official/s responsible, irrespective of whether or not the loss / potential loss is caused by the lapses of the official/s concerned.
- For submitting the Staff Accountability Report, the Branch Manager should, besides examining the files and documents of the account, also examine regular/snap/special inspection reports, concurrent audit reports, RBI inspection reports, etc., to assess as to whether there have been lapses on the part of the official/s concerned.
- **In respect of advance related accounts**, primary responsibility of verification of basic documents such as KYC details, CIBIL data, RBI defaulter list, etc of borrower(s),CO borrower(s)/guarantor(s) and financial statements of the borrowing entities ,etc for their correctness, genuineness lies with the loan processing official wherever loan officer/CRM is available. Notation for the same is required to be incorporated in all the appraisal notes. If loan officer/CRM is not available in the branch, Branch manager is responsible for the same. Desk/Processing official/s Manager/SM/CM is/are responsible at ZO/FGMO/CO. Sanctioning authority shall, however, ensure the compliance of the above details.
- Responsibility to create mortgage, CERSAI/ROC filing, obtention of acknowledgement of debt, renewal of insurance vests with loan officer/CRM at the branch .If loan officer /CRM is not available in the branch, Branch Manager is responsible for the same.
- All the above activities are to be undertaken based on job role allotted to the respective officials in the office order based on CO: HRM guidelines.
- **Staff Accountability Process at Branch**
- In all cases of slippage of assets-accounts with exposure of less than Rs 25 lakhs, into non performing category, the staff accountability report shall be prepared and submitted by the branch manager to the Zonal Manager within 30 days from the date of flagging of the account as NPA.

However determination of staff accountability would be made by the committee headed by ZM as per the authority mentioned in the policy.

- Consolidated report/statement may be prepared and submitted by BMs for NPA accounts having book balance upto Rs 10 lakhs sectorwise/ schemewise, with remarks as to the existence of staff accountability or otherwise.
- If the advance had been sanctioned by the incumbent Branch Manager himself, study/examination of staff accountability shall be arranged/done by the Zonal Office.
- **Staff Accountability Process at Branch for with exposure Rs 25 lakhs and above**
-

Exposure in the account	Competent authority to depute official to conduct SA study at Branch
Rs 25 lakhs and above to less than Rs 200 lakhs	ZM
Rs 200 lakhs and above to less than Rs 500 lakhs	FGM
Rs 500 lakhs and above	CO: Staff accountability Cell

Ref: **Staff accountability Policy . FY 2020-2021. Version. 1 . Dated 01-04-2020**

13. Fraud Risk Management (PREVENTION OF FRAUDS)

Branch should ensure compliance of following aspects for prevention of frauds:

- The branches should strictly follow KYC norms while opening deposit as well as loan accounts.
- Visit borrowers / guarantor's residence / property sites proposed to be purchased and their office / place of business to ascertain their genuineness.
- Discreet enquiries are to be made to ascertain their credentials and antecedents, information about their loans, if any, availed by them from other branches / Bank / Institutions, etc. at the time of pre-sanction efforts.
- The branches should make an intelligent scrutiny of the lawyer's report and valuation report instead of solely relying on them.
- Legal audit should be conducted for eligible accounts, to mitigate frauds related to title deeds / equitable mortgage. Please refer Credit Risk Management Policy for details.
- Meaningful and regular checking of alert reports and voucher verification are to be done.
- Reconciliation / squaring off System Suspense Account(s) on a regular basis.
- Staff accounts should be monitored by Branch Head at regular intervals.
- The capability level permitted to officials in the system should not exceed the powers delegated to them.
- The fraud prevention and other instructions issued / laid down by Department of Information Technology (DIT) and RBI guidelines should be meticulously followed.
- Caution list(s), Defaulter's list, Central Fraud Registry (CFR), Central Repository of Information on Large Credits (CRILC), Central Information Commission (CIC), Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) should be referred regularly at the time of sanction of loans, renewal etc
- Whistle blowing concept / alertness award scheme should be promoted / encouraged

14. Routine Do's and Dont's for Branch Managers

Dos:

- ✓ Branch Manager is the key person at the Branch and should be a role model and set highest standards for others down the line to follow and emulate.
- ✓ Knowledge is Power - Branch Manager should inculcate the habit of reading all the circulars/directions issued by higher authorities then and there and keep himself updated on the changes taking place in the Bank as well as in the industry.
- ✓ Branch Manager should develop the habit of accessing Help Desk and Intranet to keep himself updated on the new products / modification of existing products to suitably guide the customers and staff.
- ✓ Branch Manager is personally responsible/accountable for achieving various business parameters as per business plan. Branch Manager should develop the habit of seeing Dash Board to find out the achievements vis-à-vis targets on daily basis.
- ✓ Branch Manager should not confine himself to the cabin and frequently move around customers" lobby and various departments at the Branch to know the level of customer service and pending work at the various departments and also to ensure systems and procedures are followed meticulously.
- ✓ Ensure punctuality and discipline among staff for smooth functioning of the branch and rendering efficient customer service.
- ✓ Branch Manager should meet new clients on daily basis and maintain contact register with name/contact number/address along with details of business sought for further follow up.
- ✓ Branch Manager should study the potential available in his command area and also his market share of the Business available in the area.
- ✓ Branch Manager should delegate work of routine nature to his subordinates and utilize his expertise for acquiring new clients and improvement of Branch business.
- ✓ Branch Manager should verify, on daily basis, important reports like supervisory override, exceptional reports, TODs/Excesses report, SMA/NPA reports, Standing Instruction failed report, Transactions in Nominal BGL heads etc. Critical heads like Parking account, Routing account are monitored to ensure that no unwanted transactions are routed through these accounts.
- ✓ Branch Manager should conduct surprise verification of Cash at Branch/ATM at frequent intervals.
- ✓ Branch Manager should ensure EVVR is checked with vouchers on regular basis and Highvalue transactions are properly monitored.
- ✓ Branch Manager should ensure safe keeping of all vouchers, numbered items and loan documents etc.
- ✓ All electronic gadgets like CCTV, Fire Alarm/Burglar Alarm are working at all times and ensure AMC"s are in force.
- ✓ Branch Manager should ensure all expenditures are incurred within the delegated powers and signed by two officials including himself.

- ✓ Fraud prone areas like Subsidy Reserve Fund A/c., Inoperative accounts, undelivered Jewel packets, Numbered items etc. should be regularly monitored and checked.
- ✓ Important registers like DPN due date register, Key Movement register, Jewel packet control register, Document execution register, EM register, system break-down register, Branch documents register, Cash book, Numbered items register, Attendance register etc. are kept updated and duly signed by the staff concerned/ABM/BM.
- ✓ Branch Manager should ensure loans/advances are sanctioned strictly as per credit policy/circulars issued from time to time by Corporate Office and within the discretionary limits. Disbursement of loans should be done only after complete documentation and compliance of terms and conditions after making proper entries in Document Execution register/EM registers/ MOTD/CERSAI etc.
- ✓ Branch Manager should regularly verify all staff accounts and monitor closely in case of any abnormal transactions.
- ✓ Staff meeting should be conducted every month with special focus on Business development as per structured agenda.
- ✓ Customer Service committee meeting should be conducted every month and the forum to be utilized for increasing the customer base with the help of existing customers.
- ✓ Branch Manager to exercise due care and caution during discussion with the customers.

DON"Ts:

- × Don't involve any Third party/Middlemen while processing or sanctioning loan, irrespective of the quantum of loan.
- × Don't exceed the discretionary powers either in credit or administrative related.
- × Don't deviate from systems and procedures. In case of absolute necessity, take permission for relaxation from appropriate authority and record it.
- × Don't commit to any customers unless you are confident of fulfilling your commitment.
- × Don't take a credit decision without visiting the customers" residence, work place, security offered etc.
- × Don't handover securities like LIC Policy/NSC/Kisan Vikas Patra to the borrower for noting Bank's lien.
- × Don't blindly rely on NOC"s (No Objection Certificate) produced by borrowers from various authorities, unless cross checked with the departments concerned for genuineness.
- × Borrowers should not be allowed to obtain Legal Opinion /Engineers Valuation Reports of their property proposed to be mortgaged, directly from the Advocate /Engineers.
- × Don't rely too much on Jewel Appraiser. Jewel Appraiser should not be allowed to operate Jewel Safe. Jewel Loan customers should approach only BM/ABM for their credit requirement.
- × Pledged Jewels should be released to the borrowers after obtaining their signature in the Jewel release register only after closure of loan account by either BM or ABM. Jewels should not be handed over to Appraiser.

- × Don't disburse the loans unless all the documentation and terms and conditions are complied with, as per the terms of sanction.
- × Don't blindly rely on Invoices/Quotations submitted by the borrowers for credit facility. Genuineness of the dealer and fair market price of the products are to be verified independently.
- × Don't succumb to pressure while taking important decisions like sanction of loans, disbursement etc.

15.

FAQ on Official Language

Which is the Official Language of India?

Hindi written in Devanagari Script

When is “Hindi Diwas” (Hindi Day) celebrated?

On 14th September

Which form of numerals should be used as per implementation rules of Official Language?

International form of numerals should be used (1 2 3 4 5 6 etc.)

In how many Regions India has been categorized on the basis of language under Official Language Rules 1976?

3 (A, B & C Regions)

Region “A”	Region “B”	Region “C”
State: Bihar, Haryana, Himachal Pradesh, Madhya Pradesh, Chhattisgarh, Jharkhand, Uttarakhand, Rajasthan and Uttar Pradesh UTs : Delhi and Andaman & Nicobar Island	State: Gujarat, Maharashtra and Punjab UTs: Chandigarh, Daman and Diu & Dadra and Nagar Haveli	States and UTs other than those mentioned in Region “A” and “B”

As per the Official Language Rules 1976, what is the percentage of Hindi correspondence to be done by offices/branches situated in Region ‘A’?

100%

As per the Official Language Rules 1976, what is the percentage of Hindi correspondence to be done by offices/branches situated in Region ‘B’?

90%

As per the Official Language Rules 1976, what is the percentage of Hindi correspondence to be done by offices/branches situated in Region ‘C’?

55%

What does Rule 5 of Official Language Rules 1976 state?

All letters received in Hindi should be replied to in Hindi.

What are all the documents that should be issued in Bilingual (Hindi-English) Form as per Section 3 (3) of Official Languages Act 1963?

Hindi and English shall be used for the following documents

General Orders/Office Orders, Press release, Tender, Circulars, Resolution, Rules, Memorandum, Notifications, Contract, Agreements, License, Permit, Admin & other reports and Parliamentary Questionnaire.

What should be bilingual/Trilingual as per Rule 11 of Official Language Rule 1976?

Standard formats, Name plates, Sign boards, Letter head, Envelope, Rubber stamps, Designation Board, Minutes, Publications, Advertisements, Invitation letter, Codes, Manuals, Procedural literature

In how many languages Rubber Stamps should be prepared?

Hindi-English (in Bilingual form)

In how many languages the Letter Head should be prepared?

Hindi-English (in Bilingual form)

What should be the order of languages on Bilingual / Trilingual stationary items?

Bilingual	Trilingual
	LOCAL LANGUAGE
HINDI	↓
↓	HINDI
ENGLISH	↓
	ENGLISH

What is Official Language Implementation Committee?

Every branch / Zonal office / Admin office / Training institute should have an Official Language Implementation Committee, headed by the head of the office; the meeting should be conducted once in every quarter for supervision of Official Languages implementation in their offices and to take further action in this regard

Register of meeting is to be maintained and branches should send the minutes of the meeting to the concerned Zonal Office/Admin Office?

What is Quarterly Progress Report (QPR)?

This report shows the progress of Official Language implementation in your office/branch. Quarterly Hindi Progress Report should be furnished within 15 days of Quarter closing in a prescribed format (branches may get the format from OL Officer of the concerned Zonal Office).

Town Official Language Implementation Committee (TOLIC)

TOLIC comes under Regional Implementation Office, GOI and its members are all central govt. offices / PSU / Banks in the town. TOLIC is constituted by Government of India guidelines. Generally, the senior most officer of the central govt/Bank in the city is nominated as chairman of TOLIC by Govt. of India. This meeting is conducted twice in a year (half yearly). Head of the office/ BM should attend the meeting compulsorily. If the head of Branch/office is not able to attend the meeting then the next senior officer should attend the meeting and the information of this should be sent to the TOLIC convenor Bank in advance.

What is Hindi Incentive Scheme?

Hindi Teaching Scheme, Govt. of India, Department of Official Language conducts 3 exams “Prabodh”, “Praveen” and “Pragya” for staff members of Central govt offices/PSU/Banks etc.

These exams are conducted during **May & November**

Staff members who have acquired ‘Working knowledge’ or ‘Praveen’ in Hindi are not eligible for the incentive

Exam	Region 'A' & 'B'			Region 'C'		
	Pass	More than 70%	More than 70%	Pass	More than 70%	More than 70%
		(with class)	(own efforts)		(with class)	(own efforts)
Prabodh	2000/-	3000/-	4000/-	4000/-	6000/-	8000/-
Praveen	2500/-	3750/-	5000/-	5000/-	7500/-	10,000/-
Pragya	3000/-	4500/-	6000/-	6000/-	9000/-	12,000/-

Who is considered as having ‘Working knowledge’ in Hindi?

If an employee has studied Hindi in Matriculation or Higher studies as a subject or passed any exam conducted by GOI.

Who is considered as ‘Proficient’ (Praveen) in Hindi?

If an employee has studied Matriculation in Hindi Medium or has studied Hindi as an optional subject in Graduation

Where do you find the Hindi related information in Helpdesk of our Bank?

Helpdesk Menu → Intranet → Hindi Section or <https://rajbhasha.gov.in>

16. Be Vigilant, Be alert - Learning Lessons from Past.....

Case 1

Mr X had sanctioned 54 MUDRA (Micro Units Development & Refinance Agency) and number of account slipped to NPA as quick mortality. On further investigation it was found that

- ✚ The BM has not ensured the compliance to KYC norms and discrete enquiry about the customers were not done while sanctioning the loan.
- ✚ In number of cases, it was mentioned that the unit already exists and the customer want to do expansion of their existing business. However, during investigation, it was found that residential address of the customer was mentioned as unit address and the space was not sufficient for setting up unit/ machineries purchased out of loan proceeds. It reflects that the loans were sanctioned without proper pre sanction visit.
- ✚ The financials submitted by the customers were not scrutinized properly while sanctioning the loan. In number of cases, the statement of account submitted by customer shows adverse remark viz several cheques/ ECS (Electronic Clearing Service) returns, non-maintenance of even minimum balance, transactions in account not commensurate with the sales reflected in the balance sheet.
- ✚ Due diligence of suppliers not done. The quotations / invoice Bill didn't reflect details of Model no., Make, Manufacturer of the Machinery/ equipment purchased.
- ✚ Quotations of same suppliers were submitted by the customer for purchase of different goods like Laptop, Photocopy machines, Steel utensils, Furniture items, Tent house Materials, Lathe Machines, Garment items etc
- ✚ The credentials viz GST no, Address of the suppliers mentioned on the quotations was found to be incorrect and no such suppliers were found on the address given.
- ✚ During visit, it was observed that units were not available and on further enquiry with neighbours/ landlord, it was found that units were never set up on the mentioned address.
- ✚ End use of Funds not ensured.
- ✚ Units located in far flung areas were financed.
- ✚ Post disbursement, asset verification not done / record not held.
- ✚ Post sanction follow up / Monitoring - record not held.
- ✚ CIBIL (Credit Information Bureau (India) Limited) report of few accounts reflects overdue / irregular repayment, but the branch had sanctioned the loan ignoring the adverse remark observed in CIBIL without any justification.
- ✚ Further investigation revealed that these proposals were brought through Middlemen / Agent and BM had sanctioned the loans without making proper due diligence.

The above lapses indicates non adherence to stipulated guidelines, systems and procedures. DP against the BM was initiated and punishment has been imposed.

Case 2

Mr A had sanctioned 36 KCC accounts. The accounts could not be renewed even after vigorous follow up with the customer and it slipped to NPA. On further investigation, following irregularities were found

- ✦ Branch has failed to make discrete enquiry about the customer and adherence to KYC norms.
- ✦ The land records submitted for availing KCC were found forged manipulating the actual land holding. The land holding as per records submitted in the Bank were 10 to 15 Ha however, the actual land holding of the customers were only 1-2 acres.
- ✦ Branch had failed to make discrete enquiry from revenue records/ SRO (Sub Registrar's Office) about creation of Charge in favor of our Bank and forged Index II were submitted by the customer.
- ✦ LSR of our Panel advocate Y was found in all the cases. The matter was taken up with the panel advocate, it was informed that the advocate has not submitted any LSR for these accounts and the LSR submitted to the Bank is forged. Since, the payment for the LSR was done in cash directly by the customer; involvement of advocate could not be established.
- ✦ Charge in favor of our Bank was not registered in revenue records and it came to notice that branch had given the forms relating to creation of charge to the customer. In turn, the customer had submitted the forged land record reflecting Bank's charge in the revenue record without actually registering the charge.
- ✦ Branch has failed to verify the revenue record available online confirming the ownership and extent of land holding and charge registered on the land.
- ✦ In number of cases, it was found that the land was already having encumbrance / charge in favor of other Banks prior to sanction of KCC facility by the branch.
- ✦ In number of cases, the customers were not having any land holding but KCC were extended based on forged land records.
- ✦ CIBIL report of few customers reflects adverse remark viz existing KCC facility with other Bank, Overdue loans etc but loans were sanctioned without proper justification.
- ✦ Further investigation revealed that these loans were brought by a middle man and the loans were sanctioned without adhering to the prescribed guidelines above lapses indicates non adherence to stipulated guidelines, systems and procedures. DP (Disciplinary Proceedings) against the BM was initiated and awarded punishment.

