

# XI

## GOVERNANCE, HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

*During the year, the Reserve Bank continued to focus on building its human resources skills through both in-house and external training programmes as also cater to the general well-being of its staff. An Expert Committee constituted in consultation with the Government of India to review the extant Economic Capital Framework has submitted its report to the Reserve Bank. A comprehensive Strategic Framework viz., Utkarsh 2022 setting out the Reserve Bank's medium-term outlook and strategy was rolled out. In recognition of its work relating to Rajbhasha, the Reserve Bank's Hindi Journal received an accolade from the Association of Business Communicators of India.*

XI.1 This chapter summarises achievements in the areas of governance, human resource, risk monitoring and corporate strategy during 2018-19, and also sets out an agenda for 2019-20. These achievements relate to efforts to strengthen human resources by upgrading skills through several initiatives such as in-house and external trainings, incentive schemes and e-learning modules, hiring new talent to bridge skill gaps in the organisation, initiatives such as leadership and executive education programmes and mid-career development programmes and an Equal Opportunity Policy for facilitating differently abled employees.

XI.2 Risk management and audit operations of the Reserve Bank emphasised a holistic approach to ensure business continuity. Under the Enterprise-Wide Risk Management (ERM) framework, the focus during the year was on risk reporting, risk modelling and risk analysis. Furthermore, the middle office in the Department of External Investments and Operations (DEIO) and the Chief Information and Security Officer responsible for managing IT and Cyber risks were integrated with the Risk Monitoring Department (RMD) for synergy and better risk management. The risk tolerance limits reviewed in the context of the coverage of financial risks and a web-based Integrated Risk Monitoring and Incident Reporting System (IRIS) is being implemented. The process of automation of the audit process got further impetus with the rolling out of the Concurrent Audit Functionality

in Audit Management and Risk Monitoring System (AMRMS) across all Central Office Departments (CODs)/Regional Offices (ROs)/ Training Establishments of the Reserve Bank from January 2019.

XI.3 A comprehensive review of the Vision, Mission and Core Purpose of the Reserve Bank was undertaken during the year, and a medium-term strategy document "Utkarsh 2022" was prepared. A comprehensive Business Continuity Management (BCM) system for the Reserve Bank has been implemented since December 2018 to recover time-sensitive critical operations during disruptions/crises.

XI.4 In compliance with the statutory provisions of the Official Language Act 1963, the Rajbhasha Department organised several training programmes and workshops during 2018-19 to promote the use of Hindi. The Premises Department endeavoured to create, maintain and upgrade the Reserve Bank's infrastructure. The Indian Green Building Council (IGBC) conferred the Reserve Bank with the "GREEN CHAMPION AWARD" in recognition of the measures undertaken for making the new and existing buildings of Reserve Bank 'Green Compliant'.

XI.5 Against this backdrop, the chapter is organised as follows. The immediately following section details the governance structure of the Reserve Bank. Section 3 mentions the initiatives undertaken by the Human Resource Management Department (HRMD) during the year. The risk management measures carried out by the

Reserve Bank are described in section 4. The activities of the Inspection Department during the year are discussed in section 5. The functioning of Corporate Strategy and Budget Department (CSBD) which coordinates and develops strategies and annual action plans for the Reserve Bank are narrated in section 6. The activities of the Department of Corporate Services, that act as a facilitator in providing internal corporate services to the entire organisation are described in section 7. The activities and accomplishment of the Rajbhasha and Premises Departments are detailed in sections 8 and 9, respectively. Apart from the accomplishments during the year, these departments also set their agenda for 2019-20.

## 2. GOVERNANCE STRUCTURE

XI.6 The Central Board of Directors is the apex body in the governance structure of the Reserve Bank. It comprises the Governor as the Chairperson, Deputy Governors, Directors nominated by the Central Government and Government Directors. There are four Local Boards for the northern, southern, eastern and western regions of the country, which focus on local issues. The Government of India (GoI) nominates/appoints Directors of the Central Board and Members of the Local Boards in accordance with the Reserve Bank of India Act, 1934.

XI.7 The Central Board is assisted by three Committees: the Committee of the Central Board (CCB); the Board for Financial Supervision (BFS); and the Board for Regulation and Supervision of Payment and Settlement Systems (BPSS). These Committees are headed by the Governor. In addition, the Central Board also has four Sub-Committees: the Audit and Risk Management Sub-Committee (ARMS); the Human Resource Management Sub-Committee (HRM-SC); the Building Sub-Committee (BSC); and the Information Technology Sub-Committee (IT-SC). These sub-committees are typically headed by an external Director.

### *Meetings of the Central Board and CCB*

XI.8 The Central Board held six meetings during July-June, 2018-19 in Patna, Mumbai (three meetings), New Delhi and Chennai. The Finance Minister of India addressed the post-Budget meeting held in New Delhi on February 18, 2019. The Finance Minister of India also addressed the Board at its meeting held in New Delhi on July 8, 2019 after presentation of final Budget by the Government of India.

XI.9 The CCB held 45 meetings during the year, 33 of which were held through electronic mode. The CCB attended to the current business of the Reserve Bank, including approval of its Weekly Statement of Affairs. External Directors are invited to the CCB meetings by rotation.

XI.10 The Western, Eastern and Northern Area Local Board held five, four and three meetings, respectively, and Southern Area Local Board held one meeting during the year.

XI.11 The Standing Committee of the Central Board was set up in 2014-15 to examine issues relating to Urban Cooperative Banks (UCBs), Non-Banking Financial Companies (NBFCs), currency management and other issues relevant to the regions where meeting of the Local Boards could not be convened. The Standing Committee, in lieu of Northern and the Southern areas, held one meeting each, during the year.

### *Attendance of Directors*

XI.12 The details of participation of Directors/ Members in meetings of the Central Board, its Committees and Sub-Committees are given in the Annex (Tables 1 to 4). The details of participation of Members in the meetings of Local Boards are given in Annex Table 5.

### *Central Board/Local Boards: Changes*

XI.13 On December 11, 2018, the Central Government accepted the resignation of Dr. Urjit R. Patel as Governor, Reserve Bank of India and appointed Shri Shaktikanta Das, former Secretary,

Department of Economic Affairs, as Governor, for a period of three years under Section 8(1)(a) of the Reserve Bank of India Act, 1934.

XI.14 On June 26, 2019, the Central Government accepted the resignation of Dr. Viral V. Acharya as Deputy Governor, Reserve Bank of India with effect from July 23, 2019.

XI.15 The Central Government, on July 2, 2019, reappointed Shri N.S. Vishwanathan as Deputy Governor, Reserve Bank of India till July 3, 2020, or until further orders, whichever is earlier.

XI.16 Shri Atanu Chakraborty, Secretary, Department of Economic Affairs, Ministry of Finance, Government of India was nominated as a Director on the Central Board of Directors of the Reserve Bank of India under section 8(1)(d) of the Reserve Bank of India Act 1934 with effect from July 29, 2019 and until further orders *vice* Shri Subhash Chandra Garg.

XI.17 Shri Satish Kashinath Marathe and Shri Swaminathan Gurumurthy were nominated as Directors for a period of four years under Section 8(1)(c) of the Reserve Bank of India Act, 1934 with effect from August 7, 2018.

XI.18 Ms. Revathy Iyer was appointed as a Member of the Northern Area Local Board for a period of four years under Section 9(1) of the Reserve Bank of India Act, 1934 and was nominated as a Director on the Central Board of Directors of the Reserve Bank of India for a period of four years under Section 8(1)(b) of the Reserve Bank of India Act, 1934 with effect from September 19, 2018.

