

# X

## HUMAN RESOURCES DEVELOPMENT AND ORGANISATIONAL MATTERS

*As a knowledge driven public institution, the Reserve Bank assigns significant importance to the management of human resources. The Reserve Bank constantly strives to enhance the professional skills of the staff through appropriate training as well as providing scope for learning in every important area relevant to central banking for the staff at all levels. The two-way interactions through various collaborative efforts with different external institutions and agencies, both within the country and outside, provide opportunities for acquiring relevant feedback and gaining important insights from the experience and practices of others. The interactions of the Reserve Bank with the public through its various education as well as customer service delivery mechanisms aim at greater information dissemination about the Reserve Bank's role and functions in the economy. Various modes of communication have also been effectively utilised to improve the flow of information, with better clarity. The improvements in internal functioning of the various departments have been ensured through appropriate checks and balances and internal auditing policy. The contribution of the Reserve Bank to economic research activities in India has been significant, which range from research by its own staff members to supporting academic research initiatives outside.*

X.1 The range of complex issues and policy challenges that emerged from the global financial crisis clearly highlight the importance of the quality of human resources available in the central banks to ensure financial stability in a market economy. The global crisis brought the role of central banks to the centre stage of crisis management, testing the resolve and competence of the available human resources to face the challenges. The Reserve Bank, as the central bank of one of the fastest growing emerging economies in the world with an expanding and liberalised financial system, recognises the critical significance of ensuring quality human resources to be able to discharge all the responsibilities effectively and efficiently. In its continued concerted efforts to strengthen the human resources, as a public institution, it faces stiff competition from the market in search of right talent. Moreover, in view of the increasing importance of coordination and cooperation among central banks in a globalised world on the one hand, and the need for continuous interactions with the market entities on the other, to enhance the understanding of issues and to maintain the flow

of information through relevant feedback, existing human resources need to be exposed on a regular basis to other central banks and markets. Empowering the existing staff with adequate training in leading universities and research organisations is another important task of human resources management in central banks. The Reserve Bank has a multi-pronged approach to strengthen its human resources, using alternative available avenues in relation to the Bank's identified needs. This Chapter documents the specific aspects of Reserve Bank's various human resource development initiatives.

### HUMAN RESOURCE INITIATIVES

#### Training and Skills Enhancement

X.2 The two training establishments of the Reserve Bank, viz., the Reserve Bank Staff College (RBSC), Chennai and the College of Agricultural Banking (CAB), Pune cater to the training needs of the officers of the Reserve Bank and the banking industry. The four Zonal Training Centres (ZTCs)

focus on training of Class III and IV staff of the Reserve Bank (Table 10.1).

*Reserve Bank Staff College (RBSC), Chennai*

X.3 The RBSC was established to impart training to the Reserve Bank's own officers in junior and middle management cadres and specialised development of officers in the senior management cadre. It continues to contribute to the skill-upgradation of officers across all cadres of the Bank. It has been consistently modernising the techniques for imparting training as well as revamping the course content in response to the evolving challenges for the central banks and the changing needs for training.

X.4 A number of topical programmes covering a host of areas were organised by the College during the year (Table 10.2). An interactive training programme was organised by the college with Police Officers from *Sardar Vallabhbhai Patel National Police Academy*, Hyderabad on various issues about the training structure, training modules and activities conducted at RBSC. The College hosted the second meeting of the High Level Group (HLG) on Systems and Procedures for Currency

Distribution. The HLG comprised top executives from banks and renowned institutions. The college also conducted a study on 'central bank balance sheet', which was relevant in the context of the global economic crisis as central banks use their balance sheets as an instrument for aggressive quantitative easing. The College also developed an animation CD, 'Mani loses Money' for creating awareness amongst the common man regarding NBFCs in English, Hindi and Tamil. The delegates attending International Training Programme on Training Methods and Skills for Managers (TMSM) organised by the National Institute for Micro, Small and Medium Enterprises (NIMSME), Hyderabad visited the College and had an interactive session on the Reserve Bank, its functions and role in the economy.

*College of Agricultural Banking (CAB), Pune*

X.5 The CAB, originally set up with a focus on training the senior and middle level officers of rural and co-operative credit sectors, has, in recent years, diversified and expanded the training coverage into areas relating to non-banking financial companies, human resource management and information technology. Keeping in view the

**Table 10.1: Reserve Bank Training Establishments - Programmes Conducted**

Training Establishment	2004-05 (July-June)		2005-06 (July-June)		2006-07 (July-June)		2007-08 (July-June)		2008-09 (July-June)	
	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants	No. of Programmes	No. of Participants
1	2	3	4	5	6	7	8	9	10	11
BTC, Mumbai **	153	3,287	85	1,908	89	2,148	42 <sup>^</sup>	1,242 <sup>^</sup>	-	-
RBSC, Chennai	133	2,895	127	2,633	138	2,941	158	3,302	149	3,015*
CAB, Pune	146	3,364	152#	3,812#	146	4,279	154	4,511	161	4,867@
ZTCs (Class I-IODP)	-	-	-	-	-	-	10	254	17	370
ZTCs (Class III)	245	5,442	230	4,710	215	4,069	191	3,563	150	2,602
ZTCs (Class IV)	40	1,295	76	1,592	78	1,605	65	1,309	64	1,329

<sup>^</sup> : Figures pertain to July-February.

\*\* : Closed on April 1, 2008.

# : Includes 13 off-site programmes involving 437 participants.

\* : Includes 19 concurrent auditors, 3 officers of BRBNM (Pvt) Ltd. and 38 foreign participants.

@ : Includes 38 foreign participants.

BTC : Bankers' Training College.

RBSC : Reserve Bank Staff College.

CAB : College of Agricultural Banking.

ZTC : Zonal Training Centre.

**Table 10.2: Select Programmes/ Seminars/ Workshops Conducted by Training Colleges during 2008-09***Reserve Bank Staff College (RBSC)*

1. The Pilot Workshop on Training as a HR Tool.
2. First Programme on General Administration and Management.
3. International Seminar on Currency Management.
4. Pilot Program on Advanced Derivatives.
5. International Seminar on Basel II with focus on Pillar 2.
6. Pilot Programme on Forensic Audit.

*College of Agricultural Banking (CAB)*

1. An International Seminar on Use of XBRL for Developing Economies.
2. Three Training of Trainers Programme on District Planning and Human Development (in collaboration with the Planning Commission and the UNDP).
3. An overseas exposure programme to France, Belgium, Netherlands and Germany in collaboration with UNICO (umbrella organisation for large cooperative banks in Europe) and EACB (European Association of Cooperative Banks) for the Chairpersons/Directors of Urban Cooperative Banks.
4. An Overseas Exposure Programme on Agri-business and Agro-processing was organised in Germany and Netherlands.
5. Programme on Training of Trainers in collaboration with Newcastle University (NCU) Business School, UK.
6. Programme on Training of Trainers on Micro Finance (in collaboration with APRACA – CENTRAB).
7. Two programmes on Credit Risk Measurement and Management were conducted in Collaboration with Eurofinance.
8. The International Programme on Restructuring and Strengthening Agricultural/Rural Financial Institutions was conducted by CAB in collaboration with CICTAB (Centre for International Cooperation and Training in Agricultural Banking).
9. A Seminar for Hindi Media Persons.
10. State Focused Programmes on Financing Agribusiness to create an awareness about the potentials and prospects for different crops and practices were organised by the College in the States of Madhya Pradesh and Rajasthan.
11. Workshop on Communication for Regulators in the SAARC Region.
12. The Seminar for Senior Officers of State Governments/Police on the need for curbing the deposit accepting activities of unincorporated bodies.
13. The Workshop for SLBC Convener Banks to discuss various strategies to ensure enhanced flow of credit to the priority sectors and other focused areas of the economy.

emerging training needs, the College organised several training programmes during the year (Table 10.2). The College conducted a workshop for State Level Bankers' Committee (SLBC) convener banks on the ways and means to accelerate flow of credit to priority sector for overall rural development. A customised programme for the Directors of State Co-operative Banks and District Central Co-operative Banks in Bihar was conducted by the College to create comprehensive awareness about developments in the financial sector, including regulatory and supervisory guidelines, particularly relating to the co-operative sector.