Case 3

During statutory audit of B branch, the auditors reported that there are several debits in various expenditure heads of the branch without supporting vouchers/ bills. Detailed investigation revealed that

- ✚ There were several debits in various expenditure heads without proper narration/ details and supporting bills.
- ✚ Expenditure vouchers were not signed by two officials.
- ✚ It was further observed that various BGL heads viz. Residual expenditures, Rent on leased accommodation, Stationery expenses etc were debited and credited to personal account of Mr. R, ABM of the branch without proper bill/ invoice.
- ✚ eVVR verification was not properly done and suspicious entries were verified by Mr R, ABM of the branch by submitting single officer declaration, even though there were 4 officers in the branch.
- ✚ Rent on leased accommodations were debited on 23 occasions against the eligible rent of 5 months and amount was credited to personal account of ABM.
- ✚ There were total failure in internal control and monitoring of branch functioning.

The above lapses indicate total failure in internal control. DP was initiated against the erring officials and award of punishment is under process.

Case 4

During RBIA of Branch M, it was observed that many MUDRA loans were sanctions without following due diligence procedures prescribed by the Bank. The key observations of the inspector are as under

- ✚ Pre sanction visit report not available
- ✚ Appraisal not done at the time of sanction
- ✚ Proper due diligence of the borrower was not done
- ✚ IT returns and other financial papers are not verified with originals
- ✚ CIBIL reports not generated and verified
- ✚ Primary assets are not created
- ✚ Post sanction verification report not available
- ✚ Stock statement not available
- ✚ The facility not covered under CGTMSE/ CGFMU (Credit Guarantee Fund for Micro Units)
- ✚ Insurance cover for stock/ machinery not obtained
- ✚ CERSAI registration not done
- ✚ End use of funds not ensured
- ✚ The above due diligence shortcoming resulted in the assets turning non-performing. Branch Manager should ensure that all Bank specified procedures are to be followed in respect of all loans & advances both at pre/ post sanction. The end use of funds to be ensured.

DP initiated against the erring officials for lapses

Case 5

During Regular inspection of one of the metro branches serious irregularities were noticed in 11 Home Loans sanctioned by Branch Manager.

- ✚ The borrowers have availed the loans by submitting fake salary slips, PAN cards and IT returns.
- ✚ The buildings are incomplete and under possession of builders even after one year of sale and the builders have sold the same flats to many persons in connivance with middleman who is involved in all the Home Loans along with borrowers.
- ✚ Branch had relied on the middleman and failed to do due diligence in respect of credentials such as KYC documents, salary slips, IT Returns etc.
- ✚ Also no due diligence was carried out in respect of the builders and end use of funds was not ensured.
- ✚ The failure on the part of the branch to strictly adhere to laid down procedures facilitated the perpetration of the fraud by the borrowers and middleman.

DP initiated against the erring officials for lapses.

Case 6

During RBIA of Branch K it was observed that the overall housekeeping was very poor and serious irregularities were observed by the inspector. The key observations of the inspector in respect of this branch were as under:

- ✚ 71 time barred DPNs amounting to more than Rs.1.00 Cr
- ✚ EM/ Extension of EM not created in 2 accounts
- ✚ MOD/ Extension of MOD not registered in 1 account
- ✚ CERSAI/ Modification of CERSAI not done in 108 accounts amounting to more than Rs.11.00Cr
- ✚ Missing documents in 16 accounts

The above observations indicate total lack of internal control and very poor housekeeping. This could lead to considerable loss to the Bank. Branch Managers should exercise proper internal control to ensure that all documents are kept in safe custody, all documents are renewed in time and all loans are disbursed only after completion of all documentation/ security creation formalities.

Case 7

Shri. M, Branch Manager of K branch had sanctioned SOD (Secured Over Draft) limit of Rs. 45.00 lakhs to M/s. ABC, (proprietor Shri R) against EM of residential building (six storey building) in 2016. Account became NPA in 2017 (quick mortality). During the process of taking symbolic possession, it came to light that the property was already sold by the borrower to five different persons between 2013 to 2014. The Internal Investigation revealed the followings

- ✚ Shri. R had purchased the property from one Shri. A in 2011 and same was registered in Sub-Registrar Office. Shri. R had sold the said property floor wise to five different persons on various dates between 2013 and 2014.

- ✚ Subsequently, in 2016 Shri. R had submitted fake title deeds and availed the SOD limit of Rs. 45.00 lakhs from K branch by fraudulently mortgaging the same property which was already sold by him, with a malafide intention to cheat the Bank.
- ✚ BM had failed to verify the encumbrance of the property before creation of EM. BM failed to verify EC independently before and after sanctioning of the facility.
- ✚ BM failed to ensure that the unit is existing for last 3 years / minimum three years experience of the proprietor in the line of activity.
- ✚ BM failed to obtain Balance Sheet and VAT returns before sanctioning the facility.
- ✚ Proper due diligence was not done, before sanctioning the facility.
- ✚ BM failed to do proper spot verification of EM property with discreet independent local inquiry, so as to ascertain ownership of the property BM accepted LSR and EVR reports and not cross verified for ownership of the property.

The account has been classified as FRAUD and Disciplinary proceeding against the BM is under process.

Case 8

Mrs. P is maintaining SB account No 4 with our P branch since 1999. The customer had lodged a complaint with the branch on 01.02.2017 stating that Rs.24,000/- and Rs.2,80,000/- were fraudulently withdrawn from her SB account on two days in 2017.

- ✚ During the investigation it was found that there was a letter requesting the branch to issue a cheque book for the SB A/c no. 4, purportedly signed by the account holder authorizing one Mr. R to receive the cheque book. Based on the same, branch had issued a cheque book bearing serial no. 6 to 60.
- ✚ Further it was observed that signature on the request letter differs from the specimen signature available with the branch. One Mr. M presented the cheque across the counter for payment of Rs. 24000/- cheque No.48 dated Jan 2017. The said transaction was passed without verifying the drawer's signature with the specimen signature on record.
- ✚ Also the officer had failed to obtain address, phone number and copy of officially valid document from the presenter of the cheque.
- ✚ The signature of the account holder on the above 2 instruments and the signature on the cheque requisition slip were found to be different from specimen signature of the account holder on record.
- ✚ The staff of the branch were negligent in issuing the cheque book without verification of the signature of the account holder and also not obtaining valid identification documents, address details of the presenter while making cash payment / authorizing RTGS transactions.

Bank had initiated DP action against the staff members involved in the incident.

Case 9

In the recent past a few instances of shortage of physical cash loaded in the ATM were reported when verification was done by inspecting officials. Investigation revealed that the branches had flouted the guidelines in respect of ATM cash loading procedure

- ✚ No maintenance of secrecy of password related to ATM operations
- ✚ Joint operations of ATM / BNAs not done
- ✚ Admin cash not tallied with physical cash
- ✚ ATM EOD not done
- ✚ Random cash verification by another officer not done
- ✚ Verification of cash in ATM/ BNA not done by Inspector/ Concurrent Auditor

The laxity on the part of the branch officials in entrusting the cash loading function to one individual (for several months) led to perpetration of fraud and loss to the Bank.

DP initiated against the erring officials/ staffs for lapses.

17.

Analysis of Customer Complaints and take-away

Customer complaints arise due to

- ✚ Attitudinal aspects in dealing with customer.
- ✚ Inadequacy of the functions / arrangements made available to the customers.
- ✚ Gaps in standard of services expected and actual services rendered.
- ✚ Common deposit related complaints:
 - ✚ Difficulty in Opening the account
 - ✚ Delay in updating Passbook and issuance of statement of account
 - ✚ Difficulty in getting cheque book issuance.
- ✚ Common advances related complaints:
 - ✚ Delay in sanction of loans or demand for collateral security.
 - ✚ Lack of clarity in interest rate, Monthly/ Qtly int.
 - ✚ Arbitrary processing fee, difficulty in documentation.
 - ✚ Wrong reporting to CIBIL / delayed deletion of closed loan accounts.
 - ✚ Heavy charges for inspection, insurance, Mortgage, documentation
 - ✚ Pre closure charges
 - ✚ Charges on loan against term deposit.
- ✚ Other grievances:
 - ✚ Charges related to pre mature payment
 - ✚ Charges on loan against deposits.
 - ✚ Non acceptance of small denomination notes/ coins or charging of commission.
 - ✚ Mobile Banking/ Internet Banking, failure to effect on line payment/ funds transfer.
 - ✚ Delay in Pension credit
 - ✚ Refusal in closing the account, forced closure without prior notice to the customer.

- + Deduction of TDS (Tax Deducted at Source) even after submission of form 15 G/ 15 H.
- + Deduction of minimum balance charges even after depositing advised amount as initial balance.
- + Gist of customer complaint received and action taken by CO/ Branch is as under

Nature of Complaints	Action taken / Action to be taken
<p>The complainant's mother is drawing pension from the branch. When the complainant and her mother visited the branch on 14.11.18 for submitting the life certificate in the evening around 3.45 PM, the concerned dealing officer spoke rudely to them for coming so late and treated them badly.</p>	<p>The concerned officer was cautioned & advised to be more polite while dealing with customers. We have to be more sensitive to customer convenience, instead of looking at our convenience; more so in case of senior citizens</p>
<p>The customer is maintaining SB account and invested Rs.1 lakh under Tax Saver scheme during the year 2013. The said fixed deposit matured on 18.11.18. She complains that the maturity proceeds were paid short - Rs1.54 lakhs credited instead of Rs.1.56 lakhs.</p>	<p>The TDS amount recovered was remitted to Income Tax authorities and branch was advised to inform the customer to claim the amount from I T authorities. Branch after deducting TDS should provide the TDS deduction certificates to the depositors to enable them to make their refund claims, in case eligible.</p>
<p>The customer is maintaining SB account with our branch. He has given ECS mandate for deduction of his LIC policy premium for his various policies. He complains that an amount of Rs.2634 was not deducted from his SB account as per ECS mandate for one of his policies on 28.09.18.</p>	<p>Branch informed that they have verified with our centralised ECS processing centre and confirmed that ECS debit has not happened on 28.09.18 in his account for want of Unique Mandate Reference number. Branch informed the customer to lodge a fresh mandate with LIC for future deduction. While accepting debit mandates branch should ensure that the process of mandate registration is complete and the Unique Mandate Reference number is generated.</p>
<p>The customer is maintaining a SB account with the branch. Presently he has shifted his place of residence to Hyderabad and wanted to transfer his account to an Indian Bank branch nearby. He handed over the request application to the parent branch on 15.10.18 but the account was not transferred even after 20 days.</p>	<p>The request letter was acknowledged and kept in the drawer of the officer without being attended. Such delay can lead to claim of damage by the customer in case there is a delay in cheque book issue and any obligatory payment is delayed, such as insurance payment held up and enforcement of policy is adversely impacted. On receipt of any request from customer</p>

	<p>immediate action should be taken by referring the matter to the concerned desk and following up for compliance</p>
<p>The customer availed an education loan from the Bank during the year 2005. He had closed the loan account during the year 2012. Recently when he approached some other Bank seeking credit facilities, he found that the education loan is still showing as overdue, due to which CIBIL score got affected and his loan was not considered by the Bank. Customer wants immediate issue of NOC in this regard.</p>	<p>Branch informed that customer has not repaid the installments and hence the loan account classified as NPA. Subsequently the loan account was transferred ARC Reliance Company. The customer has closed the account under OTS scheme with Reliance ARC and branch has requested the customer to approach Reliance ARC (Asset Reconstruction Company) for getting the NOC for the loan.</p>
<p>The customer is a member in a SHG group and the group availed credit facility with the branch. She complains that her SB account is blocked even though she paid her dues completely and she is unable to operate the account.</p>	<p>Branch informed that the customer is a member of a SHG which availed a loan of Rs.2.40 lakhs with the branch. The account was classified as NPA with Present balance outstanding is Rs.3.21 lakhs. Under SHG, all members are jointly and severally liable for repayment of the loan. As per loan agreement, Bank has a right to mark general lien without any notice to the borrowers and transfer funds from their SB accounts to the loan account whenever there is default in repayment of the loan.</p> <p>The obligations of a borrower and the Guarantor must be clearly explained at the time of advancing the loan and the relevant clause in the loan document and the consequence should be brought to their knowledge.</p>

18. Things to Know about CTS (Cheque Truncation System) Cheques

In a move to increase speedy collection of crossed cheques, the Reserve Bank of India has come up with new CTS cheques (2010) w.e.f. 01 July, 2010.

Security Features

- ✚ Bank's logo printed with invisible ink water mark can be seen below account number.
- ✚ At the corner of the cheque the words CTS-2010 are printed.
- ✚ Can see Rs symbol on the leaf.
- ✚ Signature place is made more visible and clear.
- ✚ The benefits of CTS
 - ✓ No alteration will be allowed in figure or payee name and the amount in words to avoid the chances of frauds.
 - ✓ Pantograph with hidden embedded symbols is available in the cheque leaf. - For Prevention of Frauds
 - ✓ All cheques should have a watermark with CTS India logo on it which has ultra violet reading features and can be seen in lights.
 - ✓ Bank's logo printed with ultra violet reading features.
 - ✓ Placement of significant fields on the cheque forms is mandated.
 - ✓ Speeds up collection.
 - ✓ No geographical restrictions.
 - ✓ Operational efficiency for Banks and customers.
 - ✓ Reduction in operational risk
 - ✓ Minimizes clearing frauds.
 - ✓ Minimizes cost of collection of cheques
 - ✓ No fear of losing cheque in transit.
 - ✓ No wastage of manpower, money and time (As there is no physical movement of cheque)

Validity Period

- ✚ W.e.f. 1 April 2012, cheques, drafts, pay orders and Banker's cheques are valid for only three months. Previously, these instruments were valid for six months from the date of issue.
- ✚ Cheque bounce due to financial reasons is a criminal offence in India, covered under section 138 of the Negotiable Instruments Act
- ✚ As per recent amendment, a complaint about dishonor of cheque under Section 138 of Negotiable Instruments Act can only be filed in the court situated at a place where the Bank branch, in which payee's account is maintained, is situated.
- ✚ The recourse under Section 138 of NI Act mandates stipulated time bound action like issuance of demand notice to the drawer. Hence it is important to handover the returned cheque along with the return memo to the customer immediately without any delay.

19.

IT Management

- ✚ Ensure functioning of all CBS nodes and Hardware viz Printers, Scanners etc
- ✚ Ensure installation of CBS & Antivirus patches at regular intervals
- ✚ Verify gliff report before proceeding for EOD (End of the Day) on day to day basis.
- ✚ Verify critical reports on daily basis CBS Helpdesk.
- ✚ Ensure proper functioning of ATMs and display of mandatory information in the ATM Cabin
- ✚ Always maintain ATM cash only within the permitted limit
- ✚ Ensure electrical audit of the Branch and ATM at prescribed intervals
- ✚ Ensure availability of the CBS connectivity and electrical configuration diagram
- ✚ Ensure periodical maintenance and refilling of cartage of printers.
- ✚ Ensure periodical refilling of distilled water in UPS (Uninterruptible Power Supply) batteries for branch / ATM
- ✚ Ensure proper functioning of CCTV and availability of 90 day's backup as per norms
- ✚ Ensure standby GPRS (General Packet Radio Service) line is functional.
- ✚ Ensure EOD in Branch, ATM & BNA on a daily basis
- ✚ Maintain all records in the AMC register for timely renewal
- ✚ Maintain all prescribed registers as per ISS (Information Systems Security) audit
- ✚ Note to keep password cover of Server ATM under safe custody
- ✚ Do not allow any unauthorized access to computer / server room
- ✚ Do not keep peripheral devices like printer in server room
- ✚ Do not keep inflammable materials near to Server room
- ✚ Do not allow eatables inside server room
- ✚ Never allow the users to login in any id other than their own
- ✚ Do not exercise higher passing powers unless authorized
- ✚ Ensure password secrecy
- ✚ Check network modem status and keep all the network equipment's in racks under lock and key
- ✚ Ensure server is connected to two different UPS and periodically switchover between UPS for proper emergency backup
- ✚ Understand the implication of error messages instead of just closing them and act accordingly
- ✚ Do not allow any unauthorized software to be installed
- ✚ Take printout of all important reports and verify the same on daily basis
- ✚ Do not use dongle for internet purposes in any CBS system or any internet connected PCs to CBS LAN
- ✚ Do not download files from any untrusted site
- ✚ Ensure that alternate AC in ATM / Server Room is in proper working condition along with the Timer device
- ✚ Ensure email configuration for the branch and frequent checking of the inward mails (as IP messenger is being withdrawn in a phased manner)

20.