XI.19 Prof. Sachin Chaturvedi was appointed as a Member of the Eastern Area Local Board for a period of four years under Section 9(1) of the Reserve Bank of India Act, 1934 and was nominated as a Director on the Central Board of Directors of the Reserve Bank of India *vice* Dr. Nachiket M. Mor for a period of four years under Section 8(1) (b) of the Reserve Bank of India Act, 1934 with effect from September 19, 2018.

XI.20 The Central Government appointed Shri Raghvendra Narayan Dubey and Shri Rakesh Jain as Members of Northern and Southern Local Boards, respectively, under Section 9(1) of the Reserve Bank of India Act, 1934 with effect from September 19, 2018.

XI.21 The Central Board accepted the resignation of Dr. Nachiket M. Mor from the Eastern Area Local Board with effect from October 13, 2018 and of Shri Rakesh Jain from the Southern Area Local Board with effect from March 11, 2019.

#### *Executive Directors - Changes*

XI.22 Shri A. K. Misra, Executive Director, retired on July 31, 2018. Shri Deepak Singhal and Shri Sudarshan Sen, Executive Directors retired on January 31, 2019. Smt. Rosemary Sebastian and Smt. Parvathy V. Sundaram were promoted as Executive Directors with effect from August 14, 2018. Shri E. E. Karthak and Smt. Lily Vadera were promoted as Executive Directors, effective February 1, 2019. Smt. Rosemary Sebastian, Executive Director, retired on May 31, 2019. Dr. Rabi N. Mishra was promoted as Executive Director with effect from June 14, 2019. Shri E. E. Karthak, Executive Director, retired on June 30, 2019 while Smt. Surekha Marandi retired on July 31, 2019. Smt Nanda S. Dave and Shri Anil Kumar Sharma were promoted as Executive Directors, effective July 1, 2019 and August 1, 2019, respectively.

#### *Governance Deliberations in the Central Board during 2018-19*

XI.23 A meeting of the Members of the Local Boards with Deputy Governors was convened on January 21, 2019 to review the roles and responsibilities of the Local Boards. Based on the deliberations of the meeting, it was decided by the Central Board that Local Boards are an important governance structure in the Reserve Bank and to

enable them play a more meaningful role, further improvements in the information provided to the Local Boards should be made.

XI.24 As part of the Department's strategy to automate internal workflows and thereby reduce the usage of paper, a software solution was implemented for the conduct of all meetings of the Central Board and its Committees as well as Committees of the Top Management of the Reserve Bank. It is proposed to automate the conduct of the meetings of all the four Local Boards during 2019-20.

### 3. HUMAN RESOURCE INITIATIVES

XI.25 The pursuit of individual and organisational excellence is a constant endeavour. Careful management of human resource plays a vital role in not only tapping the existing potential but also in laying down the framework for a sustained movement along the learning curve. The Human Resource Management Department (HRMD) encourages a holistic approach to the development of the Reserve Bank's human resources.

### Major Developments

#### *In-house Training*

XI.26 In the endeavour to impart knowledge and skill upgradation for development of technical and behavioural skills of its employees, the training establishments of the Reserve Bank, viz., RBI Academy; Reserve Bank Staff College (RBSC), Chennai; College of Agricultural Banking (CAB), Pune; and four Zonal Training Centres in Mumbai, New Delhi, Kolkata and Chennai catered to training requirements (Table XI.1).

#### *Training at External Institutions*

XI.27 The Reserve Bank deposes its employees to attend specific programmes in order to tap expertise available in external institutes. During 2018-19, 952 officers were deputed in external institutions. Class III and Class IV employees were also deputed for trainings in external institutions in India during the year. In addition, the Reserve Bank also deputed 378 officers to attend training courses, seminars, conferences and workshops conducted by banking and financial institutions and multilateral institutions in different countries (Table XI.2).

**Table XI.1: Reserve Bank Training Establishments - Programmes Conducted**

Training Establishment	2016-17 (July-June)		2017-18 (July-June)		2018-19 (July-June)	
	Number of Programmes	Number of Participants	Number of Programmes	Number of Participants	Number of Programmes	Number of Participants
1	2	3	4	5	6	7
RBI Academy	9	317 (20)	18	620 (24)	22	546 (38)
RBSC, Chennai	129	3,346 (172)	147	3,583 (281)	152	3,125 (499)
CAB, Pune	173	5,788 (56)	184	6,448 (42)	179	5,542 (51)
ZTCs (Class I)	101	1,934	115	2,271	116	2,227
ZTCs (Class III)	104	2,130	100	2,109	76	1,877
ZTCs (Class IV)	33	758	36	802	46	1,158

**Note:** Figures in parentheses pertain to foreign participants and/or participants from external institutions.

**Source:** RBI.

**Table XI.2: Number of Officers Trained in External Training Institutions in India and Abroad**

Year	Trained in India (External Institutions)	Trained Abroad
1	2	3
2016 – 17	816	506
2017 – 18	1,041	410
2018 – 19	952	378

**Source:** RBI.

*Study Leave Schemes and Golden Jubilee Scholarship*

XI.28 Nine officers of the Reserve Bank availed of schemes for pursuing higher studies

overseas (other than the Reserve Bank’s Golden Jubilee Scheme) during the year. A total of 318 employees pursued select part-time/distance education courses under the Reserve Bank’s incentive scheme. Under the Golden Jubilee Scholarship Scheme, 8 officers were selected during the year to pursue higher studies in reputed universities abroad.

**Other Initiatives**

XI.29 A number of initiatives were taken during the year, reinforcing the Reserve Bank’s commitment towards training and development of its employees (Box XI.1).

**Box XI.1**

**Training and Development in the Reserve Bank: Recent Initiatives**

Some of the recent measures taken by the Reserve Bank to provide adequate opportunities for learning to all employees include:

**i) Leadership and Executive Education Programme (LEEP)**

The Reserve Bank deposes officers in Grade ‘F’ with proven track record of exceptional performance and leadership skills to Leadership and Executive Education Programme (LEEP) conducted by select reputed Business Schools/Universities with a view to providing appropriate exposure. Ten CGMs selected for the year 2018-19 have secured admission for the courses that they propose to pursue under the scheme. During the year, shortlisted CGMs have opted for courses offered by Wharton, Columbia and Stanford Universities, commencing during April-June 2019.

**ii) Mid-Career Mandatory Training Programme (MCMTP)**

Mid-Career Mandatory Training Programme - Level I has been introduced by the Reserve Bank for the Middle Management. It seeks to prepare officers in Grade ‘C’ (Assistant General Managers) - who have completed 10 years in the Reserve Bank and at least 3 years in Grade ‘C’- to take up higher responsibilities as a senior officer of the Reserve Bank. The Programme was rolled out for approximately 80 officers during the month of August 2018 and was successfully completed in three batches. Mid-Career Mandatory Training Programme - Level II for

eligible officers in Grade ‘E’ (General Managers) is under consideration.

**iii) Incentive Scheme for Higher Education - Bridging the Skill Gaps**

(a) In its constant endeavour to bridge various skill gaps, the Reserve Bank encourages its employees to take up higher and specialised educational courses and reimburses the fees. Employees are allowed to enrol for trainings/courses in new and emerging fields so that they remain abreast with market developments that are of relevance to the Reserve Bank. Increasingly, the focus has shifted to cyber security and safe banking habits with the Reserve Bank including courses from reputed international institutions in the areas of cyber security and anti-money laundering.