*Deputation of Officers for Training in India and Abroad*

X.6 The Reserve Bank deposes its officers to various external training institutes, conferences, seminars and workshops with a view to upgrading

their skills and providing exposure to international perspective on topical issues. During 2008-09, 718 officers were deputed by the Bank to participate in training programmes, seminars and conferences organised by external management/banking institutions in India. The areas of training included human resources management, risk management, security, labour laws and micro finance. The Reserve Bank also deputed 426 officers to attend training courses, seminars, conferences and workshops conducted by banking and financial institutions and multilateral institutions in more than 30 countries (Table 10.3). The areas of training covered, *inter alia*, banking supervision, derivatives, risk management, financial programming and policies, central bank accounting, monetary policy and operations, finance for agriculture, rural development and macroeconomic management, human resources (HR), debt, reserve management,

**Table 10.3: Number of Officers Trained in External Training Institutions in India and Abroad**

Year	No of officers trained in India	No of officers trained abroad
1	2	3
2001-02	355	137
2002-03	452	208
2003-04	433	242
2004-05	521	171
2005-06	625	273
2006-07	871	352
2007-08	895	520
2008-09	718	426

extensible business reporting language (XBRL), payment systems, women empowerment, deposit insurance, financial markets, microfinance and IT audit. One officer has been sponsored by the Bank to pursue two-year Post Graduate Programme in Banking and Finance (PGPBF) for the year 2009-2011 conducted by National Institute of Bank Management (NIBM), Pune.

X.7 In order to enhance adequate familiarity with new developments in the field of economics, finance and quantitative techniques of analysis and sharpen executive skills, the Reserve Bank has decided from the year 2007-08 to depute senior officers in Grade 'F' for advanced management/executive education programmes of about 2 to 3 weeks' duration conducted at leading international business schools. Four senior officers in Grade 'F' were deputed to pursue such courses in 2008-09 at internationally renowned business schools, viz., the J.K. Kellogg School of Management, North Western University, US and MIT Sloan School of Management, Cambridge, US.

X.8 With a view to acquiring a global mindset through relevant exposure, two Advanced Management Programmes for senior officers (Grades 'E' and 'F') of the Bank and major public sector banks were conducted in collaboration with MDI, Gurgaon during the year. The first one titled "March Towards World Class Banking", was conducted during September–October 2008 and the second one titled "Leading Change: Organisational

Issues and Challenges" was conducted in April 2009. Both the programmes involved one week module at MDI, Gurgaon and two weeks module at London, Paris and Basel.

X.9 Two programmes captioned as 'Advanced Management Programme' were conducted during October 2008 and March 2009 in collaboration with IIM, Lucknow. The programme had two components: the domestic learning component of one week at IIM, Lucknow followed by the overseas component at Malaysia and Singapore for one week. 60 officers in Grade 'C' and 'D' and one observer have been deputed so far for the programme.

*Joint India-IMF Training Programme (ITP)-Pune*

X.10 The joint India-IMF Training Programme (ITP) was established at the NIBM campus in Pune to impart policy-oriented training to nominees of Governments and central banks of the participating SAARC and East African countries, apart from India, in economics and related operational fields. During the year, seven programmes were conducted under the joint training programme (Table 10.4).

*Developments in the Short-term Secondment Scheme*

X.11 Effective collaboration and coordination between central banks has become critical for dealing with the challenges in a globalised world.

**Table 10.4: Courses Conducted under Joint India- IMF Training Programme - Pune**

Course Title	Duration
1	2
1. Program and Performance Budgeting	July 7-11, 2008
2. International Investment Position/External Debt Statistics	September 8-19, 2008
3. AML/CFT Workshop on Policy Development in South Asia	October 20-24, 2008
4. Macroeconomic Management and Financial Sector Issues	December 1-12, 2008
5. Macroeconomic Management and Fiscal Policy	February 23- March 6, 2009
6. Monetary and Financial Statistics	March 16-27, 2009
7. Financial Programming and Policies	April 13-24, 2009

Working in other central banks for a short period could provide direct exposure to the Bank's officers to the approach adopted in other central banks in performing more or less similar broad functions. In pursuance of the Short-term Secondment Scheme that the Reserve Bank has worked out with select central banks, *i.e.*, the Bank of England, Reserve Bank of Australia and Banque de France, two officers from the Reserve Bank were seconded to Bank of England in their Monetary and Financial Statistics Division and International Economic Analysis Division, respectively. One more official from the Reserve Bank was also seconded to the Financial Markets Group in the Reserve Bank of Australia during the period. Under the arrangement other central banks have with the Reserve Bank, while one official from Banque de France took up his secondment in the Department of Banking Supervision and Department of Banking Operations and Development, another official from the Reserve Bank of Australia undertook her secondment work in the Department of Economic Analysis and Policy.

#### *International Seminar*

X.12 As part of inter-institutional synergy initiatives, the Reserve Bank and Banque de France had decided in the year 2007 to organise joint seminars on topics of contemporary and mutual relevance. Taking these initiatives forward, a collaborative seminar was organised on a broad theme- "Issues in Capital Account Convertibility and Lessons from the Current Financial Crisis" on April 02 and 03, 2009 at the CAB, Pune. While the resource persons for the seminar covered a combination of Senior Executives of the Reserve Bank, Banque de France and the IMF, the participants comprised select officers from the Reserve Bank, French Consulate in India and various French credit institutions located in India. The Reserve Bank and the Bank of England co-hosted a G-20 Workshop on the "The Causes of the Crisis: Key Lessons" in Mumbai on May 24-26, 2009. The focus of the Workshop was on the role played by macroeconomic factors in the crisis and its propagation around the world. The workshop

deliberated on the role and possible reforms of the international monetary system and the international financial institutions. Senior executives from the governments and central banks of the G-20 member countries participated in the Workshop.

X.13 Five officers were selected during 2008-09 under the Golden Jubilee Scholarship Scheme for higher studies abroad. In all, 95 officers have been selected under this scheme since its inception in 1986. Under this scheme, officers of the Bank get the opportunity to pursue academic excellence in the leading international universities. Two officers availed study leave under different schemes for pursuing higher studies during the year.

#### *Zonal Training Centres (ZTCs)*

X.14 ZTCs of the Reserve Bank organised training programmes on functional areas of the Bank, information technology and behavioural areas for Class III and IV employees of the Reserve Bank. Apart from conducting regular programmes at their premises, ZTCs also conduct off-site programmes on personnel effectiveness, functions and working of the Reserve Bank for Class III staff and developmental programme for Class IV staff.

X.15 In addition to the regular training initiatives, ZTC Belapur (Mumbai) and ZTC, Kolkata had introduced Integrated Officers Development Programmes (IODP) during 2007-08. Observing the success of these programmes at ZTCs, a total of 17 such programmes were conducted during 2008-09 at ZTC, Belapur and ZTC Kolkata. For 2009-10, 20 Integrated Officers Development Programmes (IODP), now renamed as Basic Management Programme (BMP), at ZTC, Belapur and 15 BMPs at ZTC, Kolkata have been scheduled.

#### *Deputation of Class III and IV Staff to External Institutions in India*

X.16 Under the scheme for deputation of Class III and IV staff for training in external institutions in India, 92 Class III employees and 79 Class IV employees were deputed for external training

institutions during July 2008-June 2009. In addition, 817 Class III employees and 397 Class IV employees have been deputed for in-house programmes within the Bank.

### OTHER INITIATIVES

#### *360-Degree Appraisal for Officers in Grade 'F' in the Bank*

X.17 The Bank has constituted a panel of HR consultants to assist the Bank in framing, implementing and delivering integrated HR solutions in the areas of HR policies, processes and systems, *etc.*, as and when the need arises. Subsequent to a Quality and Cost Based Selection (QCBS), M/s Ernst and Young have been awarded the contract by the Bank for conduct of a 360-degree feedback exercise for Grade 'F' Officers of the Bank. The exercise, which is being co-ordinated by Central Office, Human Resources Development Department, is purely developmental in nature.