Security Management

Daily- Security

- The branch should be opened only in the presence of an Officer/Manager. Side entrance, if any, should be locked.
- The guards should be neatly dressed in full and clean uniform and be alert and vigilant.
- The guard should remain armed at the entrance of the strong room when safe is operated for withdrawal or deposit of cash
- When the guard is not provided, access control should be strictly enforced.
- Strong room door should not be visible to the public and doors of the strong room should be locked when joint custodians operate the safe.
- The cashiers and tellers should be inside the cash cabins before the branch commences business. **The cabins should remain locked from inside during working hours and during going out of cabin.**
- The check list for cashiers should be available in the cash cabin and cash box to be kept chained. **Customer side opening should be properly closed to prevent the unauthorized entry.**
- Unauthorised persons should be prevented from entering cash department and only cashiers should be permitted inside the cash cabin
- Damages, if any to doors, windows, grills, electrical wiring and fittings should be checked. Also the perimeter wall/fence and gates should be checked.
- The automatic burglar alarm should be turned to Day mode during day time and Night mode while closing the branch. The emergency lights should be made available during power shut down.
- The guard on duty should remain at his place during the Bank's working hours and leave his place only when the reliever reports for duty.
- Fire Extinguishers should be kept clean, serviceable and properly fixed.
- All security devices - CCTV, Bugler alarm, Sensor etc should be checked daily and maintained in proper working conditions.
- All staff should remain alert during business hours and office hours in respect of persons entering in to the premises without any specific Banking related queries and transaction requirements and loitering around by any unidentified person should be politely questioned.
- **A customer should not roam inside the branch premises unnecessarily. If roaming means, he should be questioned by Bank's staffs.**

At Closing Hour

- No one should be left inside the premises. Special care should be taken to ensure that all fans, lights, ACs, mechanical and electrical appliances are switched off. All windows / doors are locked /bolted.
- All documents including numbered items like Deposit Receipts/Demand Drafts etc are kept under proper custody. Emergency light auto switch is in off position.
- The Burglar Alarm System is kept "ON" and on night mode if it is available.
- After satisfying that everything is in order, the main door should be locked in the presence of the Manager or an Officer. None of the important keys of the branch should be left in the branch overnight

Precautions during Cash Remittance

Remittance of Cash by Taxi/Three Wheeler / Cycle Rickshaw

- Where cash van / Bank's vehicle is not available, cash van may be hired on contract. It must be ensured that the van is hired from a reputed agency / party.
- The antecedents of the cash van owner as well as the driver should be verified. In case due to some unavoidable reasons even cash van on contractual basis is not available then a private vehicle may be used.
- But as far as possible a taxi should be preferred to a three wheeler scooter and three-wheeler scooter to a cycle rickshaw. Vehicles owned by Bank staff or their close relatives should not be used.
- Where a taxi is used, the cash box should NOT be kept in the luggage boot/carrier but should be kept inside the car. Where private vehicles are used, only closed vehicles should be used.
- The cash container should be chained to the body of the vehicle. The vehicle should be inspected to ascertain that the facility for chaining the cash box to the body of the vehicle are available and that the doors can be locked from inside.

Carrying of Cash on Foot

- In case no mode of transport, either private or public, is available and the distance to be covered is short, cash remittances may have to be sent on foot. In such cases, remittance should not exceed Rs. 2 lakhs in each occasion.

Remittances by Public Transport

- In case the Bank does not have its own vehicle for cash remittance in a particular area and no private mode of conveyance is available or the distance between two branches is quite long, it may be necessary to send the cash remittances by public transport such as trains and buses. Night halts if any, during such journeys, should be at secure location preferably at police stations. In such cases, following safeguards must be observed:
 - The seats occupied by the carrier and the escort should be away from the door.
 - The escort should sit behind the carrier as far as possible.
 - Direct bus routes should be preferred and circuitous routes should be avoided.
 - The container should be chained to the seat

Cash Remittance in Normal/General Area's:

- For value up to Rs. 40.00 Lakhs: - Armed Guard may not be necessary,
- For value exceeding Rs. 40.00 Lakhs to Rs. 50.00 Lakhs: - Escorted by one armed guard,
- For value exceeding Rs 50 Lakhs to Rs 10 Crores: - Escorted by two armed guards- either by own escorts or by outsourced agencies
- For value exceeding Rs 10 Crores and above: - Escorted by Police

Cash Remittance in UP, Bihar, Jharkhand, Chhattisgarh and Orissa and North Eastern India

- The following restrictions shall be enforced in the above states:
 - For remittances up to Rs.20 lakhs it may not be necessary to provide an armed escort. However, the Bank's cash van will always be provided with Armed Guards.
 - All remittances above Rs.20 lakhs and up to Rs.50 lakhs should be accompanied by at least one-armed guard.
 - All remittances exceeding Rs.50 lakhs and upto Rs.3 Crores should be accompanied by at least two armed guards
 - Normally cash remittance on a single occasion should not exceed Rs.3 Crores.

Other Important points during cash remittance:

- Remittances should be dispatched during daytime and should reach the destination well before dusk. Strict secrecy of remittances should be maintained
- Proper planning for such road journeys should be made, not by the Bank officials alone but in consultation with approval of the security forces.
- While hiring of Vehicle for the purpose of cash remittance prior confirmation should be sought from the local PS regarding the credentials of the driver/vehicle owner or the rental service provider as regards their credibility / antecedents / suitability for the said purpose.
- Avoid cash movement during strife torn conditions. Ascertain the situation from the receiving branch before dispatching cash

Some possible reasons for loss of cash while in transit are as under:

- Lack of adequate caution for maintaining the secrecy of the movement of cash.
- Lack of proper planning before cash movement.
- The principle of "Need to know" not being adhered to.
- Standing Operating Procedure (SOP) not being followed as to the preparation, loading, carrying and handing over remittances.
- Casual attitude of staff towards cash remittances, including that of manager, cashier in charge, cashier and the armed guard.
- Indiscretion in passing information regarding the remittance, both inside the branch and over the telephone, code language not being used and lack of proper means of communication.
- At times disregarding the security concept in selecting the route to be followed, giving lift to friends, acquaintances or strangers and stopping en route for shopping or personal errands etc.
- Cash vans generally not being used. Instead, two wheelers, auto rickshaws and other modes of transport being used for personal gains, which are unsuitable from security point of view.
- Containers (Steel) not being used or not being secured to the body of the vehicle with steel chains and locked.

SECURITY MEASURES FOR ATMs

- ATMs / BNAs are lucrative targets and prone to attempts of burglary by anti-social elements. Such attempts can be thwarted to a large extent by adhering to procedural safeguards.
- ATMs / BNAs must be provided with CCTV systems with 90 days back up recording.
- CCTV must have at least 2 High Definition Infra Red Cameras - one inside ATM cabin and the other covering peripheral area. The number of cameras inside the cabin may be commensurate to the number of ATMs / BNAs to provide seamless coverage
- Air-Conditioners in ATM cabin should be connected to individual stabilisers and routed through Timer for automatic changeover and thereby prevent fire incidents.
- ATMs must be provided with rolling shutter with the provision for locking the shutter in the „OPEN“ position to prevent unauthorised pulling down of shutters by miscreants.

MAINTENANCE OF SECURITY SYSTEMS INSTALLED IN BRANCH / ATM

- All Branches including Currency Chests in our Bank and Bank owned ATMs are provided with security systems such as CCTV, Fire Alarm System, Burglar Alarm System and Fire Extinguishers. Additionally, Automatic (Modular type) Fire Extinguisher is installed in Server room of Branches.
- The responsibility of field level functionaries to ensure that these security systems are checked daily and maintained in good working condition at all times. Record of such checks must be maintained in "Security Systems - Daily Check Register".

- AMC for all security systems installed in Branches / ATMs should always be in force and renewed in time - as and when applicable. Fire Extinguishers must be pressure tested / refilled at stipulated periods. Details of AMC should be disseminated to all branches in the zone for information and ease of contact.
- Branch Managers / designated officer should check the serviceability of systems prior to attesting service sheets as and when preventive maintenance is carried out by service provider and thereby authenticate completion of each quarterly service.

21.

TIPS OF DIGITAL PRODUCTS AND SERVICES

TABLE OF CONTENTS

1. Credit Cards
2. Merchant Acquisition
3. Internet Banking/ Mobile Banking
4. Debit Cards
5. Prepaid Cards
6. Daily Limits for Debit Card Transactions

1. Credit Card limits & Sanctioning Authorities

Sanctioning Authority	Limit up to and inclusive of
CM In-charge of Credit at Zonal Offices	Rs.5,00,000/-
AGM In-charge of Credit at Zonal Offices/ Deputy Zonal Manager(AGM)/ Zonal Manager(AGM)	Rs.10,00,000/-
Deputy Zonal Manager(DGM)/ Zonal Manager(DGM)	Rs.15,00,000/-
Zonal Manager(GM)	Rs. 25,00,000/-

Various Credit Card products and daily usage limits.

S. No.	Card Product	ATM Cash Limit	POS / E-Com Purchase Limit	Aggregate Limit
1	Bharath Card	8000	12000	20000
2	Gold Card	25000	75000	100000
3	Platinum Card	50000	150000	200000
4	Business Card	50000	300000	350000

2. Merchant Acquisition

Point of Sale (POS) Machines: POS machines are used to receive payments from customers using their Debit and Credit cards.

QR (Quick Response) Code: QR Code generated for every merchant will be unique which contains the details of merchant's Bank account or pointers to merchant's Bank account.

Aadhaar Pay: In Aadhaar Pay which is developed in association with UIDAI (Unique Identification Authority of India) and NPCI (National Payments Corporation of India), merchant needs a smart mobile device with Aadhaar Pay App installed along with biometric fingerprint scanning facility.

Unified Payment Interface (UPI): Merchants will download the UPI App of our Bank in their smart mobile phone; register their virtual address in UPI.

Payment Gateway Services: Merchant can receive their payments through Internet where customer can make payment using net Banking, cards, UPI etc.

How the payment gateway service is provided to merchant: Payment Gateway Services requirement differs from merchant to merchant. Rates for providing the service to merchants also varies based on the merchant category and various guidelines issued by Government of India and partner Banks. Bank engages the services of the established payment gateway aggregators who provide the service through their gateway and facilitates service to our customers.

Charges for Services & Waivers

POS: Pos Services can be enabled to Merchants / Establishments directly through Branch, Lead Generation or Referral Channel.

Fixed charges: If any equipment/solution/connectivity is provided by Bank to Merchant under Rental Model/ any other model requiring collection of fixed charges, such charges shall be collected from the merchant on monthly/quarterly/half- yearly/yearly basis towards usage cost of the equipment/solution/connectivity and its maintenance.

Recurring charges: Recurring charges shall be charged either fixed amount per transaction or as a percentage on the value of transaction, based on the costs associated with the transaction mode of Merchant Acquisition. The fixed charges can be recovered from the customer's account or Settlement Amount and recurring charges will be recovered from the settlement amount.

Aadhaar Pay/ QR/ UPI: Charges applicable as per NPCI/RBI/GOI guidelines issued from time will be levied. Waivers and Concessions

Waiver/Concession of POS charges (MDR, (Merchant Discount Rate), Rent and Connectivity charges) can be considered, if there is a Net Benefit accruing out of Float funds available in SB/Current account. In other words, Benefit accruing out of Float Funds maintained by the Customer should be more than the Cost to be incurred on deploying the POS terminal

ZLEAC (Zonal Manager) is authorized to Sanction Concession/ Waiver for POS and Payment Gateway Services up to the expenditure limit as detailed below: Net Out Go * (per year)	Sanctioning authority
Upto Rs. 3 Lakh	ZLEAC (AGM)
Upto Rs. 5 Lakh	ZLEAC (DGM)
Upto Rs. 10 Lakh	ZLEAC (GM)

*Net Out Go is the total expenditure to be incurred on providing the services at nil/reduced charges

3. Internet / Mobile Banking

Product name for the Internet Banking services is named as "IndNetBanking" and services are being enabled through the Bank's website <https://www.indianBank.net.in> Product name of the Mobile Banking service is "IndPay / IndOASIS" and UPI Mobile Banking application is "Bhim Indian Bank UPI", the Mobile application installed in smart phones with operating system Android and iOS.

Benefits for the customers:

- No necessity to go to the Bank for non-cash transactions.
- Banking in the comfort of home/ office/ anywhere / anytime in the world.
- Funds Transfer, eTDA(electronic Term Deposit Account), Bill Payment, Statement of account, Lodging Request for cheque book, Status enquiry for issued/deposited cheques, Standing Instruction, etc
- Online availability of Information about the Bank and the products
- Various services are offered through Internet Banking & Mobile Banking. New services are introduced based on emerging technologies, customer requirements, Business needs etc.

Fund Transfer Limits

The default Fund Transfer Limit for Internet Banking is Rs.5 Lakhs. Zonal Managers can sanction need based limits based on the recommendations of Branch Manager after assessing the risk parameters mentioned in the SOP / Circular as detailed below:

Retail Net Banking (RNB): Type of Customer	Default Per day Funds Transfer Limit	Enhancement in Limits
Individuals (RNB)	Rs. 5 Lakhs	Maximum 10 Lakhs can be sanctioned by Zonal Manager based on Branch Manager's recommendations after assessing the risk parameters as defined in the SOP / circular. No further enhancements will be permitted for customers under Retail net Banking beyond 10 lakhs.
Sole-Proprietor Concern (RNB)	Rs. 5 Lakhs	
Trusts / HUF / Societies / Clubs & AOP (RNB / CNB)	Rs. 5 Lakhs	

Corporate Net Banking (CNB)

Type of Customer	Default Per day Funds Transfer Limit	Enhancement in Limits
Partnership Firms (CNB) Private / Public Limited Company (CNB)	Limit Applied by the firm under CNB subject to the maximum of Rs.5 Lakhs	Maximum 100 Crores can be sanctioned by Zonal Manager based on Branch Manager's recommendation after assessing the risk parameters as defined in the SOP / circular.

Banks are free to set their own limits as per RBI circular RBI/2011-12/312 DPSS.CO.PD.No 1098/02.23.02/2011-12 dated 22.12.2011. Transaction Mode	Per day funds transfer limit
IMPS (both Mobile & Net Banking)	Rs. 2,00,000/-
IndPay / IndOASIS	Rs. 2,00,000/
Unified Payment Interface (UPI)	Rs. 1,00,000/- & (Rs 2,00,000/- for ASBA) ASBA (Applications Supported by Blocked Amount)

Customer Education

User-ID related:

- ☐ Facility to change the User ID to "Preferred User ID" as per the customer's choice.
- ☐ Locking of User ID in case of 3 unsuccessful login attempts.
- ☐ Automatic Unlocking of locked User IDs every day at 5.00 AM and 5 PM.
- ☐ Session timings of 20 minutes for Active Session and 10 minutes for Idle Time Out for Internet Banking and 2 minutes for IndPay / IndOASIS.
- ☐ User status change to "DORMANT" state on non-usage of the Internet Banking facility within 15 days from the Date of Activation of User ID.
- ☐ Facility to Transfer Funds only to added Beneficiary Accounts (for all funds transfer to other customer's accounts within Indian Bank and for RTGS / NEFT / IMPS / UPI Transactions).

Password related

- ☐ Forced Password Change during the First Login attempt and forced password change every 180 days (both Login & Transaction passwords).
- ☐ Separate Login and Transaction Passwords for VIEW and Funds Transfer Facility
- ☐ Automatic disabling of "AUTO COMPLETE" option in case of User ID and Passwords
- ☐ Preferred User ID and passwords cannot be the same
- ☐ The login and transaction password should not match with the previously used 3 passwords

Debit Cards

Eligible accounts / customers:

Debit cards can be issued to the following categories of customers:

1. All Individuals having savings Bank / current accounts / Proprietorship accounts including visually challenged and illiterate customers.
2. Minors above 12 years, if the account is opened under “IB Smart Kid”.
3. Add on cards can be GIVEN TO second customers name, for accounts opened under E or S, A or S.
4. Non-resident account holders.
5. Kisan Credit Card customers.
6. Mudra account customers.

Ineligible accounts / customers:

Debit cards should not be issued to the following categories of customers:

1. Cash credit / loan account holders
2. Joint accounts where accounts are operated by jointly or more than one signatory.
3. Accounts of Company, Partnership Firms, Associations, Trusts, HUF, Clubs, Govt. Dept., etc.
4. Accounts in the name of minors (Jointly or severally), except “IB Smart Kid” accounts.
5. Accounts operated upon by Mandate or Power of Attorney.
6. Accounts subjected to litigation/dispute.
7. Accounts attached by a Garnishee/Attachment order.
8. Accounts where no debits are permitted.
9. Encumbered accounts.
10. Accounts of suspended employees (disciplinary action initiated/pending).
11. Accounts for which Debit cards facility was withdrawn earlier because of unsatisfactory conduct of the accounts

1. Prepaid Cards

Open System PPIs: These PPIs are used at any merchant for purchase of goods and services, including financial services, remittance facilities, etc. These PPIs permit cash withdrawal at ATMs / Point of Sale (PoS) / Business Correspondents (BCs).

Our Bank is issuing only Open System PPIs in the form of RuPay Prepaid Cards (IB Cash Card), which can be used in any ATM and POS terminals connected to the RuPay network of NPCI.

Holder: Individuals / Organizations who obtain / purchase PPIs from the Bank and use the same for purchase of goods and services, including financial services, remittance facilities, etc.

Limits: All “limits” in the value of instruments stated in this Policy indicate the maximum value of such instruments, denominated in INR, that shall be issued to any holder, unless otherwise specified.

Cash loading to PPIs is limited to Rs. 50,000/- per month subject to overall limit of the PPI.

Reloading of PPIs is permitted at branches. Provision of reloading of PPIs through Internet Banking and Mobile Banking shall be provided in due course.

All PPIs issued by the Bank have a minimum validity period of one year from the date of issuance of the PPI.

□ PPI holder will be cautioned at reasonable intervals, during the 45 days” period prior to expiry of the validity period of the PPI. The caution advice shall be sent by SMS / e-mail / post.

Handling Refunds

□ Refund requests for the transactions performed using RuPay Prepaid cards are being handled by CO: ATM Service Centre.