(b) The Reserve Bank has a tie-up with the Chartered Financial Analyst (CFA) Institute for offer of CFA Regulator scholarships for its employees. Keeping in view the increasing interest shown by the staff in availing these scholarships, the CFA Institute has, on a request from the Reserve Bank, increased the scholarships from 20 to 25. Every year the total number of applications received is in excess of the scholarships available and the remaining number of employees are allowed to register under the normal registration process. During the year, 103 applications were received from employees for appearing in the CFA examination to be held in June and December 2019.

### Structured e-learning

XI.30 The Reserve Bank has structured e-learning courses targeted at larger groups of staff members on its Learning Management System. At present, 23 e-learning modules are being offered by RBSC, Chennai on the Reserve Bank's intranet. Officers are also encouraged to undertake online certificate courses such as those offered by the IMF's Institute for Capacity Development.

### Internship Scheme

XI.31 During the course of the year, 158 students were selected and provided internship in the Reserve Bank as part of its summer internship scheme.

### Grants and Endowments

XI.32 In order to promote research, training and consultancy in the banking and financial sector, the Reserve Bank provided financial support amounting to ₹272.82 million to the Indira Gandhi Institute of Development Research (IGIDR), Mumbai; ₹105.3 million to the Centre for Advanced Financial Research and Learning (CAFRAL), Mumbai; ₹10.70 million to the National Institute of Bank Management (NIBM), Pune; ₹8.76 million to the Indian Institute of Bank Management (IIBM), Guwahati; and ₹6.84 million to the London School of Economics (LSE) India observatory and the IG Patel Chair.

### Industrial Relations

XI.33 Industrial relations in the Reserve Bank remained cordial during the year. The Reserve Bank continued to hold periodic meetings with recognised Associations/Federations of officers and employees/workmen on various matters related to service conditions and welfare measures for employees.

### The RBI Policy Challenge

XI.34 The fourth edition of the RBI Policy Challenge, a national level competition designed to enhance knowledge regarding monetary policy making amongst students pursuing undergraduate/post-graduate courses, got underway in October 2018. More than 300 entries from educational institutions across the country were received. Teams from the Indian Institute of Technology, Kanpur (North Zone); Sarla Anil Modi School of Economics, Mumbai (West Zone); T. A. Pai Management Institute, Manipal (South Zone); and Xavier Institute of Management, Bhubaneswar (East Zone) qualified for the National Finals held at Central Office, Mumbai on April 22, 2019, with the students from Indian Institute of Technology, Kanpur emerging as the winners. The winners are given a cash prize of ₹1 lakh along with a trophy and also offered an option to do an internship with the Reserve Bank for a period of three months.

### Recruitments and Staff Strength

XI.35 During 2018 (January-December), the Reserve Bank recruited a total of 543 employees in various cadres (Table XI.3).

**Table XI.3: Recruitments by the Reserve Bank in 2018\***

Category of Recruitment	Category-wise Strength						
	Total	of which			Per cent of Total		
1	2	3	4	5	6	7	8
Class I	152	19	11	44	12.50	7.24	28.95
Class III	27	-	-	6	-	-	22.22
Class IV							
(a) Office Attendant	364	25	33	106	6.87	9.07	29.12
(b) Maintenance Attendant	-	-	-	-	-	-	-
(c) Others	-	-	-	-	-	-	-
<b>Total</b>	<b>543</b>	<b>44</b>	<b>44</b>	<b>156</b>	<b>8.10</b>	<b>8.10</b>	<b>28.73</b>

\*: January to December 2018.

-: Nil.

Source: RBI.

**Table XI.4: Staff Strength of the Reserve Bank\***

Category	Total Strength		Category-wise Strength						Percent to Total Strength		
			SC		ST		OBC		SC	ST	OBC
	2017	2018	2017	2018	2017	2018	2017	2018	2018		
1	2	3	4	5	6	7	8	9	10	11	12
Class I	6,955	6,522	1,052	988	444	415	850	949	15.15	6.36	14.55
Class III	3,831	3,497	572	537	211	195	892	840	15.36	5.58	24.02
Class IV	3,999	3,774	1,190	1,027	328	321	573	635	27.21	8.51	16.83
<b>Total</b>	<b>14,785</b>	<b>13,793</b>	<b>2,814</b>	<b>2,552</b>	<b>983</b>	<b>931</b>	<b>2,315</b>	<b>2,424</b>	<b>18.50</b>	<b>6.75</b>	<b>17.57</b>

\*: End December.  
Source: RBI.

XI.36 The total staff strength of the Reserve Bank as on December 31, 2018 was 13,793 as compared with 14,785 a year ago, reflecting a reduction of 6.70 per cent (Table XI.4).

XI.37 During 2018 (January-December), four meetings were held between the management and representatives of the All India Reserve Bank Scheduled Castes/Scheduled Tribes and the Buddhist Federation to discuss issues relating to the implementation of the Reserve Bank's reservation policy. Two meetings were also held with representatives of Other Backward Class (OBC) Association.

XI.38 The total strength of ex-servicemen in the Reserve Bank stood at 921 at end December 2018 while the total number of employees with

disabilities stood at 347 (Table XI.5). A total of 52 ex-servicemen and 43 persons with disabilities (PWD) were recruited during the year (Table XI. 6).

XI.39 As on June 30, 2019, the number of full-time employees in the Reserve Bank stood at 13,012. Of these, 6,434 were in Class I, 3,075 in Class III and 3,503 in Class IV.

#### Staff Welfare

XI.40 The Reserve Bank formulated an Equal Opportunity Policy in October 2018 following the enactment of the Rights of Persons with Disabilities Act, 2016 as part of its continued efforts to facilitate differently abled employees (Box XI.2).

**Table XI.5: Total Strength of Ex-Servicemen and PWD\***

Category	Total Strength	PWD ( Persons with Disabilities)				
		Ex-Service-men (ESM)	Visually Impaired (VI)	Hearing Impaired (HI)	Ortho-pedically Handicap (OH)	Intel-lectual Disabilities (ID)
1	2	3	4	5	6	7
Class I	6,522	211	30	10	124	-
Class III	3,497	186	29	12	60	4
Class IV	3,774	524	10	8	60	-

\*: End December 2018. -: Nil.  
Source: RBI.

**Table XI.6: Recruitment of Ex-Servicemen and Persons with Disabilities during 2018\***

Category	PWD ( Persons with Disabilities)				
	Ex-Service-men (ESM)	Visually Impaired (VI)	Hearing Impaired (HI)	Ortho-pedically Handicap (OH)	Intellectual Disabilities (ID)
1	2	3	4	5	6
Class I	2	1	1	1	-
Class III	-	7	6	8	4
Class IV	50	7	2	6	-

\*: January to December. -: Nil.  
Source: RBI.

## Box XI.2 Equal Opportunity Policy

The policy has provisions for assistive devices, barrier-free accessibility, post-recruitment and pre-promotion training, matters related to transfer and posting, special leave, allotment of residential accommodation

among other facilities for persons with disabilities to assist them in effectively discharging their official duties. The policy also provides for a grievance redressal mechanism.

### *Prevention of Sexual Harassment of Women at the Workplace*

XI.41 The formal grievance redressal mechanism for prevention of sexual harassment of women at the workplace, which has been in place since 1998, was further strengthened with the issue of a new comprehensive set of guidelines in 2014-15 in accordance with the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act and Rules, 2013. During the period January to December 2018, two complaints were received and both were resolved. Several awareness programmes were organised at various Regional Offices (ROs) for sensitising the staff regarding these matters. Workshops on awareness on prevention of sexual harassment were conducted for the staff, including those newly recruited, vendors and contractual employees. The RBSC also conducted a programme for Counsellors posted at various Offices of the Reserve Bank.