#### *RBI Young Scholars Scheme 2008-09*

X.18 The Reserve Bank launched the Reserve Bank Young Scholars Scheme for students in the age group of 18 and 23 years, studying in undergraduate classes in various institutions across the country in 2007. Under the scheme for 2009, a country-wide selection test was conducted in all scheduled languages for the purpose and 150 Young Scholars were selected for being located at various Reserve Bank offices spread across India. This marks a significant effort on the part of the Bank, especially in view of its uniqueness of being perhaps the first such exercise, which was conducted in all major Indian languages. The underlying purpose of taking this innovative initiative has, in a sense, been quite well served as this has been a major awareness and sensitisation exercise on the role of the Reserve Bank and the banking system across the country.

#### *Committee of Executive Directors on Regional Offices*

X.19 A Committee of Executive Directors was set up by the Bank in April 2007 for identifying major

focus areas for its Regional Offices and making better use of human resources deployed therein. Human Resources Development Department provided the Secretariat for the Committee. The mandate and terms of reference of the Committee required it to identify redefined roles for the Regional Offices of the Reserve Bank and situating them in the overall context of the evolving challenges for the central bank and policy concerns. The Report of this Committee of Executive Directors, which was submitted to the Bank in July 2008, focused on 4 major areas, namely: (i) Organisational Issues; (ii) Customer Service; (iii) Communication Strategies and (iv) Financial Education and Inclusion Initiatives. The broad thrust of the recommendations made in this Report has since been considered and given in-principle approval by the Bank and currently the Bank's Department of Administration and Personnel management is co-ordinating the follow-up exercise to implement the said recommendations across the Bank's offices/departments.

#### *Senior Management Conference 2008*

X.20 The Senior Management Conference 2008 of the Bank was held in Mumbai from November 20 to 23, 2008. The broad theme of the Conference was "Financial Sector Development in India: Agenda for the Reserve Bank in the Next 5 years". Besides individual sessions by the Top Executives of the Bank and diverse functional presentations, 4 eminent guest speakers addressed the Conference on emerging issues of contemporary relevance. These varied lectures focused on issues like the need to move beyond growth alone to an expansive view of India's future, building of a new financial architecture, the need for putting in place proper Information System Controls in modern organisations and the usage and possibilities of the Right to Information (RTI) Act. The Guest Speakers at the Senior Management Conference 2008 were: (i) Sir Mark Tully, former Chief of BBC India Bureau; (ii) Smt. Ela Bhatt, Chairperson of the Self-Employed Women's Association (SEWA), Ahmedabad;

(iii) Shri K. Natarajan, Chief Executive Officer, Mindtree Ltd., Bangalore; and (iv) Shri Arvind Kejriwal, leading RTI Activist and Ramon Magsaysay Award Winner.

#### *Human Resources Audit*

X.21 The Reserve Bank has several HR systems and policies designed to enhance and harness the potential of its human capital. The Bank has decided to undertake an HR audit in order to further improve the HR processes and evolve the HR function accordingly. This audit, while analysing the existing HR processes, will help identify areas for further improvement. The HR audit will be employed in some critical HR areas like Performance Appraisal, Recruitment Policies and Practices, Transfers and Rotations, Promotions, Training and Development and Compensation Policy.

#### *SAARCFINANCE Study on HR*

X.22 In pursuance of the deliberations at the 17<sup>th</sup> SAARCFINANCE Governors' meeting held in Washington DC on April 12, 2008, a paper was prepared with a broad theme of "Loss of central bank's human capital to commercial organisations and the appropriate ways and means to retain the best talent keeping in view the predefined roles and functions of the central bank". While attempting a brief scan of human resources in central banks in general and analysing the broad trends in the evolving manpower turnover scenario therein, the paper delved into the Indian context and the challenges faced in this regard by the Reserve Bank, and the strategies that the Bank has adopted or needs to consider as appropriate response. With a view to having more definitive insights from the internal and external stakeholders, along with a comparative analysis of talent processes in the Reserve Bank *vis-à-vis* those in select Indian banks and a couple of leading central banks in Asia for making the present exercise more comprehensive, the Bank has also taken relevant research inputs from M/s Hewitt

Associates, India, which is in the Bank's approved panel of HR Consultants.

#### *Knowledge Sharing Series*

X.23 The Bank has initiated a regular interface mechanism in the form of a knowledge-sharing lecture series, wherein leaders from the financial and corporate world are invited to share their knowledge and experiences with the Bank's officials on a wide range of critical issues. Several interactive lectures have been organised by the Bank under the ambit of this series, which include interfaces with renowned nutritionist and dietician, cardiologist, gynecologist, and lectures on the art of storytelling, positive thinking and counseling, music therapy for stress relieving *etc.*

#### *Incentive Scheme for Distance Learning/Part-time Courses*

X.24 During 2008-09 (July-June), 468 employees availed the benefits under the incentive scheme for pursuing select categories of part time and distance education courses. The major areas of the study are management, information technology, financial analysis, commerce and economics.

#### *Awards for Without Reserve*

X.25 The Bank's in-house journal "Without Reserve" received an award for overall excellence and a citation of encomium in the XI<sup>th</sup> All India Journal Competition instituted by the Mayaram Surjan Foundation, Raipur. "Without Reserve" also bagged the National Award for House Magazine (First Prize) 2007 for the fourth consecutive year for being the best National in-house magazine in a contest organised by the Press Club, Thiruvananthapuram. The Association of Business Communicators of India (ABCI), at the 48<sup>th</sup> annual awards competition, awarded "Magazine of the Year" award along with 8 other prizes in various categories covering internal magazines, bilingual publication, magazine design, features (English),

features (language), special column (language), illustration and wall calendar.

#### *Visits/Attachments*

X.26 With a view to strengthening the scope for acquiring relevant knowledge from other institutions on a sustained basis as also to spread better awareness outside about the critical role played by the Reserve Bank in the economy, an External Services and Technical Co-operation Cell was constituted in the Human Resources Development Department. The Department coordinates training/exposure purpose visits by external visitors/delegations to the Bank from foreign central banks, overseas universities and other institutions from India and abroad. During the year 2008-09, the department arranged interface/training sessions for a total of 73 international visitors from foreign central banks and reputed international educational institutions. Interface sessions were also arranged for 148 domestic visitors, mainly from the Foreign Service Institute, National Defense College and participants of the Higher Command Courses from the armed forces.

#### *Grants to various Institutions*

X.27 Apart from its own training colleges mentioned earlier, the Reserve Bank has also catalysed the creation of four more research and training institutions in India, viz., (i) Indira Gandhi Institute of Development Research (IGIDR), Mumbai; (ii) National Institute of Bank Management (NIBM), Pune; (iii) Indian Institute of Bank Management (IIBM), Guwahati; and (iv) Institute for Development and Research in Banking Technology (IDRBT), Hyderabad. The Reserve Bank extended financial support of Rs.11.52 crore, Rs.83.10 lakh and Rs.39.59 lakh to IGIDR, NIBM and IIBM, respectively, during 2008-09.

#### *Summer Placement*

X.28 The Reserve Bank has a Summer Placement Scheme, which provides an opportunity to domestic and foreign students to expose

themselves to the working environment in a central bank and apply their knowledge to various operational issues while pursuing their internship. During the year 2009, the Bank has selected 79 Summer Trainees for taking up projects in various central office departments in Mumbai as well as at Regional Offices of the Bank located at the Metro centres. In addition, 11 Summer Trainees have been selected from amongst the desirous candidates studying in reputed institutes abroad.

#### *Industrial Relations*

X.29 Industrial relations in the Bank remained, by and large, peaceful during 2008-09. The Bank continues to hold periodical meetings with the recognised Associations/Federations of workman/employees/officers on various matters related to service conditions and welfare measures.