□ Refunds in case of failed / returned / rejected / cancelled transactions shall be applied to the respective PPI immediately, to the extent that payment was made initially by debit to the PPI, even if such application of funds results in exceeding the limits prescribed for that type / category of PPI. However, refunds in case of failed / returned / rejected / cancelled transactions using any other payment instrument shall not be credited to PPI.

2. Daily Limits for Debit Card Transactions

S. No	Card Product	ATM Cash Limit (Rs.)	POS / E-Com Purchase Limit	Aggregate Limit (Rs.)
1	Domestic RuPay Classic Card	50,000	50,000	1,00,000
2	Rupay Platinum Card	50,000	1,00,000	1,50,000
3	RuPay PMJDY Card	50,000	50,000	50,000
4	MasterCard World Card	50,000	1,00,000	1,50,000
5	MasterCard E-purse Card	50,000	50,000	1,00,000
6	RuPay Senior Citizen	25,000	50,000	75,000
7	RuPay Mudra Cards	10,000	10,000	20,000
8	RuPay IB i-freedom	25,000	1,00,000	1,25,000
9	MasterCard IB i-freedom cards	50,000	1,00,000	1,50,000
10	MasterCard IB Surabhi	50,000	1,00,000	1,50,000
11	RuPay IB Digi cards	10,000	10,000	10,000
12	RUPAY Pungrain card (Arthia)	50,000	1,00,000	1,50,000
13	RUPAY Kishore Domestic NCMC Card	2,500	2,500	2,500
14	RUPAY Platinum Intl. Debit Card	1,00,000	2,00,000	2,00,000
15	VISA EMV Intl. Debit Card	25,000	25,000	25,000
16	VISA Gold Debit Card	50,000	1,00,000	1,00,000
17	VISA Platinum Debit Card	1,00,000	2,00,000	2,00,000
18	RuPay Debit Select Card	50,000 with an option to increase up to Rs.1,00,000 based on customer request and ZM recommendation.	1,00,000 with an option to increase up to Rs.4,00,000 based on customer request and ZM recommendation	1,50,000, with an option to increase up to Rs.4,50,000 based on customer request and ZM recommendation

PART – II

Precautions and Tips for Loans and Advance

22.

Jewel Loan

Procedure and Precautions:

- The applicant for the loan should approach the Branch Manager/Officer-in- Charge of the jewel loan with his jewels, who will hand over the jewels to the appraiser for weighing, appraisal and certification in the manner laid down earlier.
- The relevant modified loan application (F-120A & F-120B) must be filled in by the borrowers only. The loan clerk or officer-in-charge may assist the borrower in filling up the application form.
- The borrower should furnish in the application form, full particulars of the jewels as well as description of the individual ornaments, purity of the gold and details of activity such as extent of crop in respect of JL agri loans and the business turnover details in respect of JL Traders.
- The application forms should be signed in full by the borrower at the places required therein.
- The jewels should normally be of not less than 22-carat fineness. If the fineness is less than 22 carat, the same should be translated to 22 carat by deducting for copper/ silver and other impurities.
- However, Jewels below 20 Carat fineness should not be accepted as security.
- Ornaments that contain some portions of wax, copper, or other metals and also a large number of stones need not be accepted as security.
- Similarly, ornaments carrying names and initials of persons other than the borrower should not be taken as security without enquiry and without being assured about the bonafides of the owner. It is essential that the Manager should satisfy himself that the applicant is the owner of the ornaments.
- The Manager should not accept as security, jewels belonging to temples or shrines.
- The amount of loan should have a reasonable proportion to the value of the jewels pledged so that the borrowers may not make use of the opportunity of getting the facility of safe custody lockers with nominal loans.
- The Manager may make discreet enquiries about the occupation and other particulars of the applicant so as to satisfy himself about his bonafides. The Manager should be able to distinguish the jewels of different communities.
- Jewel loan may be granted only to Bank's customers, properly introduced to the Branch Manager. No jewel loan should be granted to the Bank's appraiser or to his relatives or persons introduced by him.
- It should be ensured that a customer should not have more than 5 Jewel Loan accounts Outstanding at any point of time irrespective of the sector i.e. Agri, Non Agri Priority and Non Priority.
- In respect of Jewel Loan Traders Priority & Jewel Loan Non Priority (Bullet repayment Scheme) the limit of Loan is restricted Rs 10.00 lakhs only.
- Although the jewels are appraised by the appraiser, the Manager also should satisfy himself about the genuineness, purity and weight of the ornaments and not depend entirely on the appraiser for the valuation. This can be accomplished by asking the appraiser to verify the jewels in his presence and examining the scrap on the touchstone.

- Corrections if any, in the application form should be authenticated under full signature of the borrower. Similarly, the appraiser and the Manager should authenticate if any corrections are made in the appraiser's certificate. Extreme caution should be exercised while appraising the jewels/ornaments offered as security to avoid any fraudulent attempt to cheat the Bank by any mischievous customers.
- Branches may ensure to finance the Short Term Crop Loan accounts, strictly lending the same to scale of finance. Branches should ensure end use of loan released and the same should be recorded in the appropriate column of the application form without fail.
- As soon as the jewel loan is sanctioned, the Branch Manager/Officer should record the sanction details on the reverse of the application form and affix his signature duly authorizing the sanction. After execution of documents (F-120A/F120B) by the borrower, the loan amount will be disbursed in full, routed through borrower's account.
- The appraised jewels along with Appraiser's Certificate should be taken to safe custody by the BM/ Officer immediately after the appraisal of jewels and before the release of loan. Receiving the appraised Jewel Packets in bunches at the end of the day should be avoided.
- While sanctioning loans against the pledge of jewels, branches have to strictly adhere to the systems and procedure as laid down by the corporate office time to time.

Identification Card:

- Identification cards (Annexure 4 of Master Circular on Gold Jewel Loan - 2020) should be made in duplicate, of which, one should be tagged on to the outside of the packet and the second handed over to the borrower. They should be prepared neatly and correctly.
- The officer must release the completed and signed identification cards after verifying the particulars in the application. The borrower should bring his copy of the identification card when he calls at the Bank to remit amount in the jewel loan account or for redemption.
- The blank identification cards should be under the custody of an officer and made available at the time when the jewel is appraised and advanced.
- Whenever the jewels are taken out for verification, the Officer/Inspector who verifies them should note the date in the identification card tagged on to the outside of the packet under his initial.

Safe keeping of the jewels pledged:

- The jewels pledged must be placed in the cloth bags designed for the purpose and firmly tied/ packed and duly initialed by the Branch Manager/Asst. Branch Manager / the officer-in-charge on the identification card tagged/ kept inside the packet. The firmly tied packets with jewels and the tag must be placed in the jewel safe, then and there, which should be under the dual control of two officers of whom one may be the Branch Manager/ ABM.
- Lodgment/withdrawal of jewel packets should be noted in Control Register (Annexure 5 of Master Circular on Gold Jewel Loan - 2020). The packets must be arranged in serial order.
- Jewel Loan documents must be kept separately where documents for other advances are held. Jewel loan documents will contain appropriate jewel loan application, appraiser certificate and documents / credentials collected from the borrower.

- In branches, where there is only one officer, the second key of the Jewel safe should be with the shroff and in offices where there are more than one officer; the second key should be with the other officer. When any one of the joint custodians of the safe goes on leave, the relieving officer/shroff, taking charge will have to verify jewel packets by counting them and verifying them with the Control Register maintained in the safe. Movements of keys should be recorded in the key movement register without fail.
- At the time when the packets are lodged, checked or released, the control register should be signed by both the custodians of the jewel safe. Both of them should be present at the time of lodgment and taking out the jewel packets for delivery to the customers.
- The jewel safe should not be opened by one of the custodians of keys, without the other custodian of keys being present.
- The total number of packets in safe should be verified and tallied with the control register and loan balance file in the CBS reports, once in a month by the custodians and a suitable note recorded in the control register. ZO: Audit department should obtain a Compliance Certificate every month from the Branches.
- Jewel packets should be kept only in the jewel safe.
- In the case of Satellite Offices where the cash and jewels pledged, may be kept in the same safe but in different compartments. Wherever Locker Cabinet/Almirah are used for safe keeping of jewels, Branches have to purchase Jewel safe from reputed companies immediately.

Release of jewels:

- Part release of jewels/ornaments pledged in any account should not be permitted, though part payments towards the loan can be accepted.
- In view of the highly fluctuating gold prices prevailing in the market, immediate steps have to be taken to recover all the overdue jewel loan accounts, outstanding beyond due date of loan.
- After the loan is adjusted, the borrower must be asked to produce identification card (Annexure 4 of Master Circular on Gold Jewel Loan - 2020) before redemption, and sign jewel loan delivery register and also on the jewel loan application Form. If there is a difference between the two signatures, the branch must insist upon the attestation of a respectable person known to the Bank and only after the Manager satisfies himself fully regarding identity of the borrower, the jewel should be handed over.
- As far as possible, the borrower should come in person to take delivery of the jewel/s when the jewel/s is /are redeemed. If however, the borrower is unable to come in person on account of illness or any other reason; he may authorize by a letter any other person to take delivery of the jewels, with a specimen of the signature of this person duly authenticated by the borrower. The Branch Manager should carefully scrutinize the letter of authority by verifying with the signature made in the application form by the borrower at the time of grant of the advance and satisfy himself about its genuineness, the description of the jewels with the identity card and also of the person authorized to receive the jewel/s for and on behalf of the borrower after paying the loan and interest.
- After satisfactory verification, the jewels may be handed over to the person authorized to receive them after getting his/her signature in the jewel delivery register and in the loan application form in token of his having received the jewel/s and on executing a Letter of Indemnity.

As no letter of authority is valid after the death of the borrower, the Branch Manager should satisfy himself that the borrower is alive and in a fit condition to give the letter of authority.

- The particulars of jewels mentioned in the jewel loan application form should be verified with the jewel/s held in the packet/bag by the Branch Manager/Officer-in-Charge and the borrower at the time of their release at the branch itself to avoid any dispute later.
- Before opening the bag, it should be ensured that the packet is intact, un tampered.
- The release of jewels/ornaments should be recorded in the control register, duly signed by both the custodians of keys.

For Further details regarding Jewel Loan, Please refer Master **Circular on Gold Jewel Loan – 2020 (Circular No. ADV- 201/2019-20 dated 21.03.2020)**

Work flow of Jewel Loan

- Interaction with customer by ABM/ Officer In charge of Jewel Loan
- Verification of Credentials of the customer
- Providing JL application and filling of application by Customer
- Verification of Jewels
- Appraisal of Jewels
- Arriving eligible amount
- Sanction of Jewel Loan
- Taking Jewel Packets in our Custody
- Disbursement of Jewel loan
- Lodgement of Jewel Packets in Jewel Safe
- Blank Jewel Loan Identification card should be kept in safe custody.

23. Precautions while extending MUDRA loan:

- Administrative approval from ZO for limits of above Rs. 1.00 lac and up to Rs. 10.00 lacs.
- KYC norms should be meticulously followed. Branch should obtain proof of business entity viz. Shop Act License, Copy of lease agreement, GST no. (if applicable), Udhयोग Aadhaar etc. It should be apart from individual KYC of promoters / guarantors.
- Discrete enquiry about the customer to be made before taking up the proposal.
- Proper scrutiny of Financials & other Credentials viz. statement of account, GST return etc to be done while appraising the proposal.
- Detailed appraisal note should be prepared covering financial viability, Technical feasibility & other aspects of the project.
- CIBIL reports should be verified before sanction of credit facility and a copy of report should be placed along with the loan documents.
- Units located in the nearby area / proximity of the branch should only be financed. Units located at faraway places from base branch should not be financed.
- Projections made by the enterprises should be properly analyzed and quantum of loan should be sanctioned in proportionate to size of the unit.

- In case of accounts with annual turnover more than Rs.1.00 crore, audited financial statements to be submitted.
- Proper scoring of the account should be done through scoring model by incorporating correct details.
- Proper sanction ticket should be prepared covering all aspects viz Limit, ROI, Purpose, Repayment terms, address of the unit etc.
- Stipulated margin should be ensured for the project.
- Due diligence of suppliers should be done before disbursement of the loan.
- Loan amount should be paid directly to suppliers along with margin. Loan amount should not be credited to SB/ CA without ensuring end use of funds.
- End use of Funds should be ensured, periodic asset verification should be done and a report for having verified the assets should be placed along with the loan documents.
- All securities should be adequately insured with Bank Clause - Premium to be borne by the borrower.
- Adequate insurance of assets should be taken for asset created out of Bank finance.
- Branch should not extend multiple loans under MUDRA to different family members of same family.
- Branch should ensure that quotation submitted by the customer is from authorized vendor and proper invoice should be obtained and held on record.
- Periodic unit visit should be done and report should be placed along with documents. Units should be inspected atleast once in a quarter and condition of the working of the unit should be recorded.
- Mechanism for follow up / monitoring of the account should be in place.
- Loan proposal through middle man / Agents should not be entertained.
- Sanction of credit facility on the pretext of getting deposit should not be entertained.
- Accounts should be covered under CGTMSE / CGFMU without fail.
- Loans sanctioned for PMJDY and Agri Allied activities to be covered under CGFMU. For all other eligible accounts CGTMSE cover to be preferred as the coverage under CGTMSE is higher between 75%-85%.
- Loans should be disbursed only after completion of documentations in all aspects and compliance to sanction terms and conditions.

Monitoring of MUDRA Card operations:

- MUDRA cards will be sent to Branches and the card will be issued by the branch to the customer
- Individuals and proprietorship units are eligible for MUDRA card..
- MUDRA Card operations are to be enabled for ATM / POS / e commerce.
- Per day transaction limit for the MUDRA Card is fixed as below
- Per day POS limit will be maximum of Rs.10,000 /-
- Per day ATM card operations will also be maximum of Rs. 10,000/- per day
- If the cards are misused for other purposes, the limit will stand cancelled. A condition to this effect should be stipulated.
- Target group for MUDRA card are micro units with credit requirement upto Rs.10.00 lacs and hence, are expected to be mostly from the unorganized sector. In view of the business operations permitted through debit card, it may not be possible to ensure end use of funds / comply with our general guidelines of monitoring the transactions in the account.

24.

Tips on Agriculture-FI

1. What is FI?

Financial Inclusion- “Financial Inclusion is the process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by mainstream institutional players”

2. What is the purpose to formulate policy on FI and BC management?

The policy aims to accelerate Financial inclusion to promote economic well-being, prosperity and sustainable development through actionable as per the vision documents of National Strategy for Financial Inclusion (NSFI 2019-2024).

3. What is/are the scope of BC applications?

- To carry forward Pradhan Mantri Jhan Dhan Yojana (PMJDY) programme in Mission mode, as it is declared an open ended scheme.
- To Increase our operational outreach by setting up of Fixed Point Banking Outlets manned by BCs where setting up of conventional branch is unviable or to ease the counter pressure at branches by hiving off low value transactions
- To provide Micro ATM to BCs to continue as mobile BCs after fixed office hours.
- The Fixed Point Banking Outlets to operate as both KIOSK POINT and MOBILE OUTLETS. The Business Correspondents deployed at these BC points would operate for minimum hours and days in conformity with RBI compliance of Banking Outlets.
- To set up Mobile outlets operated by Fixed point BCs through Micro ATMs by reaching to villages and serving people at their Door Step for serving customers who cannot visit Kiosk points due to various reasons like old age, disability etc.
- To Leverage BCs/Bank Mitras Model for extending Basic Banking Services to masses, Usage of Low cost technology, Cost benefit approach and to supplement as an extended arm of our base branches.
- To reduce Cost of Deposit and augment NF/NI (Non Fund Based/Non Interest) income
- To assist the branch in recovery/ follow up and for acquiring new clientele.
- To provide Financial Literacy to the hitherto unBanked population.
- To implement additional products and services outlined as per EASE 2.0 (Enhanced Access & Service Excellence) agenda for reform of PSBs by GOI and also the digital Financial Inclusion objective as per EASE 3.0
- To have a robust customer protection and grievance redressed system.

4. What is “3Cs approach” of BC model?

- Capacity Building of BCs,
- Cost Benefit Analysis and
- Compliance with RBI/DFS/ NPCI/UIDAI directives

5. Who are Business Correspondents?

Business Correspondents (BCs) are permitted to carryout transaction on behalf of the Banks as agents.

6. What is Financial Inclusion Plan and what are the phases in FIPs?

Financial Inclusion Plan (FIP) incorporates financial inclusion measures to be implemented by Scheduled Commercial Banks for providing Banking services in unBanked villages.

The FIP was implemented in Three Phases

Phase-I: (2010-13)

Phase-II: (2013-16)

Phase-III: (2016-19)

7. What is National strategy for Financial Inclusion 2019-2024 (NSFI)?

- The National Strategy for Financial Inclusion for India 2019-2024 has been prepared by RBI under the aegis of the Financial Inclusion Advisory Committee and is based on the inputs and suggestions from Government of India, other Financial Sector Regulators Viz., Securities Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority of India (PFRDA).
- This document also reflects various outcomes from wide-ranging consultation held with a range of stakeholders and market players, including National Bank for Agriculture and Rural Development (NABARD), National Payments Corporation of India (NPCI), Commercial Banks and Corporate Business Correspondents etc.
- It includes an analysis of the status and constraints in financial inclusion in India, specific financial inclusion goals, strategy to reach the goals and the mechanism to measure progress.