### *Right to Information (RTI)*

XI.42 The Reserve Bank received 15,526 requests for information and 1,512 appeals under the RTI Act during 2018-19. During the year, one training programme was conducted on the RTI Act by the Reserve Bank Staff College, Chennai.

### *Superannuation Benefits*

XI.43 The Government of India has approved a proposal of the Reserve Bank to allow updation of pension for the Reserve Bank's retired employees.

### *Organisational Change*

XI.44 In the context of the growing diversity, complexities and interconnectedness within the Indian financial sector and with a view to strengthening the supervision and regulation of commercial banks, urban cooperative banks and Non-Banking Financial Companies, it has been decided to create a specialised supervisory and regulatory cadre within the Reserve Bank.

### **Agenda for 2018-19: Implementation Status**

XI.45 The Reserve Bank introduced mid-career mandatory training programme for eligible Officers in Middle Management (Grade 'C') in August 2018.

XI.46 The Reserve Bank also released a well-defined comprehensive policy on succession planning in April 2019 with a view to setting up a formal accountable system to facilitate seamless succession, particularly in the case of critical functions requiring substantial hands-on experience.

### **Agenda for 2019-20**

XI.47 The Reserve Bank proposes to introduce a 'Wellness Policy' aimed at taking care of the health and general well-being of employees in a holistic manner. With the objective of improving the skill set of officers for higher roles, the scheme for Mid-Career Mandatory Training Programme Level II (MCMTP-II) for eligible officers in Grade 'E' shall be drafted. The base work to facilitate setting up of the specialised supervisory and regulatory cadre would be taken up. Internal processes would be simplified to maximise efficiency and effectiveness without diluting



checks and balances. Further steps would be taken towards having a paperless, presence less and cashless mode of a comprehensive HR interface within the Reserve Bank.

#### **4. ENTERPRISE-WIDE RISK MANAGEMENT (ERM)**

XI.48 The Risk Monitoring Department (RMD) is the nodal Department for the formulation and operationalisation of enterprise-wide risk management (ERM) in the Reserve Bank. During the year, the focus of the Department has been on building up risk reporting,

risk modelling and risk analysis in the Reserve Bank.

#### *Expert Committee on Economic Capital Framework*

XI.49 The Expert Committee to review the Economic Capital Framework of the Reserve Bank was constituted in consultation with the Government of India (Chairman: Dr. Bimal Jalan). The Committee has submitted its report to the Reserve Bank. Major recommendations of the Committee with regard to risk provisioning and surplus distribution are set out in Box XI.3

#### **Box XI.3**

#### **Expert Committee to review the extant Economic Capital Framework of the Reserve Bank of India – Recommendations and Implementation**

The Reserve Bank had developed the Economic Capital Framework (ECF) between 2014-15 and 2015-16 as an objective, rule-based, transparent methodology for determining the appropriate level of risk provisions to be made under the provisions of Section 47 of the RBI Act, 1934. The framework operated almost concurrently with the Malegam Committee's recommendations which were valid for a three-year period, *i.e.*, 2013-14 to 2015-16. Subsequent to the meeting of the Reserve Bank's Central Board held on November 19, 2018, the Reserve Bank, in consultation with the Government, constituted an Expert Committee to review the extant ECF of the Reserve Bank under the Chairmanship of Dr. Bimal Jalan, former Governor. Dr. Rakesh Mohan, former Deputy Governor was the Vice Chairman with Shri Bharat Doshi, Central Board Director, Shri Sudhir Mankad, Central Board Director, Shri Subhash Chandra Garg, Finance Secretary, Government of India and Shri N.S. Vishwanathan, Deputy Governor as members. On Shri Garg's transfer, Shri Rajiv Kumar, Finance Secretary, Government of India was appointed as member to the Committee.

The Committee was in complete agreement that the Reserve Bank forms the primary bulwark for monetary, financial and external stability. Hence, the resilience of the Reserve Bank needs to be commensurate with its public policy objectives and must be maintained above the level of peer central banks as would be expected of a central bank of one of the fastest growing large economies of the world.

The Committee's recommendations were based on the consideration of the role of central banks' financial resilience, cross-country practices, statutory provisions and the impact of the Reserve Bank's public policy mandate and operating environment on its balance sheet and the risks involved. The Committee concluded that among central banks, given the considerable variation in their roles and responsibilities, the environment they operate in, their financial relationship with the sovereign and their accounting frameworks, there is no internationally laid down risk capital framework for central banks. Central banks, therefore, develop and adapt risk management/capital frameworks to suit their own specific conditions and requirements. This also means that international comparisons will only reveal global trends and averages, but not a generally agreed international norm.

#### **Major recommendations of the Committee with regard to risk provisioning and surplus distribution**

*Reserve Bank's Economic Capital:* The Committee reviewed the status, need and justification of the various reserves, risk provisions and risk buffers maintained by the Reserve Bank and recommended their continuance. A clearer distinction between the two components of economic capital (realised equity and revaluation balances) was also recommended by the Committee as realised equity could be used for meeting all risks/losses as they were primarily built up from retained earnings, while revaluation balances could be reckoned only as risk buffers against market risks as they represented unrealised valuation gains and hence were not distributable. Further, there was

*(Contd...)*

only a one-way fungibility between them which implies that while a shortfall, if any, in revaluation balances *vis-à-vis* market risk provisioning requirements could be met through increased risk provisioning from net income, the reverse, *i.e.*, the use of surplus in revaluation balances over market risk provisioning requirements for covering shortfall in provisions for other risks is not permitted. The Committee recommended revising the presentation of the liabilities side of the Reserve Bank balance sheet to reflect this distinction.

*Risk provisioning for Market Risk:* The Committee has recommended the adoption of Expected Shortfall (ES) methodology under stressed conditions (in place of the extant Stressed-Value at Risk) for measuring the Reserve Bank's market risk on which there was growing consensus among central banks as well as commercial banks over the recent years. While central banks are seen to be adopting ES at 99 per cent confidence level (CL), the Committee has recommended the adoption of a target of ES 99.5 per cent CL keeping in view the macroeconomic stability requirements. In view of the cyclical volatility of the Reserve Bank's revaluation balances, a downward risk tolerance limit (RTL) of 97.5 per cent CL has also been articulated. Both levels were stress-tested for their adequacy by the Committee.

*Size of Realised Equity:* The Committee recognised that the Reserve Bank's provisioning for monetary, financial and external stability risks is the country's savings for a 'rainy day' (a monetary/ financial stability crisis) which has been consciously maintained with the Reserve Bank in view of its role as the Monetary Authority and the Lender of Last Resort. Realised equity is also required to cover credit risk and operational risk. These risk provisions, made primarily from retained earnings, is cumulatively referred to as the Contingent Risk Buffer (CRB) and has been recommended to be maintained within a range of 6.5 per cent to 5.5 per cent of the Reserve Bank's balance sheet, comprising 5.5 to 4.5 per cent for monetary and financial stability risks and 1.0 per cent for credit and operational risks. Further, any shortfall in revaluation balances *vis-à-vis* the market risk RTL would add to the requirement for realised equity. The Committee also recommended the development of methodologies for assessing the concentration risk of the forex portfolio as well as jointly assessing the Reserve Bank's market-credit risk.