#### *Recruitment*

X.30 During 2008 (January-December), the Reserve Bank recruited 174 employees. Of this, 22 belonged to Scheduled Castes (SCs) and Scheduled Tribes (STs) categories, constituting 12.6 per cent of total recruitment (Table 10.5)

#### *Staff Strength*

X.31 The total staff strength of the Reserve Bank as on December 31, 2008 was 20,952 as compared with 21,494 a year ago (Chart X.1). Of the total staff, 21.2 per cent belonged to Scheduled

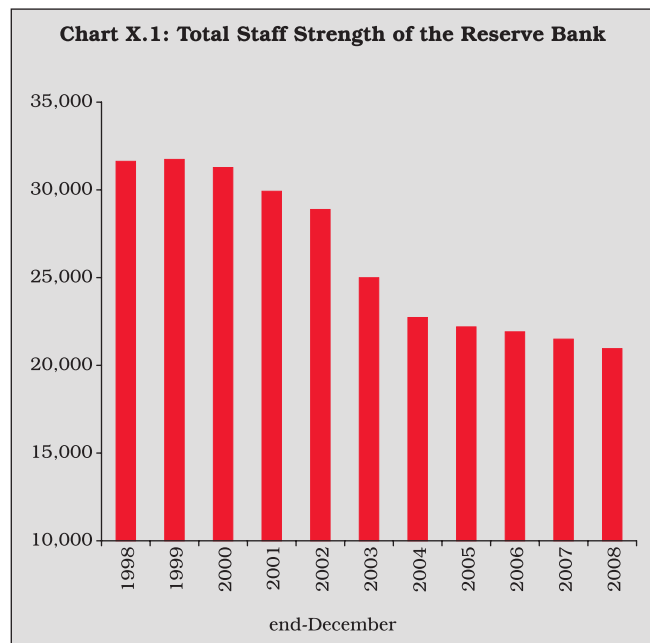
**Table 10.5: Recruitment by  
the Reserve Bank - 2008\***

Category of recruitment	Total	of which		Percentage	
		SC	ST	SC	ST
1	2	3	4	5	6
Class I	91	5	3	5.5	3.3
Class III	02	1	0	50.0	0.00
Class IV					
a) Maintenance Attendant	45	7	4	15.6	8.9
b) Others	36	1	1	2.8	2.8
<b>Total</b>	<b>174</b>	<b>14</b>	<b>08</b>	<b>8.0</b>	<b>4.6</b>

\* : January-December



Chart X.1: Total Staff Strength of the Reserve Bank



Castes and 8.9 per cent belonged to Scheduled Tribes (Table 10.6).

X.32 During the year 2008 (January-December), meetings between the Management and the representatives of the All India Reserve Bank Scheduled Castes/Scheduled Tribes and the Buddhist Federation were held on four occasions to discuss issues relating to the implementation of reservation policy in the Reserve Bank. In accordance with the Central Government's policy, the Reserve Bank provided reservation to Other Backward Classes (OBCs) effective from September 8, 1993. The number of OBCs (recruited after September 1993) in the Reserve Bank as on December 31, 2008 stood at 874. Of these, 293

were in Class I, 82 in Class III and 499 in Class IV. Two meetings were held with the All India Reserve Bank OBC Employees' Welfare Association to discuss issues relating to implementation of reservation policy in the Reserve Bank.

X.33 The total strength of ex-servicemen in the Reserve Bank as on December 31, 2008 stood at 198 in Class I, 178 in Class III and 777 in Class IV. The total number of physically handicapped employees in Class I, Class III and Class IV cadres in the Reserve Bank stood at 191, 138 and 130, respectively, as on December 31, 2008.

X.34 Of the total staff, 41.8 per cent was in Class I, 23.4 per cent in Class III and the remaining 34.8 per cent in Class IV (Table 10.7).

X.35 Almost one-fourth of the total staff is involved in work related to currency management (Table 10.8).

X.36 Mumbai centre (including the Central Office Departments) continued to have the maximum number of staff (29.2 per cent) followed by Kolkata (9.8 per cent), Chennai (7.4 per cent) and Delhi (7.1 per cent) (Table 10.9).

X.37 The Reserve Bank has come a long way. The year 2009 marks a momentous milestone in the history of the Bank as it entered into its 75th year of its establishment. In order to commemorate the Platinum Jubilee of the Reserve Bank of India, the year 2009 has been earmarked for launching a series of initiatives and events for making the Reserve Bank a more useful and effective public

Table 10.6: Staff Strength of Reserve Bank

Category	Category-wise strength						Percentage to total strength	
	Total Strength		SCs		STs		SCs	STs
	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2008	
1	2	3	4	5	6	7	8	9
Class I	7,760	8,760	1,145	1,278	562	614	14.6	7.0
Class III	6,268	4,908	1,001	786	623	545	16.0	11.1
Class IV	7,466	7,284	2,443	2,383	728	718	32.7	9.9
<b>Total</b>	<b>21,494</b>	<b>20,952</b>	<b>4,589</b>	<b>4,447</b>	<b>1,913</b>	<b>1,877</b>	<b>21.2</b>	<b>8.9</b>

SCs : Scheduled Castes. STs : Scheduled Tribes.

**Table 10.7: Category-wise Actual Staff Strength**  
(As on December 31, 2008)

Class	Actual Strength
1	2
<b>Class I</b>	
1. Senior Officer in Grade F	95
2. Senior Officer in Grade E	213
3. Senior Officer in Grade D	362
4. Officers in Grade C	913
5. Officers in Grade B	1,348
6. Officers in Grade A	5,533
7. Treasurers	18
8. Deputy Treasurers	52
9. Assistant Treasurers	226
<b>Total Strength in Class I</b>	<b>8,760</b>
<b>Class III</b>	
1. Senior Assistant	1,802
2. Assistant	1,603
3. Secretarial Assistant	156
4. Word Processor Assistant	440
5. Special Assistant (Teller)	364
6. Class III (Others)	543
<b>Total Strength in Class III</b>	<b>4,908</b>
<b>Class IV</b>	
1. Maintenance Staff	1,535
2. Service Staff	4,741
3. Technical Staff	221
4. Other Staff	787
<b>Total Strength in Class IV</b>	<b>7,284</b>
<b>Total Strength in the Reserve Bank</b>	<b>20,952</b>

entity so as to enable it to serve the country and its public in general better (Box X.1).

#### *Promotion of Hindi*

X.38 The Reserve Bank continued with its efforts to promote the use of Hindi in its working during 2008-09. In pursuance of the statutory requirements of Rajbhasha Policy involving implementation of the provisions of the Official Languages Act, 1963, the Official Language Rules, 1976 and the Annual Programme issued by the Government of India, the Reserve Bank conducted various Hindi training programmes and other promotional activities such as publication of reference material, shield competitions, inter-bank Hindi essay competition and inter-bank/financial institutions and Hindi/bilingual in-house journal competitions. Many

programmes were conducted during Hindi fortnight observed from September 14, 2008. As a part of promotional activity, the Reserve Bank continued to bring out its various publications in bilingual form, *i.e.*, both in Hindi and English.

X.39 A quarterly journal 'Rajbhasha Samachar' is being published regularly by the Rajbhasha Department. The journal is focused on the latest developments in the area of implementation of Official Language Policy and other activities. Understanding and dissemination of new banking concepts also forms a part of this publication. A quarterly Hindi magazine "Banking Chintan Anuchintan" is also published by the department containing useful articles in Hindi on banking and HR subjects. Besides a bilingual in-house journal "Without Reserve" is published by Bank's Central Office. The regional offices also made attempts to publish regular magazines in Hindi during the year.

X.40 Translation workshops were conducted for Rajbhasha Officers of the Reserve Bank so as to encourage the adaptation of translation work. A few workshops were also conducted for senior officers to familiarise themselves with the Official Language policy and instructions thereon. An annual conference of Rajbhasha Officers of the Bank was also held to discuss various issues pertaining to the use and promotion of Hindi language.

X.41 The Reserve Bank through its Rajbhasha Department further strengthened the use of Hindi in computerisation. A reporting package is being developed so that all the Departments/Offices of the Bank and head offices of the public sector banks will be able to submit Hindi data by using 'on line' facility. On guidelines received from the Government of India, the Bank has adopted use of Unicode Hindi fonts for all its Hindi requirements. Revised edition of 'Prashasanik Shabdavali' containing administrative terms, names of departments and designations was released in electronic form for the use of the Reserve Bank staff. Preparation of banking terminology in Hindi 'Paribhashik Kosh' is at an advanced stage.