8. What are the strategies in NSFI(2019-2024)

1. Leadership
2. Target Based Approach
3. Regulatory Approach
4. Market Development
5. Strengthening Infrastructure
6. Last Mile Delivery
7. Innovation & Technology
8. Financial Literacy and Awareness
9. Consumer Protection
10. Monitoring and Evaluation

9. What are the six pillars of National Strategy for Financial Inclusion?

The Action Plan and Milestones set for 5 year strategic plan of NSFI covering the below 6 pillars inter-lia include the timeline for implementation.

- Universal Access to Financial Services
- Providing Basic Bouquet of Financial Services
- Access to Livelihood and Skill Development
- Financial Literacy and Education
- Customer Protection and Grievance Redressal
- Effective Co-ordination

10. What is/are the NFNI income from FI channel

- a) DBT/DBTL (Direct Benefit Transfer/ Direct Benefit Transfer for LPG Subsidy)
- b) Micro Insurance-PMJJBY, PMSBY
- c) Micro Pension-APY (Atal Pension Yojana)
- d) AEPS (Aadhaar Enabled Payment System) off us-Interchange fee on Aadhaar Based Transactions on Micro ATM from NPCI
- e) Merchant Discount Rate (MDR) on Bhim Aadhaar Pay
- f) Permanent Aadhaar Centre- Enrollment & Updation
- g) Cash Handling Charges and general SB account enrollment other than PMJDY to be realized from Customers
- h) Commission from Health and Accidental Insurance Policies of Co-branded products

11. What is/are Cost Benefits from FI Channel?

- De-congestion of Branches & Cost Saving Per Transaction
- Saves Fixed and Variable cost as the model is based on (Operating Expense) structure
- Low cost CASA & Retail Deposit Mobilisation (Cost of Deposit is lesser than conventional sources)
- Reduction in Stationery Cost (Green Banking-AEPS, Card Based Transactions, Pass book Printing, Balance Enquiry, Mini Statement)
- Recovery in NPA accounts (PWO specifically), EMI, Loan Installment collection in Housing, KCC, Interest Collection etc.-NPA reduction
- Publicity & Branding
- Fixed Point Banking Outlets- Compliance of RBI directives

12. What is Jan Dhan Darshak?

It is a mobile application. Department of Financial Services (DFS), Ministry of Finance and National Informatics Centre (NIC) has jointly developed a mobile app called Jan Dhan Darshak as a part of financial inclusion initiative. As the name suggests, this app will act as a guide for the common people in locating a financial service touch point at a given location in the country.

13. What are the salient features of Jan Dhan Darshak Application?

- Find nearby Financial Touch Points, based on current location (Branches/ATM/Post Offices)
- Search by place name
- Search by place name also available with Voice Interface
- Phone number of Bank branches available in app, with the facility of call button for integrated dialing
- User's feedback will go directly to the concerned Bank for carrying out the necessary updation in data in data on financial touch points.

14. What is banking outlet?

A "Banking Outlet" for a Domestic Scheduled Commercial Bank (DSCB), a Small Finance Bank (SFB) and a Payment Bank (PB) is a fixed point service delivery unit, manned by either Bank's staff or its Business Correspondent where services of acceptance of deposits, encashment of cheques/cash withdrawal or lending of money are provided for a minimum of 4 hours per day for at least 5 days a week.

15. What is Part time Banking outlet?

A Banking outlet which does not provide delivery of service for a minimum of 4 hours per day and for at least 5 days a week will be considered a "Part time Banking Outlet".

16. What is meant by Sub Service Area (SSA)?

As per the mission documents of PMJDY, all the 6 lakh villages across the entire country were mapped according to the Service Area of each Bank to have at least one fixed point Banking outlet catering to 1000 to 1500 households, called Sub Service Areas (SSAs).

17. What are the developments in SSAs?

- Villages and Panchyats were made the Nodal Points.
Lakh SSAs created under PMJDY mission.
- Out of 1.30 lakhs SSAs about 0.80 Lakh were already having Banking coverage, 0.50 Lakh new SSAs were targeted.
- Identification of SSAs at the district level is done through District Level Co-ordination committee (DLCCs).

18. Who are eligible to become BCs?

- a) Individuals like Retired Bank Employees, Retired Teachers, Retired Government Employees and Ex-Servicemen, Individual owners of Kirana/medical/fair price shops, Individual Public Call Office (PCO) operators, agents of Small savings schemes of Government of India/Insurance Companies, Individuals who own Petrol Pumps, Authorised functionaries and Individual group members of well-run Self Help Groups (SHGs) which are linked to Banks, and other individual including those operating Common Service Centres (CSCs);
- b) NGOs/MFIs(Micro Finance Institutions) set up under Societies/Trust Acts and Section 25 Companies;
- c) Co-operative societies registered under Mutually Aided Cooperative Societies Acts/Co-operative Societies Acts of States/Multi State Cooperative Societies Act;
- d) Post Offices; and
- e) Companies registered under Indian Companies Act, 1956 with large and widespread retail outlets, excluding Non-Banking Financial Companies (NBFCs).
- f) In view of the general permission given to domestic scheduled commercial Banks (excluding RRBs) to open branches in Tier-1 to Tier-6 centers, they may engage non-deposit taking NBFCs (NBFCs-ND) as BCs, subject to the following conditions:

- It should be ensured that there is no commingling of Bank funds and those of the NBFC-ND appointed as BC
- There should be a specific contractual arrangement between the Bank and the NBFC-ND to ensure that all possible conflicts of interest are adequately taken care.
- Banks should ensure that the NBFC-ND does not adopt any restrictive practice such as offering savings or remittance functions only to its own customers and forced bundling of services offered by the NBFC-ND and the Bank does not take place.

19. What is/are the nature of services of Business Correspondents?

Nature of Services:

PART "A"

- a) Identification of prospective customer / borrowers & fitment of activities.
- b) Collection and preliminary processing of loan applications including verification of primary data.
- c) Creating awareness about savings and other products offered by the Bank and education and advice on managing money & debt counseling.
- d) Processing & Submission of applications to the Bank.
- e) Promotion, nurturing, monitoring and handholding of Self Help Groups / Joint Liability Groups / Credit Groups and others.
- f) Post sanctions monitoring in case of advances / loans granted by the Bank. g) Follow up of Recovery.
- h) Activation of Rupay Cards.
- i) Collection of Aadhaar and Mobile Number Mandate from Customers.

PART „B“

- j) Disbursal of Small Value Credits Strictly as per instructions of the Bank.
- k) Canvassing of General Credit Card (GCC), Kisan Credit card (KCC) loans
- l) Canvassing of Mudra Loans, Jewel Loans and Over Draft under PMJDY Schemes
- m) Recovery of principal / interest from the borrowers and prompt deposit of the same with the Bank.
- n) Collection of small value deposits & prompts deposit (RD/VRD/MMD/IB Easy Deposit) of the same with the Bank.
- o) Sale of Micro / insurance / mutual fund / pension and other third party products as may be decided by the Bank.
- p) Receipt & delivery of small value remittances / other payment instruments.
- q) Any other service as may be advised by the Bank in writing to the SP(Service Provider)
- r) Bharat Bill payment services (BBPS) at BC points.

The above is not exhaustive list. In addition to the above, any other duties can be assigned as per the Banks requirements as recommended by GM (RBD/FI) and approved by concerned Executive Director.

25. FAQs on Agriculture

1. What is the purpose for Kisan Credit Card (KCC) Scheme?

To meet out the short term credit requirements for cultivation of Crops, Post-harvest expenses

- Consumption requirements of Farmer Household
- Working Capital for maintenance of farm assets
- Investment Credit requirements for agriculture and allied activities

2. What is the quantum of finance / Assessment for KCC?

All New KCC Sanctioned from 01.04.2020 (For Amalgamated entity)

- Scale of finance for the crop (as decided by District Level Technical Committee) x Extent of area cultivated + 10% of limit towards post-harvest / household / consumption requirements + 20% of limit towards repairs and maintenance expenses of farm assets.
- An additional 10% of the Crop Loan Component increase in Scale of Finance (SOF) for every successive year.

Existing KCC accounts of Allahabad Bank Sanctioned and disbursed upto 31.03.2020

- In Allahabad Bank at present limit is arrived as follows. SOF+ 30% of SOF towards contingencies + 30 % of SOF towards Domestic Purpose expenses.
- All Existing accounts sanctioned/ disbursed by Allahabad Bank prior to 01.04.2020 will be renewed/reviewed as per prevailing guidelines of AB AKCCC till its absorption (30% amount given for domestic purpose) by increased scale of finance.

3. What is the margin norm for Agri Gold Jewel Loan (AJL)?

15% for Agri Bumper Jewel Loan product & 30% for others.

4. What is the fee for Jewel Appraiser?

- Metro and Class-I cities: Rs. 5 per Rs.1000 subject to maximum Rs.500/-
- All Other Centres: Rs. 3 per Rs.1000 subject to maximum of Rs. 300/-

5. What is the target group for Self Help Group (SHG) – Agri Loan?

Self Help Group - A group comprising of 10 -20 members. Members may be all women, men or mixed.

SHGs which

- Are in active existence at least for six months from the date of formation / opening of SB account.
- should be practicing Panchasutras
- Qualify as per the grading of SHGs

6. What is the Quantum of finance / Assessment for Self Help Group (SHG) – Agri Loan?

First dose: 6 times of the existing corpus or minimum of Rs.1,00,000/- whichever is higher. (If in a particular state the SLBC fixes the minimum loan amount higher than the limit stipulated by RBI, the same may be adopted subject to approval by functional General Manager at Corporate Office).

Second dose: 8 times of the corpus at the time of review / enhancement or minimum of Rs 2.00 lakh, whichever is higher.

Third dose: Minimum of Rs. 3.00 lakh, based on the Micro credit plan prepared by SHG and appraised by the Federations /Support agency and the previous credit history.

Fourth dose onwards: Minimum of Rs. 5 lakhs, based on the Micro credit plan prepared by SHG and appraised by the Federations /Support agency and the previous credit history subject to a maximum of Rs 35.00 lakh.

In respect of SHGs without any sponsoring Agency / SHGs of downgraded NGOs („B” rated NGOs) the maximum loan amount is Rs.10.00 lakhs. Credit linkage to these SHGs should be referred to ZO for sanction by ZLCC/ZLSCC/KPK.

7. What are the margin norms for Self Help Group (SHG) – Agri Loan?

As per RBI guidelines no collateral and no margin will be charged up to Rs.10.00 lakhs limit to the SHGs

8. What is the target group for Poultry Advance?

Individual farmers [including Self Help Groups (SHGs) and Joint Liability Groups (JLGs)], Corporates including Farmer producer companies of individual farmers, Partnership firms and Co-operatives of farmers directly engaged in Agriculture and Allied activities.

9.What is the Security Norms for Poultry Advance?

Primary: Hypothecation of assets created out of loan

Collateral: Limit up to Rs.1.60 Lakhs and wherever Tie up arrangements available upto limit upto Rs.3.00 lakhs- *NIL*

Limit above Rs.1.60 lakhs and for Tie up Loans above Rs.3.00 lakhs - *Collateral Securities in the form of EM of immovable properties, FD, NSC, LIC Policies plus third party guarantee wherever necessary.*

10.How the limit for Micro Finance Institutions (NBFC-MFIs / Non NBFC-MFIs) is assessed?

- Term loan limits will be assessed based on the cash flow.
- Working Capital credit limits will be assessed based on MPBF - second method of lending.

11.What is the Internal Rating Micro Finance Institutions (NBFC-MFIs / Non NBFC-MFIs)?

- Loan amount below Rs. 5.00 Crore : MFI Model
- Loan amount of Rs. 5.00 Crore and above: NBFC Model

12. What is the Minimum Land Holding for financing tractors and power tillers?

- Minimum 4 acres of irrigated land (or) 8 acres of unirrigated land (dry land).
- Land holding in the name of family members who are blood related and execute documents as co borrowers, can also be considered.
- Groups of beneficiaries whose holdings aggregate to the minimum land holding and situated in a compact block may also be considered for Tractor loan with prior approval of Zonal Office.

13. What is the margin requirement for Tractor & other Farm Machinery Financing?

- Loans Upto Rs 160000/- : NIL.
- If the total cost of Tractor and power tiller exceeds Rs.1.60 Lakhs Margin is 10%.
- If value of the collateral security is equal to loan amount margin is 5%.

14. What is the Target Group & Eligibility for Financing to Cold Storages?

Individuals, group of individuals, association of persons, Co-operatives, firms, companies etc., having necessary skills, capacity and aptitude to undertake the activity.

15. What is the Repayment Period for Term Loan to Cold Storages?

Up to 9 Years including maximum holiday period of 2 Yrs.

16. What is the purpose for Dairy Loan?

Term Loan: For setting up of Dairy unit (Purchase of high yielding Milch Animals, Construction of Shed, Purchase of Equipments, Cultivation of Green Fodder, Initial Concentrate feed during first month of lactation).

Cash Credit: To meet short term working capital requirements (Feed, labour, Veterinary aid etc) under KCC Animal Husbandry model.

17. What are the types of facilities available to Farmers Producer Companies / Farmer Producer Organisations? (FPCs / FPOs)?

Term Loan, Cash Credit & Composite Loan

18. What is the Margin Norms for Loans to Farmers Producer Companies / Farmer Producer Organisations? (FPCs / FPOs)?

Term Loan: 15% of the project cost.

Working capital: 15% of the assessed amount.

19. What is the repayment period for Term Loan Star Agro Mills Scheme (Rice Mill, Dhal Mill, Oil Mill & Flour Mill)?

Upto 7 Years with maximum holiday period of 12 months.

20. What is the purpose of loan / activities covered under loan to Food and Agro Processing?

- Processing and preserving of Fruits, Vegetables, Meat, Fish
- Manufacturing of vegetable, animal oils and fats.
- Manufacturing of dairy products.
- Manufacturing of grain mill products, starches and starch products.
- Manufacturing of animal feeds.
- Manufacturing and processing of other Food and Agro products.

21. What is the maximum limit per borrower for Produce Marketing Loan (PML)?

Rs.50.00 lakhs

22. What is the Security requirement for Produce Marketing Loan (PML)?

Pledge of Negotiable Warehouse Receipts (NWR) /stocks evidenced by Warehouse receipts. (E- NWR)

23. What is the income criteria for Loan under IB Rooftop Solar Light Scheme?

In respect of salaried class, as applicable to Home Loan, 40% take home pay on gross income after the proposed EMI shall be ensured.

This 40% norm may be waived by the sanctioning authority if the take home pay after considering the EMI is more than Rs. 20,000/-. For arriving at eligibility for SHL borrowers, spouse income may also be included.

For other individual and non-individual borrowers, the eligibility will be decided based on their capacity to repay the loan as decided by the sanctioning authority based on income from all documented sources.

24. Write briefly on KCC GOLD PLUS scheme?

Product Features	
Name	KCC Gold PLUS
Type of Loan	Cash Credit
Target Group	All Farmers- Individual who is owner cultivator/ engaged in the activities of Animal Husbandry/ Fisheries
Purpose	The purpose is to meet the short term credit requirements for farmer's Integrated Farming System.To meet out the short term credit requirements for cultivation of crops including plantation crops. rearing of animals, rearing of Fish, Shrimp, other aquatic organisms, capture of fish and of other allied activities like Sericulture, Bee Keeping etc.
Quantum of Loan	<ul style="list-style-type: none"> ➤ Total of 5th year limit of existing KCC loan amount and proposed/ additional KCC loan amount should be more than Rs.1.60 lakh to consider the application under this product. ➤ Maximum loan limit is Rs.3.00 lakh. <p>The Short Term Limit to be arrived for the First year: Scale of finance for the crop (as decided by District Level Technical Committee/ SLBC) x Extent of area cultivated + 10% of limit towards post-harvest / household / consumption requirements + 20% of limit towards repairs and maintenance expenses of farm assets + crop insurance. Limit for second & subsequent year: First year limit for crop cultivation purpose arrived at as above plus 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year). It is assumed that the farmer adopts the same cropping pattern for the succeeding four years. In case the cropping pattern adopted by the farmer is changed in the subsequent year, the limit may be reworked and fresh documentation to be obtained. In respect of working capital for Animal Husbandry and Fisheries the quantum of credit is to be arrived based on scale of finance fixed by the District Level Technical Committee (DLTC) / State level Bankers Committee (SLBC).</p>

	For KCC Gold PLUS product the minimum loan limit (5th year Limit) will be Rs.1,60,001/- and the maximum Loan limit will be Rs.3.00 lakhs and subject to ensuring the maximum limit for AH/Fisheries component of Rs. 2.00 lakhs complying with RBI guidelines on KCC Interest Subvention Scheme. It should be ensured that the loan component for Animal Husbandry/ Fisheries should not exceed Rs 2.00 lacs under any of the subvention products of the Bank.
Security (Primary)	Hypothecation of crops Hypothecation of stocks, fodders, feeds, etc.
Security (Collateral)	Gold Ornaments Value of Jewels will be arrived at based on the net weight of gold as per Jewel Appraiser's certificate. The value of Jewels should be at least 112% of limit sanctioned, i.e. LTV of 90% should be ensured
Rate of Interest	<ul style="list-style-type: none"> • 7% p.a. up to Subvention End Date/ Limit Expiry Date (whichever is earlier). • Card Rate + 2.00% (penal interest) in case account becomes overdue. • At present, Card Rate is 1Yr MCLR + 2.50%
Limit validity	1 Year from the date of opening of the account. However, the KCC limit is valid for 5 years subject to annual renewal
Interest Subvention	For KCC Gold PLUS Interest subvention (IS) of 2% will be available to the Bank as ROI shall be charged @ 7% p.a. upfront. Prompt Repayment incentive (PRI) @ 3% p.a. will be passed on to the customer only on prompt repayment of the entire dues including interest within the Due Date fixed by the Bank or within 1 year from the Date of Disbursement, whichever is earlier.
Crop Insurance	PMFBY / RWBCIS is optional. • The farmers can exercise opt -in and opt - out of the scheme by submitting a simple declaration (Annexure- IV and V) anytime during the year but at least 7 days prior to cut off date for enrolment for the respective season.
Other features / guidelines	The KCC account can be treated as KCC cum SB account and will earn interest @SB ROI for the credit balance maintained in the account. LTV (w.r.t. gold jewellery) should not be more than 90% at the time of renewal. Loan for stand-alone animal husbandry/ fisheries activities may not be sanctioned under the product. However, loan may be sanctioned for animal husbandry/ fisheries activities along with crop cultivation. Borrower should be clearly communicated about release of enhanced limits in the subsequent years is subject to fulfilment of collateral norms by way of gold jewellery worth not less than 112% of the enhanced limit so as to maintain 90% LTV at the time of renewal besides compliance of other guidelines for renewal/ enhancements.