*Surplus Distribution Policy:* The Committee has recommended a surplus distribution policy which targets the level of realised equity to be maintained by

the Reserve Bank, within the overall level of its economic capital *vis-à-vis* the earlier policy which targeted total economic capital level alone. Only if realised equity is above its requirement, will the entire net income be transferable to the Government. If it is below the lower bound of requirement, risk provisioning will be made to the extent necessary and only the residual net income (if any) transferred to the Government. Within the range of CRB, *i.e.*, 6.5 to 5.5 per cent of the balance sheet, the Central Board will decide on the level of risk provisioning.

#### **Other observations/recommendations**

*Opportunity Cost of Reserve Bank's capital:* The Committee recognised that the opportunity cost of Reserve Bank's capital is minimal as a major part of the interest on the G-sec held against its realised equity is returned to the Government as a part of surplus transfer. Further, the composition and size of Reserve Bank's balance sheet is determined by public policy considerations and its resilience generates positive externalities for the economy.

*Alignment of Reserve Bank's financial year with Government's Fiscal Year and Interim dividend:* The Committee recommended alignment of the financial year of Reserve Bank with the fiscal year of the Government for greater cohesiveness in various projections and publications brought out by Reserve Bank. Further, in the following years, interim dividend to the Government may be paid only under exceptional circumstances.

*Review of the Framework:* The Committee recommended that the framework may be periodically reviewed every five years. Nevertheless, if there is a significant change in the Reserve Bank's risks and operating environment, an intermediate review may be considered.

#### **Application of the Committee's recommendations**

The Central Board accepted all the recommendations of the Committee and finalised the Reserve Bank's accounts for 2018-19 using the revised framework to determine risk provisioning and surplus transfer. The implications of this decision are given below:

(i) *Realised Equity:* Given that the available realised equity stood at 6.8 per cent of balance sheet, while the requirement recommended by the Committee was 6.5 per cent to 5.5 per cent of balance sheet, there was excess of risk provisioning to the extent of ₹116.08 billion at the upper bound of CRB and ₹526.37 billion at the lower bound of CRB. The Central Board decided to maintain the realised equity level at 5.5 per cent of balance sheet and

(Contd...)

the resultant excess risk provisions of ₹526.37 billion were written back.

*(ii) Economic Capital Levels:* While the revised framework technically would allow the Reserve Bank's economic capital levels as on June 30, 2019 to lie within the range of 24.5 per cent to 20.0 per cent of balance sheet (depending on the level of realised equity maintained and availability of revaluation balances), the economic capital as on June 30, 2019 stood at 23.3 per cent of balance sheet.

As financial resilience was within the desired range, the entire net income of ₹1,234.14 billion for the year 2018-19, of which an amount of ₹280 billion has already been paid as interim dividend, will be transferred to the Government of India. This is in addition to the ₹526.37 billion of excess risk provisions which has been written back and consequently will be transferred to the Government.

As on June 30, 2019, the Reserve Bank stands as a central bank with one of the highest levels of financial resilience globally.

### **Agenda for 2018-19: Implementation Status**

#### *Integration of Risk Management of Foreign Exchange Reserves, IT and Cyber Risks*

XI.50 With the maturing of the risk function in the Reserve Bank, the middle office in the Department of External Investments and Operations (DEIO) responsible for risk management of Foreign Exchange Reserves and Chief Information and Security Officer responsible for monitoring IT and Cyber risks were integrated with RMD, for synergy and better risk management.

#### *Risk Tolerance Framework*

XI.51 An Internal Committee was constituted for overseeing the implementation of the pilot project for roll out of a Risk Tolerance Framework in the DEIO and the FMOD to cover financial risks of the Reserve Bank. The Committee reviewed the existing risk tolerance limits in these business areas in line with the internally articulated risk tolerance stance. For operational risks, action plans were prepared by concerned business areas for the identified 'High' and 'Significant' risk processes.

#### *Web-based Integrated Risk Monitoring and Incident Reporting System (IRIS)*

XI.52 An enterprise solution, Integrated Risk Monitoring and Incident Reporting System (IRIS), which is a web-based self-service portal to report, manage and track all incidents and risks is being implemented. This system would

codify risks escalated by the process of incident reporting and Risk Registers. It would then enable preparation of Risk Dashboards on identified risk areas, which will improve Risk Reporting to the top management.

### **Agenda for 2019-20**

#### *Modelling Credit Risk and Operational Risk in the Reserve Bank*

XI.53 Internal Committees were set up in the Reserve Bank for developing models for assessing the overall Credit Risk and Operational Risk. For the Credit Risk assessment, the Internal Committee examined utility of various models to quantify credit risk, while for operational risk assessment, the utility of New Standardised Approach was examined.

#### *Risk Dashboards for Risk Reporting*

XI.54 With the objective of improving risk reporting to the top management to enable better risk monitoring, dashboards for the important risk areas would be prepared during 2019-20.

## **5. INTERNAL AUDIT/INSPECTION**

XI.55 The Inspection Department of the Reserve Bank examines, evaluates and reports on internal control and governance processes and provides adequate risk assurance to the top management and the Central Board under Risk Based Internal Audit (RBIA) framework. The Department is also

the Secretariat to the Audit and Risk Management Sub-Committee (ARMS) of the Central Board and also to the Executive Directors' Committee (EDC) overseeing the internal audit function. The Department monitors the functioning of the Concurrent Audit (CA) system and Control Self-Assessment Audit (CSAA) in the Reserve Bank. The automation of CSAA will facilitate processing and compliance submission which would result in better risk management with easier access to a repository of information for analytics and efficient monitoring (Box XI.4).

### Agenda for 2018-19: Implementation Status

XI.56 The process of automation of various audit processes was galvanised with the rolling out of a Concurrent Audit Functionality in Audit Management and Risk Monitoring System (AMRMS) across all CODs/Regional Offices/ Training Establishments in the Reserve Bank from January 2019. The main functionalities of AMRMS viz., RBIA is already live and being extensively used across the Reserve Bank. The development of the CSAA functionality in AMRMS has been completed and the User Acceptance Test (UAT)

#### Box XI.4

##### Management of Operational Risk: Importance of Self-Assessment

Control Self-Assessment (CSA) plays a vital role as a first line of defence in the management of operational risk. It is defined as a process through which internal control effectiveness is assessed with the objective of providing reasonable assurance that all business objectives would be met.

The concept of CSA was developed by Bruce Mc Cuaig in 1987 for Gulf Canada (an oil company). Methodologies have since evolved and are extensively practised across industries, including the banking sector in the US, European Union and other countries. The three approaches to CSA which are commonly practised are facilitating meetings, using questionnaires and management-produced analysis. CSA is conducted by the operating staff in the business units themselves, also referred to as the first line of defence.

The CSA process:

- improves the internal control environment of an organisation by increasing awareness of organisational objectives and the role of internal control in achieving goals and objectives;
- creates a clear line of accountability for controls, and reinforced governance regime, leading to a better understanding of business operations (by both management and operational staff);
- motivates personnel to carefully design and implement control processes and continually improve operating control processes;

- helps management to reduce the costs of oversight activities while expanding their coverage; and
- assists internal auditors in gathering relevant information about risks and controls; focuses audit work on high risk and unusual areas, and forges greater collaboration with operating managers and work teams.

CSA audit was introduced in the Reserve Bank in 1999 and is conducted at half yearly intervals. The preventive and remedial measures are undertaken at the office level itself and reported to the audit sub-Committee of the Central Board, and macro level monitoring is done at the central office level.