**Table 10.8: Department-wise Staff Strength of the Reserve Bank  
(as on December 31, 2008)**

Sr. No.	Department	Class I			Class III			Class IV			Grand Total
		C.O.	R.O.	Total	C.O.	R.O.	Total	C.O.	R.O.	Total	
1.	2	3	4	5	6	7	8	9	10	11	12
1.	Customer Services Department (CSD)	24	178	202	5	20	25	6	41	47	274
2.	Department of Administration and Personnel Management (DAPM)	128	1,114	1,242	54	725	779	53	3,058	3,111	5,132
3.	Department of Banking Operations and Development (DBOD)	142	-	142	51	-	51	78	-	78	271
4.	Department of Banking Supervision (DBS)	143	625	768	23	90	113	26	114	140	1,021
5.	Department of Currency Management (DCM)	43	1,339	1,382	15	1,504	1,519	18	1,891	1,909	4,810
6.	Department of Economic Analysis and Policy (DEAP)	229	50	279	102	23	125	87	21	108	512
7.	Department of Expenditure and Budgetary Control (DEBC)	101	464	565	40	308	348	36	137	173	1,086
8.	Department of External Investment and Operations (DEIO)	64	-	64	17	-	17	13	-	13	94
9.	Department of Government and Bank Accounts (DGBA)	79	1,150	1,229	36	848	884	50	483	533	2,646
10.	Department of Statistics and Information Management (DSIM)	157	39	196	78	24	102	76	13	89	387
11.	Department of Information Technology (DIT)	88	67	155	8	8	16	17	2	19	190
12.	Department of Non-Banking Supervision (DNBS)	50	272	322	7	64	71	8	60	68	461
13.	Department of Communication (DOC)	10	-	10	4	-	4	6	-	6	20
14.	Foreign Exchange Department (FED)	109	290	399	56	168	224	48	162	210	833
15.	Financial Markets Department (FMD)	23	-	23	1	-	1	5	-	5	29
16.	Human Resources Development Department (HRDD)	62	12	74	22	1	23	25	1	26	123
16A.	Reserve Bank Staff College, Chennai	-	42	42	-	20	20	-	36	36	98
16B.	Zonal Training Colleges	-	23	23	-	4	4	-	6	6	33
16C.	College of Agricultural Banking, Pune	-	61	61	-	25	25	-	87	87	173
17.	Internal Debt Management Department (IDMD)	34	-	34	6	-	6	7	-	7	47
18.	Inspection Department (ID)	57	-	57	14	-	14	11	-	11	82
19.	Legal Department (LD)	39	11	50	8	5	13	15	2	17	80
20.	Premises Department (PD)	51	332	383	32	238	270	46	256	302	955
21.	Rural Planning and Credit Department (RPCD)	90	345	435	26	51	77	33	67	100	612
22.	Secretary's Department	50	-	50	11	-	11	42	-	42	103
23.	Urban Banks Department (UBD)	81	391	472	24	88	112	38	63	101	685
24.	Rajbhasha Department	-	36	36	-	18	18	-	8	8	62
25.	Deposit Insurance and Credit Guarantee Corporation (DICGC)	-	50	50	-	29	29	-	25	25	104
26.	Reserve Bank Services Board (RBSB)	15	-	15	7	-	7	7	-	7	29
	<b>Total</b>	<b>1,869</b>	<b>6,891</b>	<b>8,760</b>	<b>647</b>	<b>4,261</b>	<b>4,908</b>	<b>751</b>	<b>6,533</b>	<b>7,284</b>	<b>20,952</b>

**Note:** 1. C.O. - Central Office. R.O. - Regional Office.

2. The staff in Monetary Policy Department (MPD) are not shown separately since the staff are drawn from five other Departments, viz., DEAP, DSIM, DBOD, RPCD and DAPM. The staff strength of MPD in different categories as on December 31, 2008 was 45 in Class I, 13 in Class III and 17 in Class IV.

3. The Department of Payment and Settlement Systems (DPSS) is not shown separately as their staff forms part of DIT.

4. The Banking Codes and Standard Board of India (BCSBI) have not been shown separately as their staff forms a part of RPCD.

5. The staff shown against DCM is inclusive of staff employed in Issue Department.

6. The staff shown against DGBA is inclusive of staff employed in Banking Department, Public Accounts Department and Public Debt Offices.

**Table 10.9: Reserve Bank's  
Office-wise Strength of Staff  
(As on December 31, 2008)**

Office	Class I	Class III	Class IV	Total
1	2	3	4	5
1. Ahmedabad	412	221	296	929
2. Bangalore	471	223	295	989
3. Belapur	138	101	225	464
4. Bhopal	167	32	102	301
5. Bhubaneswar	183	112	228	523
6. Chandigarh	216	38	112	366
7. Chennai	570	415	559	1,544
8. Dehradun (Sub-Office)	11	2	3	16
9. Guwahati	238	141	226	605
10. Hyderabad	348	175	317	840
11. Jaipur	273	178	241	692
12. Jammu@	108	13	58	179
13. Kanpur	310	216	422	948
14. Kochi	40	54	44	138
15. Kolkata	700	612	739	2,051
16. Lucknow	211	72	137	420
17. Mumbai	908	732	1,221	2,861
18. Nagpur	305	311	299	915
19. New Delhi	637	387	457	1,481
20. Panaji, Goa	7	4	2	13
21. Patna	306	99	291	696
22. Pune-CAB-CRDC-ITP	61	25	87	173
23. Raipur (Sub-Office)	14	-	-	14
24. Ranchi (Sub-Office)	12	-	-	12
25. Shimla (Sub-Office)	10	-	-	10
26. Thiruvananthapuram	235	98	172	505
<b>A. Total</b>	<b>6,891</b>	<b>4,261</b>	<b>6,533</b>	<b>17,685</b>
<b>B. Central Office Departments</b>	<b>1,869</b>	<b>647</b>	<b>751</b>	<b>3,267</b>
<b>Grand Total</b>	<b>8,760</b>	<b>4,908</b>	<b>7,284</b>	<b>20,952</b>

CRDC: Central Records and Documentation Centre.

@ : Includes Srinagar Sub-Office.

X.42 The Committee of Parliament on Official Language visited Regional Office of the Reserve Bank at New Delhi in September 2008 and expressed satisfaction over the use of Hindi in the Bank.

### Complaints Redressal Mechanism – Prevention of Sexual Harassment of Women at Workplace

X.43 Pursuant to the guidelines laid down in the Supreme Court Judgment [Vishaka and Others vs. State of Rajasthan (1997) SCC 241], a Complaints Redressal Mechanism for prevention of incidence of sexual harassment of women at workplaces was put in place in the Reserve Bank in 1998. Under

the system, a Central Complaints Committee (CCC) headed by a lady officer in Grade 'F' is functional at the Central Office level. In order to provide an easy access to the complaints redressal mechanism for the lady staff working in offices located at various other places, additional complaints committees have been formed at six locations in the Reserve Bank's offices in Mumbai and 20 Regional Offices. These committees are also headed by senior woman officers. The CCC and Regional Complaints Committees (RCCs), besides having a member from NGOs, have more than 50 per cent women members. The CCC acts as the focal point for matters relating to prevention of sexual harassment of women at work place and receives references related to sexual harassment from the RCCs. The CCC and RCCs both, apart from providing a complaint redressal mechanism, have also generated better awareness of sexual harassment issues. They are also providing counselling to aggrieved persons. During 2008-09 (July-April), only one complaint of the sexual harassment was received, investigations in respect of which revealed that the matter related to dispute over allocation of their duties rather than sexual harassment. A complaint received prior to this period is at the final stage of disposal.

### Customer Service and Grievance Redressal System in the Reserve Bank

X.44 The Reserve Bank renders services to members of the public, banks, Central and State Governments and financial institutions in areas covering currency management, Government receipts and payments, public debt management, clearing and remittance of funds and foreign exchange, etc. In order to further improve the delivery of customer service, a Customer Service Department was set up in July 2006 by bringing in various customer service activities handled by different Departments of the bank under a single roof. The aim of the Customer Service Department is to work towards fair and responsible banking and to ensure cost effective and credible system of dispute resolution for common persons utilising the

**Box X. 1**  
**Commemoration of Reserve Bank's Platinum Jubilee Year**

The Reserve Bank, which commenced its operations on April 1, 1935, has entered into its 75th year of establishment. Not only does this Platinum Jubilee year mark a momentous milestone in the history of the Bank in terms of past numerous achievements in serving the nation, it also provides an occasion for introspection, an occasion to reflect on the evolution of the institution and to reinvent as to how the institution could fulfill its objectives even better so that the Reserve Bank continues to make a positive difference in the life of every Indian.