26. FAQs on Retail Asset

1. Can we take agricultural income for calculating income criteria for Vehicle Loan?

We can't include agricultural income for calculating eligibility for vehicle loan in case of salaried person and pensioners as eligibility is exclusively arrived by monthly salary and monthly pension respectively. For other groups it can be included provided agricultural income finds a place in their ITRs otherwise not.

2. How can the genuineness of ITR (Income Tax Returns) filed be verified for Businessmen?

It can be verified through Income tax website provided login credentials are available. We can obtain certificate from their chartered accountant stating that the credentials are correct. Useful link for information on applicants/ borrowers has been provided in Annexure-I of Loan Policy 2020-2021

3. What is the minimum score for CIBIL as per our HO guidelines?

As per loan policy exposure where scoring model is applicable there, entry level CIBIL score should be 700. Branch can make proper justification in the proposal where ever CIBIL score is less than 700 on genuine ground. CIBIL score helps us to know the credit history of a borrower/person. With this, we can justify our decision to lend or not to lend.

4. We have loan products like Loan/OD against NSC/KVP/Relief bonds of RBI/LIC policies. Can we accept Insurance Policies issued by any Bank or Company as security or only LIC Policies are acceptable?

The product is exclusively against our own deposit receipts, NSC, KVP, RBI Bonds and LIC policies. No other policies can be accepted for the same.

5. What is RAM rating, what for it is required and what documents required for it?

RAM is internal rating software designed to assist a Bank to have credit risk appraisal of a borrower through a judicious mix of objective and subjective methodologies and acts as a comprehensive database for all borrower-specific information. We need to have borrower's financial data, details of collateral and securities available for proposed credit facility and other details about their business and operational activities.

6. Are staff members are eligible for clean loan? If no, can they avail clean loan as per banking norms given to customer?

No, staffs are not eligible for this and they can not avail it in any manner. We have OD Facility for Staff exclusively and it can be availed as per eligibility.

7. Whether LOD/OD can be given against FDRs opened online?

Yes it can be given. The customer has to approach the branch with the copy of the e-TDA acknowledgement taken online. The branch will sanction loan against e-TDA acknowledgement, after obtaining discharge in e-TDA acknowledgement and marking lien in CBS. When the lien for the e-TDA is in force, system will not permit the customer to close e-TDA. Once the loan is closed, the branch has to remove the lien from CBS which enables the customer to close the e-TDA through online.

8. What is MOI?

It is Memorandum of Interest or that part of interest income which is already earned but cannot be realised as the advance or asset has been classified as substandard or NPA. Therefore, interest earned over substandard assets or NPA is accounted separately till the account gets upgraded to standard category.

9. Is DPN required for Loans against Deposit?

No it is not required. In fact it is not required for any term loan. Adv. 112/2019-20 dated 02.12.2019 can be referred for the same.

10. What is the procedure for covering a home loan borrower under IB Home Suraksha?

Navigation "Help Desk > Other Websites > In House Applications > Bancassurance > IB Home Suraksha" can be used for this. Circular CRA-02/2019-20 dated 02.04.2019 can be referred for details of procedure.

11. Whether we can include plot purchase plus construction under IND AWAS Yojana?

Yes it can be considered but construction should be there. It should not be merely for purchase of plot.

12. Can we take co-applicant in vehicle Loan?

Yes, we can include co-applicant to vehicle loan and guarantor also. Co-applicant gives a better right to Bank.

13. Where to find the list of loan accounts sanctioned and disbursed between two dates?

It can be found in MIS portal under report ID 8051 and 8097.

14. Is there any format for no due certificate to be issued to our loan customer for loan A/c closed?

No such format is available. It can be prepared on Branch letter head stating details of closure.

15. What is the password for credit card statement?

Password for opening Credit Card Statement is linked with date of birth and credit card number. It is "Date of birth + Month + Last two digit of year + Last 4 digit of credit card number"

Example- if Date of birth is 15th April 1999 and Credit card No is 41670.....12456 then Password should be -1504992456

16. Is finer rate /concession rate applicable for Home loan under Priority or CRE (Commercial Real Estate) in RBLR (Repo Based Lending Rate)?

No, concessional rate/ finer rate is not available for Home loan under Priority or CRE.

17. A person owns a house property and he has sold the house property. Now he wants to construct a new house. Is he eligible for PMAY (Pradhan Mantri Awas Yojana) subsidy?

Yes he is eligible for PMAY subsidy, one of the major criteria of PMAY is that, applicant should not have any pucca house in his/her name at the time of applying for PMAY. (It should be noted that applicant has not availed PMAY subsidy benefit in the property/House intends to sell out.)

18. How to Upgrade NPA account?

In case of NPA account recover the overdue Principle and interest, arrear interest, accumulated charges, penal interest as applicable and one day interest as on date of recovery. System will automatically upgrade the account.

19. Is overdraft facility available against Jewel?

Overdraft facility is not available against pledge of Jewel, only term loan can be sanctioned against Jewel.

20. What is Geo tagging and what is the process for doing Geo tagging in home loan Properties?

Geo Tagging is a process of assigning a "Geo tag" or adding geographical information of the properties. Geo tagging is an exercise of mapping the properties with their latitude and longitude with the help of a mobile application. Branch can enter the CBS details, like collateral no., loan a/c no. etc against the details of the property sent by the mobile application with serial no. using the application IB -Geotag which is available intranet/In-house application.

21. One customer who is working in a Government department at the place where our branch is situated and he wants to avail home loan against his house which is situated in other district, whether loan can be considered at our branch.

Yes loan proposal can be considered. In this situation one leg i.e (either House property or employment) should be located in the same district where branch is located. Official of nearest branch of our Bank can conduct pre sanction visit.

22. If a residential property/plot held jointly in the name of A&B. The relation between A&B is brother in law and sister in law .Both A&B jointly wants to avail home loan from us for construction. Whether the home loan can be consider or not..

No, loan cannot be extended, if the property is held/to be purchased in the names of other types of relatives i.e. other than spouse, parents, adult children.

23. Some HL accounts were opened under normal HL product code and borrower is eligible for Ind Awas facility? Is it possible to include such borrower for availing PMAY subsidy?

Yes, one time measure provided by CO: IRV to include all IBHL accounts opened under normal home loan product instead of Ind awas product codes so that eligible borrowers should not be deprived of the benefits from the Government under PMAY-CLSS (Pradhan Mantri Awas Yojana - Credit Linked Subsidy Scheme) subsidy scheme. For this purpose CO: IRV developed three templates (one time measure) to collect data of eligible accounts opened on or after 01.07.2017

24. Is our Bank staff eligible for benefits of PMAY subsidy under SHL?

No, Staff availing Home loan under SHL is not eligible for PMAY subsidy. However our Bank staff will be eligible for PMAY subsidy, if he/she avail Home loan under normal home loan product with rate of interest/charges as applicable to public.

25. Whether NRI are eligible for PMAY subsidy under home loan scheme?

NRIs can be considered for PMAY subsidy provided they are eligible under the PMAY scheme, guidelines and other compliance with Gol/RBI rules applicable to NRIs.

26. Can Home loan plus be sanctioned after closure of home loan?

Yes, provided EM is not cancelled and security is in enforce

27. Where we can find Power booklet related to credit discretionary power?

Power booklet is available in IB-AB pariwar (Circular>Corporate credit) and Annual performance appraisal portal.

28. Can we consider home loan at branch level of two real siblings having their name in property and also having income to repay the loan?

Where direct share of property is in the name of siblings, ZLCC has power to consider joint borrowing in IBHL involving siblings.

29. Whether Plot loan can be converted into SHL (Staff Housing Loan) after 2 years from date of availing plot loan.

Yes, plot loan can be converted into Home loan/SHL. Construction should be commenced within 2 years from the date of availing Plot Loan.

30. In case of Ind Awas Yojana whether subsidy will be available or not if stipulated carpet area exceeds?

The beneficiary under EWS/LIG (Economically Weaker Section/ Low Income Group) segments, at his/her discretion can build/purchase a house larger in area but the subsidy amount will be restricted to maximum housing loan of Rs.6.00 Lakhs only. In case of MIGI/MIG II (Middle Income Group) the beneficiary has to maintain the carpet area upto the limit else the loan amount will not be eligible under Ind Awas Yojana.

31. What is Incidental Charges? How it is calculated?

Incidental charges are applicable for Home Loan and Mortgage Loan. Incidental charges for Home Loan is Rs. 250/- p.a. and for Mortgage Loan it is Rs. 500/- p.a. (circular no GEN- 67 /2016-17 dated 20-09-2016)

32. Whether vehicle loan can be sanctioned to retired government employee who is 63 years?

Yes, vehicle loan can be sanctioned to a person who is 63 years old or above. There is no restriction of maximum/exit age in vehicle loan. Branch should adequately secure the loan by taking suitable guarantor/co-applicant.

33. How to add or Guarantor in a home loan account in CBS?

Through Customer details >CIF>>Create>>CIF Link> link indicator >Guarantor

34. Can we sanction jewel loan against gold coins?

Yes, Jewel loans can be sanctioned only against gold ornaments, article, **all the gold coins sold by our Bank and other Bank up to 50 gram.** Primary gold coins marketed by other agencies are eligible for jewel loan.

35. What is Loan Lifecycle Management System (LLMS) ?

Loan Lifecycle Management System (LLMS) is a fully automated software system for processing of loan proposals. It provides end-to-end online module for data capturing, processing, sanctioning, CBS interfacing and documentation activities.

The following are the significant features of LLMS:

1. Incorporation of Scheme Guidelines and Policies of the Bank
2. Proposal management
3. Validation of the data captured
4. Due-diligence using APIs
5. Credit Assessment
6. Internal Rating
7. Collateral Management

8. Document Management System
9. Generation of In-principle Sanction Letter, Process Note, Sanction Ticket and Pre-filled legal documents
10. CBS Interface - Social Attributes, Loan account opening, CCOD Account opening, CISLA, CISLA Additional Details, Generation of Repayment Schedule, Generation of Disbursement Schedule, Loan Input Validation, Loan Acceptance, CCOD Approval and Collateral Creation.

The following schemes under Retail Assets are made operational in LLMS software with complete CBS Integration and end-to-end processing.

1. Jewel Loan (NP)
2. IB Pension Loan
3. IB Clean Loan to Salaried Class

27. FAQs on MSME

Question	Answer												
What accounts qualify to be classified under MSME?	Enterprises engaged in the manufacture or production of goods, processing or preservation of goods and rendering of services subject to the below mentioned ceiling on investment in machines / Equipments and Turn over get classified under MSME sector <table border="1" data-bbox="711 430 1469 766"> <thead> <tr> <th></th> <th>Equipments , Plant & machinery</th> <th>Turn over</th> </tr> </thead> <tbody> <tr> <td>Micro Enterprise</td> <td>Not more than 1.00 Cr</td> <td>Not more than Rs 5.00 Cr</td> </tr> <tr> <td>Small Enterprise</td> <td>Not more than 10.00 Cr</td> <td>Not more than Rs 50.00 Cr</td> </tr> <tr> <td>Medium Enterprise</td> <td>Not more than 50.00 Cr</td> <td>Not more than Rs 250.00 Cr</td> </tr> </tbody> </table>		Equipments , Plant & machinery	Turn over	Micro Enterprise	Not more than 1.00 Cr	Not more than Rs 5.00 Cr	Small Enterprise	Not more than 10.00 Cr	Not more than Rs 50.00 Cr	Medium Enterprise	Not more than 50.00 Cr	Not more than Rs 250.00 Cr
	Equipments , Plant & machinery	Turn over											
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What are time norms for disposal of MSME applications	<table border="1" data-bbox="711 798 1490 966"> <tbody> <tr> <td>Loans upto Rs 5 Lakhs</td> <td>Within two weeks</td> </tr> <tr> <td>Above Rs 5 Lakhs and up to Rs 25 lakhs</td> <td>Within three weeks</td> </tr> <tr> <td>Above Rs 25 Lakhs</td> <td>Within six weeks</td> </tr> </tbody> </table>	Loans upto Rs 5 Lakhs	Within two weeks	Above Rs 5 Lakhs and up to Rs 25 lakhs	Within three weeks	Above Rs 25 Lakhs	Within six weeks						
Loans upto Rs 5 Lakhs	Within two weeks												
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Above Rs 25 Lakhs	Within six weeks												
Who is the authority to reject / curtailment of limit sought if the proposal is under MSME category	In case of MSME advances, rejection / curtailment of limits sought, should be done only with the approval of the next higher authority.												
Whether the concept of priority , non priority sector classification is applicable for MSME loans	All MSME loans are to be considered under Priority Sector.												
Whether composite loan can be sanctioned to units under MSME	A composite loan limit up to Rs.1 crore can be sanctioned to enable the entrepreneurs in Micro and Small Enterprises sector to avail of their working capital and term loan requirement through Single Window												
What are Mandatory requirements for MSMEs	GST Registration is mandatory, if not exempted as per GOI guidelines Udyog Aadhar Memorandum (UAM) Legal Entity Identifier (As per RBI directions)												
What does Original Investment mean, for classification of unit under MSME ?	Original Investment in plant and machinery is the original cost of machines / equipments excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No.S.O.1722 (E) dated October 5, 2006.												
What loans fall under MUDRA category?	Any loan upto the limit of Rs.10.00 lakh to manufacturing / service /												

Question	Answer
	trading enterprises is classified under MUDRA loan.
What is MUDRA Card	It is a special Rupay debit card, co-branded with MUDRA. All Micro borrowal accounts sanctioned from 08.04.2015 with total credit limits up to Rs.10.00 lacs only is covered under this. 20% of eligible WC (Working Capital) limit can be availed under MUDRA Card
What is MSE Code of BCSBI?	Our Bank has adopted revised MSE Code 2015 as prescribed by Banking Codes and Standards Boards of India (BCSBI). Field level functionaries are advised to ensure compliance with guidelines prescribed under MSE Code issued vide circular ADV / 208 / 2015 - 16 dated 01.02.2016.
Whether administrative approval is required for loans under MUDRA	Administrative Approval has to be obtained from Zonal Office for sanction of Mudra Loans above Rs. 1 lakh only.
Can collateral security be taken for loans upto Rs.10.00 lakh?	Reserve Bank of India mandates not to accept collateral security in the case of loans up to Rs.10 lakh extended to units in MSE sector.
What is eligibility criteria under CGTMSE	<ul style="list-style-type: none"> ❖ Credit facilities (Fund based and / or Non fund based) extended to a single borrower in the Micro and Small Enterprises sector for credit facility not exceeding ₹. 200 lakhs, without any collateral security and / or third party guarantee. ❖ Credit facilities extended to MSE Retail Trade, on or after 28.02.2018, not exceeding ₹. 100 lakhs, without any collateral security and / or third party guarantee. ❖ Hybrid Security Product: Collateral security can be obtained for a part of the credit facility, whereas the remaining part of the credit facility, up to a maximum of ₹ 200 lakhs, can be covered under the Scheme.
For a MSE borrower with existing exposure of Rs. 10.00 crore and 100% collateral coverage can CGTMSE cover be provided for a fresh additional exposure of Rs.2.00 cores.	Yes, provided that no collateral security / third party guarantee is taken for the fresh / additional exposure of Rs.2.00 crores since MSEs under manufacturing / service sector are eligible for CGTMSE cover for exposure upto Rs. 2.00 crores.
Applicable Charges for MSME loans	<p>All the charges as below are applicable to the MSMEs and the same is as prescribed in the circular „Service charges on Loans and Advances“ from time to time.</p> <ol style="list-style-type: none"> 1. Processing Charges. 2. CIBIL verification charges. 3. Documentation Charges. 4. Equitable Mortgage Charges. 5. Inspection Charges. 6. Annual Review Charges. 7. Charges for verification of GSTN. 8. Credit Information Company verification charges. 9. CERSAI Registration Charges. 10. Charges for registration with ROC 11. Prepayment charges for Term Loan. <p>CGTMSE/CGFMU fee to be borne by the borrower.</p>