#### References:

1. Operational Risk Management at the Federal Reserve Bank of New York: Remarks by Mr Joshua Rosenberg, Executive Vice President and Chief Risk Officer of the Federal Reserve Bank of New York, at the 18th Annual OpRisk North America 2016 Conference, New York City, 15 March 2016.
2. Professional Practices pamphlet 98-2 A, A Perspective on Control Self-Assessment (Institute of Internal Auditors: Alamante, Florida, 1998).
3. Control Self-assessment- Good Practice Note by CGIAR Internal Audit Unit (July 2017).

process has commenced. The same is expected to be rolled out on a pilot basis by end of October 2019 after successful UAT and extensive user awareness and training across all the offices of Reserve Bank. The Vulnerability Assessment and Penetration Testing (VA-PT) exercise of the IT assets of the Reserve Bank, which was hitherto handled by the Department, is now managed by the Risk Monitoring Department (RMD). The Project Audit Guidelines have been prepared for the management of Project Risk in the Reserve Bank.

**Agenda for 2019-20**

XI.57 The Department will focus on knowledge and capacity building across the Reserve Bank after the successful roll-out of RBIA, CA and CSAA functionalities in the AMRMS application, leveraging the latter’s benefits through data mining, analytics and MIS reports for effective Risk Assurance to the top management. In order to ensure the quality, adequacy and sustenance of the compliance of RBIA observations, compliance audit of few select offices would be conducted. The newly formulated Project Audit Guidelines would be implemented across the Reserve Bank. The risk rating and scoring methodology adopted for RBIA would also be reviewed during the year. The Department would endeavour to achieve 80 per cent convergence of risk-rating as per Risk Assessment Methodology for Operational Risk (RAM-OR) and Inspection Department Methodology with respect to RBIA.

**6. CORPORATE STRATEGY AND BUDGET  
MANAGEMENT**

XI.58 The Corporate Strategy and Budget Department (CSBD) coordinates and develops strategies and annual action plans for the Reserve Bank; formulates its annual budget by adopting activity-based budgeting; and acts as a nodal point for the Business Continuity

Management Framework of the organisation through Business Continuity Plans (BCPs). The Department oversees the functioning of External Funded Institutes (EFIs) to ensure that they are working in an effective and efficient manner.

**Agenda for 2018-19 – Implementation Status**

XI.59 During the year, a comprehensive review of the current strategic framework of the Reserve Bank was undertaken, and a medium-term strategy document for the period 2019-22 to be known as ‘Utkarsh 2022’ was prepared, which on approval by the Central Board in its meeting held on July 8, 2019 at New Delhi, has been released for implementation (Box XI.5).

XI.60 During the year, smooth conduct of meetings of the Governing Boards and its sub-committees of the external funded institutions (EFIs) was ensured. Other activities included, the selection process of the Director for Indian Institute of Bank Management (IIBM) and monitoring the implementation of Review Committees’ recommendations for the Centre for Advanced Financial Research and Learning (CAFRAL), Indira Gandhi Institute of Development Research (IGIDR) and IIBM. Furthermore, a review committee to assess the performance and the development of future plans for the National Institute of Bank Management (NIBM) was constituted.

XI.61 In-principle approval was granted for opening of a Tier III office at Itanagar, Arunachal Pradesh.

**Agenda for 2019-20**

XI.62 While formulating the Budget for 2019-20, the endeavour will be to strive towards establishing linkages between the strategic action points of Central Office Departments (CODs) and their budgets. Enhancing internal control functions in order to further minimise the gap between targets and actual realisation—both

**Box XI.5****Utkarsh 2022 – RBI's Medium-Term Strategy**

While Strategic Management has always been an important tool of governance in RBI, a formal strategic management framework was launched in April 2015 to rearticulate the core purpose, values and vision statement of the Reserve Bank so as to delineate its strategic objectives in contemporary terms, to provide a framework and backdrop within and against which its policies would be formulated. These core purpose (reflecting the Reserve Bank's commitments to the nation) and values (Public Interest, Integrity and Independence, Responsiveness and Innovation, Diversity and Inclusiveness, and Introspection and Pursuit of Excellence) still remain relevant and valid; however, a need has been felt to have a medium-term dynamic Vision statement reflecting the Reserve Bank's responses to emerging challenges and ultra-fast changes in the economic, social and technological environment in which we operate. 'Utkarsh 2022', the Reserve Bank's Medium-term Strategy Framework is in line with the evolving macroeconomic environment. The strategic framework of an organisation enables it to prioritise its functions and optimally utilise its resources in order to position it for the opportunities ahead.

'Utkarsh 2022' has been prepared in a Top-down approach with active involvement of the Reserve Bank's Top Management and Central Office Departments. Its framework contains, *inter alia*, the Reserve Bank's Mission, as its *raison d'être*, to which all its stakeholders can subscribe, a revised Core Purpose, Values and Vision Statements, reiterating the Reserve Bank's commitment to the Nation.

The Medium-term Vision Statements set out the following:

Vision 1: Excellence in performance of statutory and other functions

Vision 2: Strengthened trust of citizens and other Institutions in the RBI

Vision 3: Enhanced relevance and significance in national and global roles

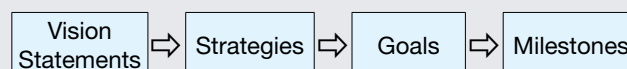
Vision 4: Transparent, accountable and ethics-driven internal governance

Vision 5: Best-in-class and environment friendly digital as well as physical infrastructure

Vision 6: Innovative, dynamic and skilled human resources

These vision statements are mutually reinforcing and will drive the Reserve Bank during the medium-term period (2019-22) through various strategies. The strategies are nothing but the well thought-out actions to exploit emerging opportunities and meet challenges of the future for the betterment of the Reserve Bank.

The desired outputs will be realised in terms of achievement of strategic goals through one or more tangible and time-bound milestones as shown in the following flow chart:



The Top Management of the Reserve Bank will periodically monitor implementation and progress of 'Utkarsh 2022' through a Sub-committee of the Central Board.

in terms of strategy and budget - is an ongoing pursuit, as also enhancing the effectiveness of the Annual Strategy formulation and implementation.

XI.63 In order to have an apex level monitoring of strategy implementation, a sub-committee of the Central Board shall be set up and a Dashboard will be developed which will also facilitate early warnings for potential non-achievement of Strategic Goals.

**Internal Financial Controls Exercise**

XI.64 Financial Control functions are established in an organisation with a view to reinforcing the

internal governance framework and to rationalise expenditures so that budgeting and expenditure processes ultimately lead to achievement of organisational goals and objectives.

XI.65 Internal Financial controls in the Reserve Bank are exercised through the following channels:

- a. **Expenditure Rules, 2018:** The Central Board of the Reserve Bank has laid down detailed Expenditure Rules (ER), prescribing Budget heads for various expenditures broadly categorised into two categories,

*viz.*, capital and revenue. These rules also prescribe various sanctioning and approving authorities for expenditures to be incurred. These rules establish a hierarchical structure for financial sanctions and ensure that budgeting and expenditure activities are in sync with organisational goals.