Keeping this in view, a series of initiatives and events has been planned to coincide with the Platinum Jubilee year of the Reserve Bank. Besides various events of celebration, a number of initiatives and activities have been proposed for making the Reserve Bank a more useful, relevant, professional and effective public institution that can serve the country better. The broad components of these celebrations will be three-fold: (i) learning events such as seminars, memorial lectures, *etc.*; (ii) functions and events like the Down the Memory Lane events, bringing out special issue of "Without Reserve", the annual Senior Management Conference, release of commemorative stamp and coin, cultural and sports events, *etc.* and (iii) Outreach programmes.

The Bank plans to make use of this to more effectively reach out to the users of its services by seeking to associate them proactively in the dissemination and deliberation process. For this, seminars and panel discussions on key issues and themes are being organised at select Regional Offices of the Reserve Bank inviting various constituents of the Bank. It is expected that such an initiative will form an important part of the Reserve Bank's efforts, especially through its Regional Offices, to seize and create potential for newer and wider engagement in the local development processes so as to be able to look after the soundness of the financial system. This will also seek to ensure that the broad economic concerns of all sections of the population of these areas, with the vulnerable and marginalised groups at the core of the agenda, are adequately addressed.

Keeping in mind that these Platinum Jubilee Year celebrations of the central bank need to reflect the Bank's past and also manifest its current and future approach, the Governor, in his broadcast to the members of the Bank's staff on April 1, 2009, has elucidated the significance of the occasion and set forth the Bank's broad agenda for the near/medium term.

banking services. Towards this vision, the Department focused on several important activities during the year, *viz.*, to ensure redressal of grievances of users of banking services in an inexpensive, expeditious, fair and reasonable manner so as to provide impetus to improved customer services in the banking sector on a continuous basis; to provide valuable feedback/suggestions to the Reserve Bank towards framing appropriate and timely guidelines to banks to improve the level of customer service and to strengthen their internal grievance redressal systems; to enhance the awareness of the Banking Ombudsman Scheme; and to facilitate quick and fair (non-discriminatory) redressal of grievances through use of IT systems, comprehensive and easily accessible database and enhanced capabilities of staff through training.

X.45 The Complaints Redressal Cell (CRC) of the Customer Service Department coordinates with different Departments of the Bank, which have

direct dealings with the public for prompt disposal of complaints against the services rendered by the Reserve Bank to the satisfaction of members of the public. Complaints by the members of public/Bank's constituents pointing out deficiencies in the services rendered by the various Departments of the Bank at different centres, including Central Office Departments, fall within the ambit of the CRC. CRC covers all service-oriented Departments of the Bank and in particular, the Banking Department [Public Accounts Department (PAD), Deposits Accounts Department (DAD), and Public Debt Office (PDO)], Foreign Exchange Department and Issue Department.

X.46 CRCs have been established at all Offices/Central Office Departments. Advertisements, giving wide publicity about the functioning of the CRC at various Centres and also at the Central Office are simultaneously published on a half-yearly basis, on first Sunday of January and July every year. The

advertisements are published in the leading English and regional dailies. Citizens' Charter specifying the timeframe for each of the customer related activities of the Banking Department is prominently displayed in the Banking Hall for the benefit of the customers/members of the public visiting the Reserve Bank for availing of various kinds of services. Due publicity to the Citizens' Charter is also given through the Reserve Bank's website and hard copies of the same are made available to the customers/members of public over the counter. CRC obtains Monthly Status Reports on the receipt and disposal of complaints from all offices/Departments. CRC also receives Quarterly Reports based on the feedback received in writing from the Bank's customers on Citizens' Charter. The Regional Offices are required to assess the level of customer service every quarter. CRC analyses these reports to assess the level of customer service. The issues relating to the customer service and redressal of complaints are discussed at the Branch Level Management Committee meetings that are held at periodic intervals. Offices also arrange periodic meetings with the customers, viz., commercial banks, urban co-operative banks, Government agencies/ departments and members of public and submit reports thereon to the CRC. Customer service complaints/grievances, both against the Reserve Bank and commercial banks were brought within the purview of Local Boards.

X.47 The Complaint Tracking System (CTS) is being periodically updated to deal with the rising number of complaints and also to get quick response from the banks. The upgraded version of the CTS envisages paperless office at Banking Ombudsmen (BO) offices. The upgradation would provide alert facility to Nodal Officers of the respective banks under each BO's jurisdiction as soon as the complaint against the concerned bank is received by the BO office for the purpose of monitoring at the bank level. It also provides for comprehensive reports of the complaints received by BO offices under different categories, reasons and bank-wise classification.

X.48 Customer Service Department plans to publish four booklets during 2009-10 on the rights and obligations of customers related to credit cards, service charges, housing loans and collection of cheques. The booklets on housing loans and collection of cheques have already been finalised and are in the process of being printed. Furthermore, Microsoft excel based programme has been developed by the Customer Service Department, which would be put up on the Bank's website so as to enable the customers to calculate EMIs and loan amounts and compare the same across banks for different maturities and interest rates. Also a massive publicity campaign on the Banking Ombudsman Scheme is being launched covering both print and electronic media (*Jago Grahak Jago* campaign) in collaboration with the Government of India.

X.49 Customers, particularly in rural and semi-urban areas, find it difficult to switch their accounts from one bank to another because of lack of geographic coverage. Hence, there is a need for regulatory oversight as also creating customer awareness. Banking Ombudsmen (BO) have undertaken face to face interaction with the stakeholders at fora like farmer's associations, consumer societies, chambers of commerce, trade associations, etc. BOs have been advised to hold quarterly meetings with the lead banks at district levels to explain the policies of the Reserve Bank. BOs were also advised to take particular interest in dissemination of knowledge on the recent changes in the BO Scheme and the rationale for the same. BOs have been encouraged to spread awareness about the Scheme in the interior parts of the country to empower the customers and also to sensitise bankers to deal with the customers fairly.

#### **Management of the Bank's Premises**

X.50 Premises Department is responsible for framing policies for creation, maintenance, renovation and consolidation of the Bank's physical infrastructure (office/residential buildings) by

adopting modern technologies and materials, *etc.* The Department, in coordination with Estate Office at Regional Offices, is focusing on providing modern infrastructural facilities in office buildings as well as residential quarters in a planned manner so as to inculcate a sense of pride and belongingness amongst officers/staff.

X.51 Keeping in view the importance attached to scarce resources, the Premises Department has initiated energy/water saving measures, as a part of its responsibility to address ecological and environmental concerns. The Department has taken up the national objective of reduction in energy consumption and implementation of environment friendly measures. The initiatives taken by the Bank in upgrading energy efficiency in all its office buildings and detailed monitoring of energy use have been recognised by Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India. BEE has developed norms for the 'Building Energy Star Rating Programme' and all the buildings of the Bank have been rated as the most energy efficient buildings in the country. BEE, on the occasion of launching of the star rating program for the buildings at New Delhi on February 25, 2009 recognised the Reserve Bank's commitment to enhancing energy efficiency and awarded the first star rating labels to the Bank's building at Bhubaneswar and New Delhi. The four buildings located at Bhubaneswar, Chennai, Kochi, Kolkata are recognised as 5-star building under the rating system. Nine buildings at Bhopal, Chandigarh, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi and Thiruvananthapuram have been given 4-star rating by BEE. Keeping in view the phasing out dates declared by Ministry of Environment and Forests for the Ozone Depleting Substances (ODS), the Premises Department reviewed the air-conditioning plant working on these refrigerants in the Bank's buildings and an action plan has been prepared for replacement of these plants by 2010. Replacement of air-conditioning plants was taken up at Belapur, Mumbai Regional Office, Kolkata and Thiruvananthapuram during the year

2008-09 and is at various stages of implementation/processing.

X.52 Water conservation and water audit have been initiated and all the Regional Offices have been advised to conduct Water Audit. The action points have been identified for immediate implementation and advised to all the Regional Offices accordingly. The Bank is exploring the feasibility of implementing 'Green Building Projects' to rationalise the use of natural resources. Steps have also been initiated to enhance the greenery and to maintain the ecological balance in our surroundings by undertaking tree planting in Bank's properties.