Question	Answer										
What are Various Audits to be carried out for MSME advances	<ul style="list-style-type: none"> ❖ Pre-Release Audit - As per Credit Policy guidelines ❖ Legal Audit - As per Credit Policy guidelines ❖ Stock Audit - As per Credit Policy guidelines. ❖ Bank Guarantee audit - To be conducted once in a year for BG limit above Rs. 2.00 crores. 										
Benchmark ratios for MSMEs	<table border="1"> <thead> <tr> <th>Parameter</th> <th>Benchmark Ratio</th> </tr> </thead> <tbody> <tr> <td>Current Ratio (WC)</td> <td>1.10</td> </tr> <tr> <td>TOL / TNW (WC & TL)</td> <td>5:1</td> </tr> <tr> <td>Debt Equity Ratio (TL)</td> <td>4:1</td> </tr> <tr> <td>DSCR (TL)</td> <td>Avg. 1.50 Min. 1.25</td> </tr> </tbody> </table> <p>These guidelines available in Policy for MSMEs which is part of Credit Policy</p>	Parameter	Benchmark Ratio	Current Ratio (WC)	1.10	TOL / TNW (WC & TL)	5:1	Debt Equity Ratio (TL)	4:1	DSCR (TL)	Avg. 1.50 Min. 1.25
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DSCR (TL)	Avg. 1.50 Min. 1.25										
Rating and scoring models for loans under MSME.	<p>Rating under RAM (Risk Assessment Model) rating is done for MSME with exposure Rs 50 lakh and above.</p> <p>For Loan below Rs 50 lakh internal scoring model is applicable.</p> <p>Minimum entry level borrower rating is Combined rating is „BBB”, Project rating „P2”.</p>										
Can CGFMU cover be taken for accounts upto Rs. 10.00 lakh	<p>Loans sanctioned for PMJDY and Agri Allied activities to be covered under CGFMU. For all other eligible accounts CGTMSE cover to be preferred as the coverage under CGTMSE is higher between 75% - 85%.</p>										
What is Collateral Security Coverage under IND SME SECURE	<p>Minimum 50% coverage by way RSV (Realisable Security Value) of properties (held as primary and collateral security) and liquid securities can be considered and the uncovered portion should be covered under CGTMSE upto the eligible limit.</p>										
Who are eligible under IB MUDRA TVS KING	<p>Bonafide Road Transport Operators, having a valid “Driving License” issued from the competent transport authority can be given for purchase of three wheeler autos from M/s. TVS Motor Company. Applicant should have the “Road Permit”, issued from the competent authority</p>										
Whether loan of Rs.20 lakhs can be given without collateral security	<p>Yes. Credit guarantee cover is to be taken for such loans.</p> <p>We have a structured loan product IB Micro for loans upto Rs.20.00 lacs without collateral security and CGTMSE cover is mandatory</p>										
What is the maximum SOD limit under IND-SME Secure	<p>Maximum SOD limit under IND-SME Secure is Rs.25.00 Lakhs per Borrower. Requirement of working capital limit over Rs.25.00 lacs can be considered as OCC</p>										
What is the maximum SOD limit under IB Trade well	<p>Maximum SOD Limit is Rs.2.00 Crores per Borrower. Above this, OCC can be considered.</p>										
What is the purpose of IND SME Mortgage loan	<p>Term loan for genuine business needs of the applicant / firm / company - such as for expansion of capacity, purchase of assets meant for the unit</p>										
Whether OCC can be given under IB contractor Scheme	<p>Yes, however since the primary security is hypothecation of stocks and book debts, it is to be ensured that the eligible limit is</p>										

Question	Answer
	assessed taking into account only those stocks that are accessible for verification and fixing drawing power.
How to ensure technical feasibility, such as water source, plant capacity etc. for the project under IB PURE JAL DHARA Product?	For water resources - Traditional / Scientific Method of exploring the ground water can be used. With regard to Plant capacity, borrower should be advised to procure the machinery from reputed water treatment plant supplier.
Whether setting up of a packaged drinking water plant is covered under IB PURE JAL DHARA product?	Yes. But certification from Bureau of Indian Standards (BIS) etc. to be obtained.
Whether working capital requirement can be considered under IB PURE JAL DHARA?	Yes. Working capital limit to be assessed and sanctioned along with term loan as Composite Term Loan.

28.

Monitoring of Advances

Some of the important credit monitoring tools is listed here below.

Pre – Disbursement: Due Diligence and Legal Compliance Certificate:

- ✓ Branch to ensure that all pre release terms and conditions as stipulated in the sanction letter like, creation of mortgage formalities, registration of mortgage documents with Central Registry for Security Asset Reconstruction and Security Interest of India (CERSAI), registration of charge with Registrar of Companies (ROC), wherever applicable, are complied with.
- ✓ Documentation: Should be completed before disbursement and legal vetting may be obtained wherever required.
- ✓ Concurrent Auditor has to verify the completion of documentation before disbursement.

During Disbursement:

- Mode of disbursement is important for creation of quality assets. Proper care should be taken during disbursement of credit facility sanctioned. Defective mode of disbursement will not create a quality asset.
- Monitoring during disbursement is very important, especially, to ensure proper end-use of funds.

Term loan:

- ✓ Branches shall obtain original invoices in respect of machinery / vehicles / equipments to satisfy that the valuation is in order and the same should be held on record along with other loan documents.
- ✓ **Branches shall verify *bonafide* credentials of the supplier of machinery / vehicles / equipments before disbursement of the loan.**

- ✓ The disbursement of the loan amount should be specific after collecting the margin money from the borrower. Where the loan is to be disbursed in installments, it should be done only after satisfying that the borrower has complied with the prescribed conditions.
- ✓ The branch should ensure that disbursement of term loans should be made in a phased manner and in installments according to the progress made in project implementation.

Working Capital:

- Disbursement should not be in cash or transfer to accounts of sister concern or to unrelated Accounts or to borrower's current / savings account, without proper justification and shall be as per terms of sanction.
- Adequate insurance for the stocks with Bank Clause shall be ensured.
- Address mentioned in the Bank Records. i.e., godown etc should be the same as mentioned in the Insurance Policy and as per terms of sanction.
- Availability of Drawing Power subject to verification of stock/Book debt statement shall be ensured and in case of new projects, releases are to be made in proportion to achievement of sales and build up of inventory/debtors.
- In the case of working capital advances, particularly to new borrowers, disbursement should not be made in one lump sum and drawings should be regulated on the basis of level of production/business activity as also scale of operation.
- The branch shall also ensure that drawals in the account are utilized for intended purposes and are not diverted for any other purpose.

Post Disbursement:

- Post disbursement monitoring is very important to identify early warning signals and to take remedial measures wherever warranted to monitor asset quality.
- BM has to play major role in post disbursement monitoring.
- Guidelines/policies as prescribed in various Circulars/Manual of Instructions are to be followed meticulously at Branch.

Unit Visit:

- During visit to the unit, Inspection of Machinery should be done to ensure end use of funds.
- Unit Visit to be conducted regularly and recorded properly.

Physical verification of assets

- Effective follow-up would mean periodical physical verification of assets or quantitative verification by Branches.

Monitoring Tools at the Branch Level:

- ✓ Unit/Factory Visit Reports.
- ✓ Stock Statements/Book Debts Statements.
- ✓ Monthly/Quarterly/yearly/Concurrent audit, Credit Audit, Risk Based Internal Audit, Statutory Audit, RBI Inspection, Stock Audit, Legal Audit etc.
- ✓ Quick Information System (QIS).
- ✓ Monthly Credit Relationship Manager Report (CRM REPORTS).

- ✓ Scrutiny of operations in the account (Poor turnover, vis-à-vis, sales realization, overdues, frequent return of cheques/bills, issuing cheques unconnected to main business, constant excess drawing, frequent devolvement of LCs/invoking of BGs etc).
- ✓ GST returns/ Production Report / Account Operation / Balance Sheet / Quarterly Progress Report etc.
- ✓ Audited/Provisional Financial Statements.
- ✓ Annual accounts filed with Registrar of Companies - Verification through search at Office of Registrar of Companies by empanelled Company Secretaries / Chartered Accountants or by our own Officers, wherever need is felt, to ascertain / compare with the balance sheet particulars filed with Registrar of Companies.
- ✓ Adverse newspaper, market reports, including exit of key Management persons/Board Members. Exchange of information/reports with other Banks and/or in consortium meetings.
- ✓ External / Internal Credit Rating.
- ✓ Sharp fall in the share price of the Company.

Verification of Stock/Book Debt and Submission of stock statements:

- The borrowers enjoying credit facility against hypothecation of stocks will have to furnish regular stock statements in the prescribed form at such intervals as may be laid down in the terms of sanction, which is ordinarily once a month.
- Borrowers should be advised that penal interest will be charged when the stock statement for any month is not submitted before the 7th of the succeeding month till the date of submission. However the delay in submission shall not be for a period of more than 7 days.
- Non-submission of statements or habitually delayed submission of statements by any borrower should be dealt with by the Branch Managers and take suitable action either by cancellation of the facility or not renewing the same, as proper and up-to-date maintenance of books of accounts and stock register is the most essential requirement in these advances.

For Effective Credit Management

Some of the important points which a branch manager should observe in managing Credit financing are listed below:

- Ensure that the application form meant for the Scheme /Borrower along with documents as per the check list prescribed is obtained and that it should be completed in all respects.
- Borrower's background on technical and financial experiences should be gone through and required papers/ documents should be obtained. Assets and Liabilities Statements of borrowers and guarantors and credit report based on such statements are to be scrutinised.
- Income tax/wealth tax assessment, GST return should be verified. Applications from black listed parties should not be entertained. Accounts with other Banks should be ascertained.
- Invoices of machinery with competitive quotations should be obtained. Estimate for the proposed factory building should be obtained from our approved Engineers.
- Pre-sanction visits should be made and discreet enquiry about the borrower to be made.

- Ensure that Legal Scrutiny Report is obtained from the approved advocate for all the properties given as security. Branch Managers should study the same for its fullness on the aspect that the borrower is having proper legal ownership.
- The Branch Manager should prepare a brief note on the account and keep the note along with the documents. This note should explain,
 - a. the history of the account,
 - b. appraisal of the proposal from various angles,
 - c. the purpose for which the advance was sanctioned,
 - d. contacts / visits undertaken by the manager/ IDO (Industrial Development Officer) to the unit for pre sanction survey,
 - e. terms of sanction and
 - f. the mode of disbursement
- Even for temporary overdrafts, the application of the borrower should be obtained and kept in the file. Terms of sanction should be noted on the appraisal itself.
- Terms of sanction should be strictly adhered to in documentation and disbursement of the advance. Ensure that the advance is utilised for the purpose for which it was sanctioned.
- The limits should be released only after creation of charges on security / additional security, completion of documentation, compliance of all terms and conditions of the sanction ticket and compliance of all statutory provisions of the Government.
- Term loans should be released in such a way that the payment towards cost of machinery is made directly to the suppliers of machinery.
- Proper due diligence of Suppliers to be done before disbursement of loan.
- Term loans for constructions of building should be released in stages based on the approved Engineer's valuation for the work completed and on applying appropriate margin stipulated in the sanction ticket.
- Working capital limit should be released only after installation of entire machinery required for production and obtention of power connection from Electricity Board.
- While arriving Drawing Limit, ensure that only paid stocks are included in the statement and book debts for more than the stipulated period should be excluded.
- Units name board should be displayed in the premises of the unit.
- Bank's Name Boards should be prominently displayed in the unit and godown and branded on items of machinery bought with the Banks loans.
- All assets hypothecated to the Bank should be insured adequately with Bank clause.

- The items of machinery hypothecated to the Bank should be inspected at least once in a quarter. Raw materials, Goods-in-process and Finished goods should be inspected once in a month.
- Inspection of items of machinery and stocks should be recorded in the Inspection Register.
- The OCC account should be monitored carefully to ascertain whether there are frequent cash withdrawals, which may be a sign of diversion of funds. Caution signals should be given if frequent cheques are issued in the name of chit funds / financial companies. The periodic statement submitted by the party with respect to sales during inspection should be matched with the turnover in the OCC account, to ascertain whether the transactions are routed through the account.
- Power of Attorney to be obtained and registered with drawees for Supply Bills transactions.
- Issuance of cheques without adequate funds and frequent return of bills should be looked into immediately and necessary steps should be taken to arrest such occurrences. Branches should be on guard as such incidence is a sign of incipient sickness.
- When the account becomes and remains overdue, the branch should seek instructions from the concerned Sanctioning Authority to recall the advance.
- Do not allow any withdrawal in the account after the account is recalled.
- In case the borrower seeks operations in the account involving withdrawals after the account is recalled, the sanctioning authorities permission for the same should be obtained.
- In the event of account being classified as substandard or suit has been filed for recovery, branch to prefer claims, for all the eligible accounts, through the appropriate channel after recovery of realizable debts.
- Rating should be arrived every year for all the accounts which falls under the norms stipulated by corporate office.
- All the stipulated norms/ conditions should be meticulously followed, for take over accounts.
- Ensuring submission of LRM proposals in time as scheduled.
- Submission of ATR (Action Taken Reports) replies to ZO for accounts reviewed under LRM.
- Ensuring compliance of the general directions issued by CO: CMC department in connection with Credit Audit.
- Monitoring of Large Borrowal accounts reported as SMA 2 to CRILC and ensuring formation of JLF(Joint Lender Forum) and finalization of CAP (Corrective Action Plan) within the prescribed timeline.
- Ensuring correctness of CRILC Main Data to be submitted to RBI every quarter.
- Ensuring Review / Renewal of borrowal accounts in time and submission of quarterly statement to Zonal Office.
- Monitoring of SMA accounts / NPA Recovery on a daily basis with the help of links provided by CO: Technology Management Department.

29. NPA and Management - Follow up of Stressed Accounts of Recovery and Recovery of NPA accounts

Criteria for Asset classification

Following criteria will be followed for classification of assets

Standard Accounts

- Standard assets/ Performing Assets are those assets which do not disclose any problem and which do not carry more than normal risk attached to the business.
- SMA 0- Upto 30 days
- SMA 1- Above 31 days upto 60 days
- SMA 2- Above 61 days upto 90 days

Non-Performing Assets (NPA)

Non-Performing Assets (NPA) are further divided in undernoted three broad categories

Sub-Standard Assets,
Doubtful Assets,
Loss Assets.

- I. **Sub-Standard Assets** A substandard asset is one, which has remained NPA for a period less than or equal to 12 months. In CBS System Sub-Standard Assets will be shown with IRAC (Income Recognition and Asset Classification) Code 04.
- II. **Doubtful Assets** An asset would be classified as doubtful if it has remained in the substandard category for a period of 12 months.

Doubtful Assets depending upon their periodicity are further classified under three categories:

Doubtful Assets (D01) A Non-Performing Asset which has remained in sub-standard category for a period ranging from 12 months to 24 months. In CBS System it will be shown with IRAC Code 05.

Doubtful Assets (D02) A Non-Performing Asset which has remained in Doubtful Asset category for a period more than one year & up to three Year. In CBS System it will be shown with IRAC Code 06.

Doubtful Assets (D03) A Non-Performing Asset which has remained in Doubtful Asset category for more than three years. In CBS System it will be shown with IRAC Code 07.

- III. **Loss Assets** Loss Asset is one where loss has been identified by Bank's Internal Inspector, External Auditor or the RBI Inspectors but the loan account has not been written off wholly or partly. In CBS System Loss Assets will be shown with IRAC Code 08.

Follow up of Stressed Accounts of Recovery

What do you mean by Stressed asset?

- Stressed assets are some assets which face the issue of decrease in value due to volatility, increase in default rates or any other unfavourable market conditions which would hamper the working capital of the company or affect the performance of the company in respect to financial results
- **OTS in respect of stressed assets under Standard Category:**
- Compromise can be considered in respect of stressed assets in Standard accounts under SMA 2 category. The sanctioning authorities are as under.

Details	Sanctioning Authority
For accounts sanctioned upto COLCC(GM)	COLCC(GM)
For other accounts	Respective sanctioning authority

OTS proposals in fresh NPA accounts can be considered by:

- Officials in the rank of Scale IV and above heading a branch of a lower scale.
- Officials in lower scale heading Scale IV branches and above subject to Zonal Office permission. ZLCC. Sanctioning Authorities at Corporate Office.
- All Other Branch Managers can consider OTS for NPA accounts outstanding as on 31st March 20 only.

Recovery of NPA accounts

- **Reduction in NPA Level:** To reduce the level of NPAs by upgradation / recovery through a host of measures.
- **Upgrading the existing NPAs** by improving the quality of assets by recovering the overdue amount.
- **Rephasing / Restructuring / Rehabilitation of accounts** wherever possible / justified, within the ambit of Bank's Policy.
- **Recovery through Insolvency and Bankruptcy Code (IBC):** Recovery of amount as per our approved scheme as per the insolvency resolution under IBCs approved by RBI and other such regulatory authorities
- **Recovery Strategies:** Restructuring /Rephasing of account, SARFAESI action, filing of suit, referring the account to Lok Adalats, referring the account to National Company Law Tribunal (NCLT), recovering by way of compromise settlement, etc.
- Recovery / Reduction of NPA
- Once an account becomes NPA, the Bank initially aims for regularization of the account at the earliest by recovery of critical amount required for upgradation and thereby upgrading the asset.

Up-gradation

- Upgradation is attempted in all NPAs, more particularly in Sub-Standard Accounts. The borrower should be persuaded to pay the overdue amount and upgrade the account to Standard Category..

- On recovery of the entire overdue, the account will be upgraded automatically in the CBS. However In certain accounts, manual up-gradation of NPA accounts is required.

Reference Recoverable Amount (RRA):

- Reference Recoverable amount is the basic amount which the Bank shall generally insist for accepting a compromise settlement from the borrower/guarantor etc.

Upfront Payment:

- In respect of all OTS proposals, particularly the high value proposals of Rs.10.00 lakhs and above, the offer should be accompanied by a minimum upfront amount of 10% of the OTS offered so as to commit the borrower to the proposal.
- The upfront amount may be kept in „NO LIEN“ account with the Bank.