- b. **Centralised IT based Accounting Module:** The budgeting process of the Reserve Bank is largely automated and centralised through its Core Banking Solution (CBS), E-Kuber. The Reserve Bank is striving towards automation of the accounting process and information system with the objective of strengthening financial controls, improving MIS and reducing scope of manual errors.
- c. **Annual Budget Exercise:** The annual budget of the Reserve Bank is approved by the Central Board in the month of July. The Reserve Bank follows activity driven, zero-based budgeting.
- d. **Annual/Quarterly Budget Review:** Expenditures of all accounting units are reviewed quarterly and annually by the Committee of Central Board (CCB) and Central Board of the Reserve Bank, respectively, where significant divergences are analysed and directions given for corrective steps.
- e. **Framework for Promoting Robust Budget Management:** The Reserve Bank is striving to promote budgetary discipline among various internal units by proposing a rating framework. Under this framework, all the units shall be rated on the basis of parameters for efficiency and effectiveness of budget preparation and utilisation.

## 7. CORPORATE SERVICES (DCS)

XI.66 The objective of the Department of Corporate Services (DCS) is to coordinate and facilitate delivery of internal corporate services for catering to the needs of various Central Office Departments/Regional Offices of the Reserve Bank.

### Agenda for 2018-19: Implementation Status

XI.67 With regard to the Electronic Documents Management System (EDMS) project by the Department of Information Technology (DIT), timelines for preservation of records was put in place by Central Office Departments for their core function areas.

### Agenda for 2019-20

XI.68 The Department's agenda for the coming year includes addressing the weaknesses in the record management system in the Reserve Bank and creating an institutional memory by strengthening existing record management systems. Identification and destruction of all outdated records in all Regional Offices/ Central Office Departments would be completed by January 2020. However, in terms of Administrative Circular dated July 10, 2019, DCS stands wound up and consequent upon that the above agenda for 2019-20 stands transferred to DIT and HRMD, Central Office.

## 8. RAJBHASHA

XI.69 During 2018-19, the Reserve Bank continued its efforts to ensure compliance with statutory provisions of the Official Language Act to promote the use of Hindi in its working.

### Agenda for 2018-19: Implementation Status

XI.70 During the year, 162 staff members passed the *Pragya*<sup>1</sup> and 189 passed the *Parangat*<sup>2</sup>

<sup>1</sup> The examination is conducted for those who do not have working knowledge of Hindi.

<sup>2</sup> The highest examination to acquire proficiency in Hindi.

examination. In order to enhance the use of Hindi on computers, staff members were trained to work in Hindi on computers. To increase the use of Hindi in noting and correspondence, 153 (July 2018 - June 2019) workshops were conducted across the Reserve Bank, which included Hindi workshops conducted for senior officers at CODs and RO levels. 'Hindi Fortnight' was celebrated in all the regional offices and central office departments and several Hindi competitions were conducted.

XI.71 For learning Hindi through regional languages, teaching material was prepared in Punjabi during the year. Such material has already been prepared in ten other languages (*viz.*, Tamil, Malayalam, Kannada, Telugu, Odia, Bangla, Assamese, Konkani, Gujarati and Marathi).

#### *Training*

XI.72 Two batches of Rajbhasha officers were imparted training under the Management Development Programme. A translation workshop was also conducted at the RBSC regarding translation of legal documents, financial and banking terminologies.

XI.73 For two of its articles, the Reserve Bank's Hindi journal, *Banking Chintan Anuchintan* was awarded a Silver and Bronze medals from the Association of Business Communicators of India (ABCI). The statutory publications of the Reserve Bank, *viz.*, *Annual Report*, *Report on Trend and Progress of Banking in India*, the *Financial Stability Report*, *Weekly Statistical Supplement* and monthly *Reserve Bank of India Bulletin* were also published in bilingual form and are available on the Reserve Bank's website. *Rajbhasha Samachar*, covering the progressive use of Hindi in the Reserve Bank, was published. An e-Cartoon Booklet was published to disseminate

information about the Rajbhasha Policy amongst staff members.

#### *Incentives*

XI.74 An incentive scheme for writing outstanding books in Hindi on banking, with an award of ₹1.25 lakh is in place to encourage writing in Hindi. During the year, an All India Hindi essay writing competition was held for the staff members of the Reserve Bank, public sector banks and financial institutions.

#### **Agenda for 2019-20**

XI.75 An annual work plan for 2019-20 has been prepared, keeping in view the requirements of the Annual Programme published by the Government of India and the issues raised by the Committee of the Parliament on Official Language. Implementation of the remaining modules of the new *Rajbhasha Reporting System* is also on the agenda for 2019-20.

### **9. PREMISES DEPARTMENT**

XI.76 The mandate of the Premises Department is creation, maintenance and up-gradation of the Reserve Bank's physical infrastructure. During 2018-19, significant developments have taken place in this direction, including initiation of new activities.

#### **Agenda for 2018-19: Implementation Status**

##### *Construction Projects*

XI.77 During the year, the approval of CCB was received for acquisition of land for construction of office buildings at Aizawl where the Reserve Bank is functioning from the rented premises. On the construction front, senior officers' quarters, along with common amenities, have been completed and allotted to officers' at Mumbai and partially occupied at Chennai. Construction of residential quarters for officers at New Delhi



and Mumbai; and Centre for Advanced Financial Research and Learning (CAFRAL) at Mumbai are under progress.

#### *Green Initiative*

XI.78 With a view to sustaining environment and conserving energy, water and other non-renewable resources, considerable emphasis is placed on promoting use of renewable natural resources like solar energy and water. Grid interactive solar power generation facilities have been installed in various office premises for enhancing capacity and the total power generation capacity has reached a level of 1,440 kwp. Rain water harvesting and sewage treatment plants have been installed in various premises of the Reserve Bank for conservation of water and their efficient use. Organic waste convertors have also been installed in many office and residential premises of the Reserve Bank.

XI.79 The Reserve Bank was conferred with the “Green Champion Award” under the category of ‘Government Organisation Leading the Green Building Movement in India’ by the Indian Green Building Council in recognition of the initiatives taken to make the new and existing buildings green compliant.

#### *Major Policy Guidelines*

XI.80 Guidelines on structural stability and safety of Reserve Bank’s office and residential buildings, including retrofitting measures, have been issued to Regional Offices and Training Establishments of the Reserve Bank for implementation.

#### **Agenda for 2019-20**

XI.81 The process of land acquisition for the proposed office building and residential quarters at Amaravati has been initiated. Construction of new office buildings at Dehradun and Raipur and residential quarters at Dehradun is expected to commence and construction of quarters at New Delhi and Chennai is expected to be completed during 2019-20. Construction of a residential colony at Jammu is on the drawing board. The Department has set the following goals and milestones for the year 2019-20 under *Utkarsh 2022* - (a) to get the relevant green ratings from IGBC/GRIHA for at least two existing residential buildings; (b) at least 1.5 per cent\* of power consumed by all Reserve Bank premises to be from renewable sources; (c) at least 1.25 per cent\* of energy savings; and (d) at least 2.5 per cent\* water conservation/savings.

\* consumption as on June 2018 is basis for targets.