X.53 The Department has initiated the process of construction of Officers' residential flats at New Delhi, Mumbai, Chennai, Jammu and Hyderabad under Design – Build mode of Construction in which a single entity, *i.e.*, DB Developers assumes complete responsibility of executing the project. The project is likely to be completed in the next 2 years and will address the Officers' residential requirement at these centres. The Department has taken up major structural rehabilitation work in the Central Office Building, which is likely to be completed by the close of 2009.

X.54 In the light of the experience gained over the years, a need was felt to revisit and revise the policy and practices relating to dead stock management and also to computerise the maintenance of dead stock accounts in order to reduce the administrative and operational costs. Accordingly, a revised Fixed Asset Policy was put in place with the approval of the Committee of the Central Board. The policy was designed to be in line with the best global accounting practices and in conformity with AS 10 of the Institute of Chartered Accountants of India (ICAI). The Department developed a computerised Inventory Management System for implementation with effect from 1st July 2009. The system is web-based, accessed from Nagpur Data Centre and will address the functions of Estate Department at Regional Offices.

### **Inspection of Offices/Departments in the Reserve Bank**

X.55 The Management Audit and Systems Inspection (MASI), Information Systems Audit, Concurrent Audit (CA) and Control Self-Assessment Audit (CSAA) of the Offices/departments of the Reserve Bank are undertaken at prescribed intervals. The MASI evaluates the adequacy and reliability of existing systems and procedures to ensure that laws, regulations, internal policy guidelines and instructions are meticulously followed. Aspects relating to organisational goals, delegation of power and customer service in the department/Office and management efficacy are also looked into under Management Audit. During the year 2008-09, Systems Inspections, including Information Systems Audits of eleven Regional Offices (ROs), fifteen Central Office Departments (CODs), one Training Establishment (TE) and one Associate Institute were completed. In addition, Risk Based Inspection/Audit of New Delhi Office was also taken up and completed.

X.56 The monitoring of the efficacy of the Concurrent Audit and Control Self Assessment Audit prevailing at various ROs/CODs continued to be undertaken through an off-site Audit Monitoring Arrangement and on-site snap audits of offices (ROs/CODs/TEs). During the year 2008-09, snap audits of 21 Regional Offices, 24 Central Office Departments and two Training Establishments were conducted.

X.57 Technology audits of critical and important IT applications/ systems were undertaken by involving external experts in the field of Information Systems Audit. During the year, technology audits of National Electronic Clearing Systems (NECS), Centralised PAD Systems (CPAD), Clearing Corporation of India Limited (CCIL) Transactions and Integrated Accounting Systems (IAS) were conducted. Technology Audits of e-Treasury application and Liquidity Adjustment Facility (LAF) module covering functionality and security review are underway. The project for obtaining ISO 9001-2000 Certification in select work areas/Departments was taken up in the Bank, in phases (Box X.2).

### *Information Systems (IS) Audit Policy*

X.58 In order to address the changing business environment and needs ushered in by increased usage of technology in the Reserve Bank as also to map Bank's IS Audit Policy to international best practices and standards, a comprehensive review of the existing Policy was undertaken in consultation with the Institute of Internal Auditors (IIA). The revised IS Audit Policy has been approved in March 2009. An IS Audit strategic plan document prepared to facilitate achievement of Policy objectives has also been approved (Box X.3).

### *Risk Based Internal Audit (RBIA)*

X.59 Implementation of the project for introduction of Risk Based Internal Audit (RBIA) in the Reserve Bank has been taken forward during the year by taking up live run of RBIA at New Delhi RO. Based on the experience gained during this Audit and some more such live runs to follow, methodology for conducting such audits is being evolved in order to facilitate transition from the existing Systems of Inspection to RBIA in a year's time.

### **Communication**

X.60 The Reserve Bank recognises the critical significance of a sound communication policy. The goals of its communication policy are intimately interlinked to its objectives. Transparency, clarity, managing expectations and promoting two-way flow of information along with dissemination of information, statistics and research at various frequencies continued to remain the principal goals of the Reserve Bank's communication policy.

X.61 In keeping with its communication policy, the Reserve Bank continued to disseminate information through various channels, such as, press releases, notifications, speeches, publications, frequently asked questions (FAQs), advertisements in print and electronic media and the website. Press and video conferences with the participation of national and regional media following the announcement of annual, quarterly



### Box X.2 ISO Certifications in the Bank

As a part of the Reserve Bank's continuing initiatives to adopt and adhere to the international best practices and standards, the project of obtaining Quality Management System (QMS) certification (ISO 9001) and Information Security Management System (ISMS) certification (ISO 27001) in select work areas was undertaken in phases. ISO 9001-2000 is a generic management standard providing an internationally accepted framework for establishing quality management systems with customer focus and continual improvement as the key elements. Quality Management System (QMS) enables the organisation to identify, measure, control and improve various business processes for better achievement of its business objectives. The ISO 9001 Standards are flexible enough to be implemented in any kind and size of organization and have 'Plan, Do, Check, Act' cycle as operating principle. Information Security Management System (ISMS) is a systematic approach to managing sensitive information. It encompasses people, processes and Information Management systems. The Standard provides a framework for selection of adequate security controls proportionate to the criticality of the information processed/ stored and business process risks in a particular work area/ domain by alignment of business processes and information security needs. It is implemented through the process of information system asset inventurisation, risk identification and documentation of management and information security policies as well as control procedures for effective risk mitigation.

#### Status of ISO 9001 Certification in the Bank

During the first phase, ISO 9001 certification was obtained for DCM, DGBA, and Issue and Banking Departments at Kolkata and Hyderabad ROs. It completed first cycle of 3 years in April 2009 and recertification at these locations was successfully accomplished through external certifying agency. During second phase of certification, Issue and Banking Departments at New Delhi, Jaipur, Bangalore and Chennai ROs were certified. These locations successfully

faced second surveillance (sustenance) audit during the year. The certified Departments have benefited from implementation of standards by way of continual improvement through measurable quality objectives, particularly in the areas of house-keeping, record management and customer service; re-emphasised calibration system of measuring/processing devices, especially Currency Verification and Processing Systems (CVPS), among others. Currently, third phase of certification covering DEAP, DAPM, HRDD and Issue and Banking Departments at Ahmedabad, Bhopal, Nagpur and Thiruvananthapuram ROs is underway. Fourth phase of certification at Issue and Banking Departments in 8 of the remaining ROs has been initiated. As a part of extending ISO certification to other work areas, FED is also planned for implementing these Standards.

#### Status of ISO 27001 Certification in the Bank

ISO 27001 Standards are implemented in select work areas of the Reserve Bank, in phases, with assistance from external experts/consultants. During the first phase, such certification was obtained for Departments such as DEIO and IDMD. First cycle of 3 years was completed at these locations in April 2009 and recertification was successfully accomplished through external certifying agency. During the second phase of certification, two more Departments, viz. DBS and DBOD were covered. DBS successfully faced 1<sup>st</sup> surveillance (sustenance) audit during the year. Implementation of ISO 27001 has been taken-up Department-wise, in view of the diverse functionality, multiple information processing systems and varying levels of criticality of information across Departments. The certified Departments have benefitted from implementation of Standards by way of increased security awareness at all levels, documented incident reporting system, dynamic IS risk assessment and treatment. Currently, third phase of ISO 27001 certification covering Central Accounts Section (CAS), Nagpur and Financial Market Department (FMD) is underway.

and half yearly monetary policy statements continued to play a significant role in reaching out to the public at large. Occasional interviews of the Top Management with national and international media helped in covering the Reserve Bank's assessment of the economy and the financial system conveying to the wider audience.

X.62 During the year ended June 30, 2009, the Reserve Bank issued 2,119 press releases, 79 master circulars and 517 notifications. It organised meetings,

workshops and seminars to interact with special audiences. Queries relating to banking, foreign exchange, economy, customer service were received through e-mail in the helpdesk email boxes set up in the various Departments and Regional Offices. These queries were over and above the queries received under the Right to Information Act, 2005.