Rejection of Compromise Proposals

- No compromise proposal should be rejected at the Branch Manager's level. It should be referred to the next higher authority for decision.

ONE TIME SETTLEMENT

Applicability of Compromise Settlement

OTS Policy is applicable to

- All NPA Accounts (including suit filed, decreed, fraud / wilful defaulter / non co-operative) as on 31.03.2020.
- All fresh NPAs identified from 01/04/2020.
- All staff/retired staff loans /related NPA accounts.
- BOT/NRR accounts

Coverage:

The following settlement formula will be applicable for:

- Educational Loans with limit upto Rs.7.50 lakhs
- Agricultural Loans (Except Agri Jewel Loans) and Micro and Small Enterprises (including accounts earlier classified as SSI) Loans with Limit upto Rs.10 lakhs

Category	Settlement formula (modified)
Sub standard	70% of RB (Real Balance)
Doubtful-D1	60% of RB
Doubtful-D2	45% of RB
Doubtful-D3	40% of RB
Loss	30% of RB

Settlement formula for NPAs (other than those considered in the above special category) with Real Balance upto Rs.10 lakhs as detailed below:

Sub-Standard	D-01	D-02	D-03	Loss
80% of RB	70% of RB	55% of RB	40% of RB	30% of RB

Additional concession

In respect of NPA accounts with Real Balance upto 10 lakhs which are unsecured in nature, additional concession of 10% in RRA may be given if the repayments made by the borrower (excluding subsidy etc.) is more than 50% of the amount availed. It will be applicable for all categories of loans including agriculture and educational loans

Settlement formula for NPA accounts having asset classification D3 or loss as on 31.03.2020 and which are minimum 5 years (modified from 10 years) old NPA with Real Balance above Rs.10 lakhs as detailed below:

	Particulars	D-03	Loss
1	NPV (Net Present Value) More Than or equal to ND (Notional Dues)	RB+ 30% of INT	RB+ 20% of INT
		HIGHER OF NPV OR RRA AS COMPUTED BELOW	
2	NPV + Net Worth (NW) More Than or equal to ND	RB+10% of INT	RB
3	NPV + NW Less Than ND but More Than or equal to RB	70% of RB	60% of RB
4	NPV + NW Less Than RB	30% of RB	30% of RB

Recovery in written off accounts AUC- accounts under collection in which the recovery goes to income and increase profit. **The term used in our Bank is - Account Under collection – (AUC)**

Lok Adalats:

VITAL TAKEAWAYS:

- Any pending case (suit filed) before Civil Court / DRT can be referred to Lok Adalats.
- Any pre-litigation case (non suit filed) can also be referred to Lok Adalat.
- There is no monetary ceiling for referring the case to Lok Adalats.
- Once an Award is passed, on default, to comply with terms of the Award, it can be executed like a decree by filing EP or pursuing RC proceedings.

- The Award (decision) made by the Lok Adalats is deemed to be a decree of a civil court and is final and binding on all parties no appeal against such an award lies before any court of law.
- Mere obtention of award will not suffice. Branches to follow up for recovery as per the terms of the Award failing which on default to file EP / RC entire dues without delay

SARFAESI -Securitization and Reconstruction of Financial assets and Enforcement of Security Interest Act 2002

Action under SARFAESI Act can be initiated in the following:

- The account must be NPA in the books of the Bank.
- The amount outstanding (total dues) in the account should be more than Rs.1.00 lakh and should be more than 20% of the Principal amount and interest thereon.
- The secured asset should not be an Agricultural Land.
- The account must be within the period of limitation and the documents are valid and enforceable.
- The secured asset must not be under Bank's lien/pledge.

Cases where SARFAESI action cannot be initiated

- Non NPA accounts.
- Personal assets of the borrower/guarantors not charged to the Bank.
- Properties not liable for attachment/sale under Section 60 of CPC (*Civil Procedure Code*) (Except the security specifically charged with the debt recoverable under the Act)
- Stages
- Issue of Demand Notice under Sec 13(2)
- If Returned publish in 2 News paper -Publication of demand notice
- Sending Suit filing/Recovery application for Sanction to ZO
- Filing Eviction Petition under SEC 14 before Chief Judicial Magistrate/ District Magistrate/Chief Metropolitan Magistrate(CJM/DM/CMM)
- Follow up with the borrower for Upgradation.
- Reply any objections raised by the borrower within 15 days
- Symbolic Possession Sec 13(4) after 60 days from the date of Demand notice AD or from the date of publication whichever is applicable and send notices to borrower/guarantor/Mortgagor.
- Publish Possession notice in 2 newspapers in even though the notices are served within 7 days of Possession.
- File Caveat before DRT
- Upon receipt of latest EVR (Engineer's Valuation Report) Send SEC (Security Enforcement Committee) proposal to ZO for fixing up Reserve Price.
- After getting sanction for Reserve price fixing from ZO SEC issue sale notice/send notices to borrower/guarantor/Mortgagor and publish in 2 newspapers one in vernacular.
- For first sale date of sale should be 30 days ahead from the date of publication of sale notice. For second sale 15 days gap should be there.
- EMD (Earnest Money Deposit) is 10% and the successful bidder will be give sale Confirmation by AO upon receipt of 15% of the bid amount on the date of sale.
- He may pay the remaining 75% within 15 days and Sale certificate will be issued by AO.

PRIVATE TREATY

- If 2 sale fails we may go for Private treaty, sanctioning authority is GM R&L.
- No need to publish, A sale notice for private treaty may be issued to borrower/guarantor/mortgagor, intimating that the Bank is going to adopt private treaty mode of sale (15 days prior notice only and not 30 days).may be conducted as manual auction
- EMD 10%, the successful bidder has to pay 25% on the bid amount on the date of sale and remaining 65% within 15 days.

e- auction Service Providers

Sr.No	Name of the e-auction Service Provider	Revised Fees w.e.f. 08.02.2018 **
1.	C-1 India Pvt. Ltd	Rs.550/- + applicable GST
2.	Matexnet Pvt. Limited	Rs.550/- + applicable GST
3.	e-Procurement Technologies Pvt. Ltd.	Rs.550/- + applicable GST

Inclusion of new e-auction service provider

Department of Financial Services, Ministry of Finance had series of meetings with PSBs regarding improvement in common e-auction platform for bank properties and suggested that, Banks should provide search facilities across all PSBs from a single site to avoid the prospective buyers from visiting multiple sites even for searching and short-listing of properties. After a series of discussion all member Banks agreed to include MSTC Ltd as e-auction service provider for all PSBs to provide common landing platform e-Bikray and on behalf of all PSBs, Allahabad Bank executed agreement with MSTC Ltd on 05.11.2019 with following commercial/ payment terms:

- (a) Listing Charges per property for conducting auctions irrespective of outcome of e-auction, Rs.900/- + GST per property or
- (b) Success Fee of Rs.9000/- + GST per sold property.

We have opted for Rs.9000/- + GST per sold property till revision of commercial terms with MSTC Ltd.

As per direction of Department of Financial Services, Ministry of Finance, all e-auctions under the SARFAESI Act is to be listed through common web portal e-Bikray developed by MSTC Ltd.

As per old guidelines, in e-auction process, Digital Signature Certificate (DSC) of the bidders was suggested and has been adopted for safety and security reasons. At the same time, factoring in the operational convenience, as it was not feasible to insist on digital signature in few instances which poses a blockade, involving the timeline for arranging for the digital signature certificate, clearance was obtained that Digital Signature Certificate may be waived for bidders in the e-auction process for securities wherein Reserve Price has been fixed up to Rs. 100.00 Lakhs, subject to strict compliance and validation of KYC norms.

As per common web portal developed for all PSBs and concept note signed with MSTC Ltd all intending bidders shall register with the e-auction portal of MSTC Ltd to create their user ID and password and registration of bidders involves a process of filling up an online form and then submitting KYC documents which will be verified by MSTC Ltd. No Digital Signature Certificate is proposed for bidders to submit bid at this stage.

Please make use of the following web link for steps / procedure for e-auction / powers of Authorized Officers in the e-auction process, use of digital signature etc

https://ibapi.in/Sale_Info_Home.aspx#

<https://www.mstcecommerce.com/auctionhome/ibapi/index.jsp>

30.

Strategies for Recovery

RECOVERY OF SMA A/cs

- If any loan account is overdue, first view balance in SB account by CIF Link and recover from SB Account if funds are available under general lien.
- Link Guarantor's account with the borrower CIF immediately on disbursal.
- Guarantor's account will also be reflected in CIBIL if there is a default. And also we can give pressure to Guarantor also.
- Follow up and Recovery of SMA accounts should be Habitual and Regular.
- Start follow up from SMA 0. The SMA 0 Report pushed in CDC Reports should be monitored regularly.
- The follow up of loan accounts in a disciplined manner reveals only SMA 0 and SMA 1 Report in the branch and no account in SMA 2 or SS Category.
- Diaries the commitment made by the customer.
- Contact the customer a day before the date of commitment.
- Again remind on the day of commitment.
- It should be ensured that document is enforceable.
- Issue Ordinary Bank notice even for SMA 0 accounts, Registered Notice for SMA 1 accounts & Legal Notice for SMA2 Accounts.
- Issue Notice under Hypothecation clause/Demand Notice under SARFAESI for Unflagged Sub Standard Accounts.
- NPA/SMA Mobile Tracker app may be utilised properly.
- In ETL (Educational Term Loan) accounts Father/co borrower may receive funds from the Son/borrower in a separate self operated account which is not at all linked to the ETL account. Find that account by going through the Navigation "Search by Name" and link with ETL account.
- In case of loan accounts secured by EM of property visit the subject premises and inform the tenants about the default .It is a way of indirect pressure to the borrower.
- The borrower/co borrower/guarantor/Mortgagor may come forward for JL release but they are not bothered about the overdue in loan account. Kindly get the overdue in loan account and then allow them to pay towards JL.

- Monitor if there is any Subsidy available and lock in period is over, Unit is existing etc. so that if everything is in order, subsidy may be transferred to the loan account.
- If we are not able to ascertain the present employment status of the ETL Borrower please take a CIBIL Report, it may help to some extent in finding out the present contact number etc. We can also search in Social media/jobs.com etc.
- Try to collect Stock statement monthly. An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power
- Send SMA notices twice a month 16th and 31st of every month in local language and file copy of the notice in the document.
- It is better to send SMA, Notices in local language preparing by mail merge. Reach will be effective.
- Teach your frontline staff /team about SMA basic features and train them in such a way the borrower may not run away after his transaction.
- Teach everybody in the branch to be proactive.
- Teach clearing staff to go through the CIF link while booking cheques.
- Arresting slippages by Recovering critical amount should be practices as team effort. Allocate 5 accounts to each staff and ask them to give feedback every evening. If Recovery is made, appreciate them and escalate.
- Remove the mind block that no one in the branch will do this type of work like recovery.
- Utilise the services of Local bodies like Panchayat leader/Church father etc in a village. They are the key persons of the village and people will obey their words.

TIPS FOR RECOVERY OF NPA A/cs

- If any loan account is overdue, first view balance in SB account by CIF Link and recover from SB Account if funds are available under general lien.
- Link Guarantor's account with the borrower CIF immediately on disbursal.
- Guarantor's account will also be reflected in CIBIL if there is a default. And also we can give pressure to Guarantor also.
- Follow up and Recovery of NPA accounts should be Habitual and Regular.
- In ETL accounts Father/co borrower may receive funds from the Son/borrower in a separate self operated account which is not at all linked to the ETL account. Find that account by going through the Navigation "Search by Name" and link with ETL account.

- The borrower/co borrower/guarantor/Mortgagor may come forward for JL release but they are not bothered about their NPA loan account. Kindly get the overdue in loan account for upgradation then allow them to pay towards JL.
- Monitor if there is any Subsidy available and lock in period is over, Unit is existing etc so that if everything is in order, subsidy may be transferred to the loan account.
- If we are not able to ascertain the present employment status of the ETL Borrower please take a CIBIL Report , it may help to some extent in finding out the present contact number etc. We can also search in Social media/jobs.com etc.
- It is better to send NPA, Notices in local language preparing by mail merge. Reach will be effective.
- Teach your frontline staff /team about NPA basic features and train them in such a way the borrower may not run away after his transaction.
- Teach everybody in the branch to be proactive.
- Teach clearing staff to go through the CIF link while booking cheques.
- Recovering of overdue amount and focus on upgradation and OTS should be practiced as team effort. Allocate 5 accounts to each staff and ask them to give feedback every evening. If Recovery is made, appreciate them and escalate.
- Remove the mind block that no one in the branch will do this type of work like recovery.
- Utilise the services of Local bodies like Panchayat leader/Church father etc in a village. They are the key persons of the village and people will obey their words.
- Meticulous usage of Recovery Agents/BCs should be taken care.
- Focus on upgradation of NPA accounts to reduce NPA Level.
- Focus on Lok Adalat , do lot of Ground work, visit household of the borrower and explain in such a way that 90% of borrowers come forward for Lok Adalat.
- An award passed by Lok Adalat is valid for 12 Years. As soon as an account is awarded in Lok adalat the date should be updated in the system by making the frequency as 12 and in turn that account will not be reflected in Time barred list.
- Follow up with the borrower whose account was awarded in Lok Adalat to make remaining payments in instalments.
- If the party has not complied the terms as stipulated by the Judiciary in the award, send a reminder to the borrower by giving a week's time and file EP praying attachment /arrest.

- In case of Lok adalat Notices, the envelopes from address should be affixed by Court seal. Hence while going for getting the signature of the Judiciary, take the sufficient envelopes for affixing the Seal.
- Verify the availability of security-Primary/collateral/CGTMSE Coverage etc.
- Issue demand Notice within 7 days of the account flagged as NPA.
- With regard to SARFAESI Cases, notices should be prepared with nil mistakes, time frame should be strictly followed. Failure of which leads to delay in process by injunction obtained by the parties.
- In case of loan accounts secured by EM of property visit the subject premises and inform the tenants about the default. It is a way of indirect pressure to the borrower.
- File eviction petition under Sec 14 before CMM/CJM/DM immediately after issuing demand notice.
- Adhere to SARFAESI timelines correctly.
- Easiest way of Recovery is OTS. Explore maximum possibility.
- In case of Vehicle/movables, issue seizure notice immediately the account slipped into NPA
- Form a Whatsapp group of branch staff and teach them the OTS formula. If the borrower comes when BM is not there in the branch, they should be able to handle properly and do successful Recovery.
- Release the commissions of BCs and RA (Recovery Agent) then and there as per norms. Otherwise a BM cannot get work done from them with regard to Recovery
- Recovery is an art. It has to be done in a disciplined and regular manner.
- The borrower makes lot of hindrances/annoyance to the lender which is eternal fact which could be overcome by patience.
- Above all, have updated knowledge of circulars, policies and manuals since Knowledge is Power and a knowledgeable person will be more Vigilant.

What is new guidelines on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances-Clarifications

RBI has issued a circular on Prudential norms on Income Recognition, Asset classification & Provisioning on 01.10.2021. Again to ensuring uniformity in the implementation some clarifications issued by RBI vide its circular no. DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021. Some important points related to IRAC is as below:-

- The exact due dates for repayment of a loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be clearly specified in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and also at the time of subsequent changes, if any, to the

sanction terms/loan agreement till full repayment of the loan.

- These instructions shall be complied with at the earliest, but not later than December 31, 2021, in respect of fresh loans.

- The borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running such processes.

- Classification of borrower accounts as SMA as well as NPA shall be done as part of day-end process for the relevant date and the SMA or NPA classification date shall be the calendar date for which the day end process is run.

- In case of interest payments in respect of term loans, an account will be classified as NPA if the interest applied at specified rests remains overdue for more than 90 days.

- loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower.

- If loans with moratorium on payment of interest (permitted at the time of sanction of the loan) become NPA after the moratorium period is over, the capitalized interest corresponding to the interest accrued during such moratorium period need not be reversed.

- Consumer education literature should be displayed in branches by means of posters and/or other appropriate media.

MANDATORY e-FILING OF CASES / PETITIONS BY THE BANK BEFORE ALL COURTS / TRIBUNALS / FORA w.e.f. 01.01.2022

Department of Financial Services (DFS), Ministry of Finance, Government of India has directed all the PSUs to strict compliance of mandatory e-filing of cases / petitions with effect from 01.01.2022.

STANDARD OPERATING PROCEDURE (SOP) FOR LEAD MANAGEMENT MODEL FOR e-AUCTION OF PROPERTIES UNDER THE SARFAESI ACT THROUGH e-BIKRAY PORTAL.

All the properties where Possession (Both Symbolic and Physical Possession) has been taken under SARFAESI Act have to be uploaded in e-Bikray site without Reserve Price and Sale date. To improve the recovery in these cases our bank has developed a Lead Management Module for capturing the interested prospective buyers for purchase of properties showcased in e-Bikray site and communicate to respective Zones/Branch to utilize those leads to contact the prospective buyers, share the details of the properties and show them physically if required to improve the sale under SARFAESI. The prospective buyer can have access to e-Bikray site directly or through our Bank Website. In case any prospective buyer is interested for any particular property (ies) and leave their Name & contact details in the e-Bikray site, the said lead/s can be accessed by Zones/Branches and need to be replied on time with regards to information on as to when the auction of property is scheduled and how to participate in e-auction etc to the prospective buyer. Branches/Zones should ensure to respond to the leads received in Lead Management Model within 24 hours. However, if the respond time exceeds more than 72 hours it will be escalated to Top Management.