**Table 1: Attendance in the Meeting of the Central Board of Directors during  
July 1, 2018- June 30, 2019**

Name of the Member	Appointed/Nominated under RBI Act, 1934	No. of Meetings Held	No. of Meetings Attended
1	2	3	4
Urjit R. Patel*	8(1)(a)	3	3
Shaktikanta Das**	8(1)(a)	3	3
N. S. Vishwanathan	8(1)(a)	6	6
Viral V. Acharya	8(1)(a)	6	6
B. P. Kanungo	8(1)(a)	6	6
Mahesh Kumar Jain	8(1)(a)	6	6
Nachiket M. Mor^	8(1)(b)	2	2
Prasanna Kumar Mohanty	8(1)(b)	6	5
Dilip S. Shanghvi	8(1)(b)	6	5
Revathy Iyer@	8(1)(b)	4	4
Sachin Chaturvedi@	8(1)(b)	4	4
Natarajan Chandrasekaran	8(1)(c)	6	3
Bharat N. Doshi	8(1)(c)	6	6
Sudhir Mankad	8(1)(c)	6	6
Ashok Gulati	8(1)(c)	6	2
Manish Sabharwal	8(1)(c)	6	6
Satish Kashinath Marathe#	8(1)(c)	5	5
Swaminathan Gurumurthy#	8(1)(c)	5	5
Subhash Chandra Garg	8(1)(d)	6	6
Rajiv Kumar	8(1)(d)	6	4

\* Relinquished charge as Governor on December 11, 2018.

\*\* Took charge as Governor on December 12, 2018.

^ Director till September 19, 2018.

@ Director with effect from September 19, 2018.

# Director with effect from August 7, 2018.

**Table 2: Attendance in the Meeting of the Committees of the Central Board during  
July 1, 2018-June 30, 2019**

Name of the Member	Appointed/Nominated under RBI Act, 1934	No. of Meetings Held	No. of Meetings Attended
1	2	3	4
<b>I. Committee of the Central Board (CCB)</b>			
Urjit R. Patel*	8(1)(a)	19	17
Shaktikanta Das**	8(1)(a)	26	23
N. S. Vishwanathan	8(1)(a)	45	34
Viral V. Acharya	8(1)(a)	45	33
B. P. Kanungo	8(1)(a)	45	31
Mahesh Kumar Jain	8(1)(a)	45	35
Nachiket M. Mor <sup>^</sup>	8(1)(b)	4	2
Prasanna Kumar Mohanty	8(1)(b)	15	13
Dilip S. Shanghvi	8(1)(b)	12	10
Revathy Iyer <sup>@</sup>	8(1)(b)	9	7
Sachin Chaturvedi <sup>@</sup>	8(1)(b)	7	2
Natarajan Chandrasekaran	8(1)(c)	14	4
Bharat N. Doshi	8(1)(c)	24	24
Sudhir Mankad	8(1)(c)	14	11
Ashok Gulati	8(1)(c)	15	7
Manish Sabharwal	8(1)(c)	17	13
Satish Kashinath Marathe <sup>#</sup>	8(1)(c)	12	9
Swaminathan Gurumurthy <sup>#</sup>	8(1)(c)	10	1
Subhash Chandra Garg	8(1)(d)	23	23
Rajiv Kumar	8(1)(d)	2	2

\* Relinquished charge as Governor on December 11, 2018.

@ Director with effect from September 19, 2018.

\*\* Took charge as Governor on December 12, 2018.

# Director with effect from August 7, 2018.

<sup>^</sup> Director till September 19, 2018.

**II. Board for Financial Supervision (BFS)**

Urjit R. Patel	Chairman	4	4
Shaktikanta Das	Chairman	6	6
N. S. Vishwanathan <sup>@</sup>	Vice-Chairman	10	10
Mahesh Kumar Jain <sup>#</sup>	Vice-Chairman	10	10
Viral V. Acharya	Member	10	9
B. P. Kanungo	Member	10	8
Nachiket M. Mor <sup>^</sup>	Member	1	1
Bharat N. Doshi	Member	10	9
Sudhir Mankad	Member	10	6
Ashok Gulati	Member	10	7
Satish Kashinath Marathe <sup>^</sup>	Member	8	8

\*Member till September 19, 2018.

@ Vice-Chairman till February 18, 2019.

<sup>^</sup> Member from October 17, 2018.

# Vice-Chairman from February 18, 2019.

(Contd...)

**Table 2: Attendance in the Meeting of the Committees of the Central Board during July 1, 2018-June 30, 2019**

Name of the Member	Appointed/Nominated under RBI Act, 1934	No. of Meetings Held	No. of Meetings Attended
1	2	3	4
<b>III. Board for Regulation and Supervision of Payment and Settlement Systems (BPSS)</b>			
Shaktikanta Das*	Chairman	1	1
Urjit R. Patel**	Chairman	1	1
B. P. Kanungo	Vice-Chairman	2	2
N. S. Vishwanathan	Member	2	1
Viral V. Acharya	Member	2	1
Mahesh Kumar Jain	Member	2	2
Natarajan Chandrasekaran	Member	2	2
Manish Sabharwal	Member	2	2

\* Took charge as Governor on December 12, 2018.

\*\* Relinquished charge as Governor on December 11, 2018.

**Table 3: Attendance in the Meeting of the Sub-Committees of the Board  
during July 1, 2018 - June 30, 2019**

Name of the Member	Appointed/Nominated under RBI Act, 1934	No. of Meetings Held	No. of Meetings Attended
1	2	3	4
<b>I. Audit &amp; Risk Management Sub-Committee (ARMS)</b>			
Bharat N. Doshi	Chairman	7	7
Sudhir Mankad	Member	7	6
Nachiket M. Mor <sup>^</sup>	Member	2	1
Revathy Iyer	Member	5	5
N. S. Vishwanathan	Member	7	7
Viral V. Acharya	Invitee	7	7
B. P. Kanungo	Invitee	7	7
Mahesh Kumar Jain	Invitee	7	7
<sup>^</sup> Member till September 19, 2018.			
<b>II. Building Sub-Committee (BSC)</b>			
Dilip S. Shanghvi	Chairman	NIL	NIL
B. P. Kanungo	Member	NIL	NIL
<b>III. Human Resource Management Sub-Committee (HRM-SC)</b>			
Manish Sabharwal	Chairman	6	6
Dilip Shanghvi	Member	6	3
Viral Acharya	Member	6	6
N S Vishwanathan	Invitee	1	1
B P Kanungo	Invitee	1	1
M K Jain	Invitee	1	1
<b>IV. Information Technology Sub-Committee (IT-SC)</b>			
Manish Sabharwal	Chairman	4	4
Sachin Chaturvedi	Member	2	2
B. P. Kanungo	Member	4	4

**Table 4: Attendance in the Meeting of Standing Committee of the Central Board of Directors during July 1, 2018 - June 30, 2019**

Name of the Member	No. of Meetings Held	No. of Meetings Attended
1	2	3
B. P. Kanungo, Chairman	2	2
Ashok Gulati, Northern Area	1	1
Prasanna Kumar Mohanty, Southern Area	1	1

**Table 5: Attendance in the Meetings of Local Boards during July 1, 2018 - June 30, 2019**

Name of the Member	Appointed/Nominated under RBI Act, 1934	No. of Meetings Held	No. of Meetings Attended
1	2	3	4
Nachiket M. Mor, EALB <sup>^</sup>	Section 9(1)	1	1
Sachin Chaturvedi, EALB	Section 9(1)	3	3
Sunil Mitra, EALB	Section 9(1)	4	4
Dilip S. Shanghvi, WALB	Section 9(1)	5	5
V. R. Bhanshali, WALB	Section 9(1)	5	5
Revathy Iyer, NALB	Section 9(1)	3	3
R. N. Dubey, NALB	Section 9(1)	3	3
P. K. Mohanty, SALB	Section 9(1)	1	1
Rakesh Jain, SALB <sup>#</sup>	Section 9(1)	1	1

<sup>^</sup> Member till October 13, 2018.

EALB: Eastern Area Local Board.

NALB: Northern Area Local Board.

<sup>#</sup> Member till March 11, 2019.

WALB: Western Area Local Board.

SALB: Southern Area Local Board.