X.63 With accent on transparency and accountability, the Reserve Bank has been making increasing use of its website (*URL: <http://www.rbi.org.in>*)

**Box X.3**  
**IS Audit Policy**

Information Systems Audit (ISA) function was formalised in the Reserve Bank, with the necessary responsibilities entrusted to the Inspection Department in 2001, in the wake of increasing computerisation and growing usage of IT in work processes. An IS Audit Policy, with provision for periodical review was also formulated. Considering the emerging business environment characterised by increased technology usage as also enhanced complexity of technologies being deployed, risks and resultant assurance needs have grown over the years. The IS Audit policy was, therefore, revised in order to refocus the approach to IS Audit in the Bank, in tandem with international best practices.

The objective of the revised IS Audit Policy is to assess and provide independent, objective assessment of the state of affairs and make audit recommendations regarding IT and IS in terms of Functionality, Security and Performance. The policy, prepared in consultation with Institute of Internal Auditors (IIA) also refers to guidelines provided by the Information Systems Audit and Control Association (ISACA) and other best practices followed internationally. The key changes in the revised IS Audit Policy apart from relevance and business need perspective include: (i) issues related to functionality and performance aspect of the IT systems delivering the business objectives along with risk assessment, (ii) consulting role in IS Audit function at various stages of IT projects and applications

and (iii) provision for effective deployment and appropriate and adequate resources, internal as well as external, with necessary flexibility.

During 2008-2009, a strategic plan for aligning IS Audit function to the organisational requirements in the wake of increasing use of technology in business processes was approved. It included taking up periodical third party IS Audits. The components of strategic plan include: (i) risk orientation of audit function, (ii) changing the audit report structure, (iii) skill up-gradation and knowledge dissemination/sharing, (iv) availing external assistance wherever required, (v) audit resource augmentation and (vi) introducing a system or regular third party audits in IT/IS aspects thereby achieving the attributes such as valued assurance, scalable model and sustainable effort in IS Audit function.

Various steps were taken to operationalise the strategic plan such as: (i) the major IT systems were classified based on the importance (criticality, important or normal) based on the availability factor along with complexity of rating, (ii) audit activities pertaining to periodical review with respect to the major IT systems were categorised into three levels and (iii) the broad scope of periodic audit was formalised for these audit activities. The audit guidelines are being prepared for generic/application specific scopes against key components defined in live run of Risk Based Internal Audit.

for communicating with the external audiences. The site is used not only to disseminate information emanating from the Reserve Bank but also to seek feedback on reports and recommendations as well as on draft regulatory guidelines. During 2008-09, eight draft guidelines, one draft report and two approach papers were placed on the website for feedback. The number of users who registered themselves for receiving information available on the Reserve Bank's website through email increased two-fold during the year. As many as 19,096 users registered themselves during the year taking the total number of registered users to 34,104.

X.64 Under the outreach programme and to give an insight into its role and functions, the Reserve Bank had, in 2006, embarked on a programme of inviting school/college children and other interest groups of members of the public to its offices. The outreach programme is conducted at the Reserve

Bank's Central Office and some of the Regional Offices. As many as 1,600 school children, teachers and other interest groups took advantage of this opportunity in Mumbai alone in the last one year. As a module of learning about the role and functions of the Reserve Bank, they visited the Central Office, Monetary Museum and National Clearing Cell in Mumbai and had an interactive session with officers of the economic research department of the Reserve Bank.

X.65 Under the outreach programme, the staff of the Reserve Bank also visited schools, colleges, professional and other academic/vocational institutions in both, Mumbai and various other regional centres for an interactive session. The interaction was mainly on subjects, such as, role and functions of the Reserve Bank, Indian economy, evolution of money, salient security features of currency notes, the Reserve Bank's

financial literacy project, understanding of payment system and general banking.

X.66 The Reserve Bank arranged an interactive workshop for communicators of central banks of SAARC countries and other regulators of financial sector in India in February 2009. Hosted by the College of Agricultural Banking, Pune, the objective of the three-day workshop was to facilitate exchange of ideas and networking. Topics, such, as communication policy, internal communication, role and tools of communication and challenges of communication were discussed at the workshop. The workshop was organised under the SAARCFINANCE forum.

X.67 Regional Directors of select offices interacted with the representatives of local print and electronic media to disseminate information on financial literacy initiatives taken up by the Reserve Bank, coin and note distribution measures of the regional offices and other matters pertaining to currency management. Participation in radio and television programmes by senior officers also helped in spreading awareness and sensitising the public about the role of the central bank and the importance of financial literacy.

#### *Customer Service*

X.68 During the year under review, Regional Offices undertook various measures including the evaluation of customer satisfaction for further improving customer service in the areas of banking, currency management, foreign exchange management and clearing mechanism. The efforts included training programmes/workshops/meetings to educate officials of various banking and non-banking organisations, such as, State and Central Government undertakings, authorised foreign exchange dealers, rural and urban money lenders, representatives of major NGOs, professors and farmers' organisations.

X.69 Officers in some regional centres made incognito visits to bank branches to assess customer service in areas, such as, exchange of defective notes,

display of service charges and interest rate on various deposits, cheque drop box facility, conduct of foreign exchange business, the Banking Ombudsman Scheme, etc. Several Regional Offices organised *melas* for exchange of soiled/mutilated notes and coin distribution as well as camps on weekly market days for supply of new notes and coins.

X.70 Workshops/seminars/meetings were held with banks, micro finance institutions, rural insurance agencies, officials of Department of Posts and other field level functionaries to familiarise them with the Reserve Bank's instructions on financial inclusion and also to discuss issues, such as, opening of no-frills accounts, IT-enabled financial inclusion, formation of self-help groups, etc.

X.71 Advertising campaigns were undertaken to highlight investor friendly features of the Government Securities Act, 2006 and to caution the public against fictitious offers of remitting cheap funds from abroad.

#### *Financial Education and Literacy*

X.72 In an effort to enhance and promote financial education and literacy, a few more comic books were released under Raju and Money Kumar series. These included 'Raju and the Sky Ladder', 'Raju and the Magical Goat' and 'Money Kumar and Caring for Currency'. A few Regional Offices of the Bank collaborated with the state level bankers' committees and district level government officials in dissemination of financial education material in the local language.

X.73 Regional Offices also participated in fairs/exhibitions of local and national reach to disseminate information on the Reserve Bank's role as a central bank, besides currency management, clean note policy, security features of new series of notes issued in 2005, star series notes, detection of forged notes, foreign exchange facilities to residents, investment in non-banking financial companies and Banking Ombudsman Scheme, etc. Dissemination of useful information emanating from the Reserve Bank in local language, besides English and Hindi, was the objective of participating in exhibitions and *melas*.

X.74 Students were encouraged to take up short projects for spreading financial literacy and disseminating information to various target groups, viz., students, women, rural and urban poor, defence personnel and senior citizens, especially in the rural/ semi-urban areas. Select Regional Offices conducted quiz competition/inter-school debate, essay competition on banking, currency notes and financial inclusion related topics for school students.

X.75 As a part of village level awareness programmes, some Regional Offices visited select villages and met agricultural labourers, farmers, members of self help groups and primary agricultural credit societies, workers from non-Government organisations and other community based organisations to discuss issues relating to financial planning, accessing banking services, availing loans under differential rate of interest (DRI) Scheme and other Government sponsored schemes, simplification of lending procedures for crop loans, advantages of kisan credit cards, etc.

### The Right to Information (RTI) Act, 2005

X.76 The Right to Information Act, 2005 was enacted on June 15, 2005 and came into effect from October 12, 2005. The Reserve Bank has a centralised system for providing information under the Act. Shri V.S. Das, Executive Director, has been designated as the Central Public Information Officer (CPIO) and Shri H.R. Khan, Executive Director as the Alternate Central Public Information Officer. Smt. Usha Thorat, Deputy Governor is the Appellate Authority (AA) and Dr. K.C. Chakrabarty, Deputy Governor, took over the responsibility of the Alternate Appellate Authority. With a view to assisting members of public to submit requests for information, senior officers have been designated as Central Assistant Public Information Officers at each office/Central Office Departments of the Bank.

X.77 Increased awareness of the RTI Act resulted in a rise in the number of requests for information from 2,455 during 2007-08 to 3,333 in 2008-09 (Table 10.10). Almost 98 per cent of the

**Table 10.10: Right to Information Act, 2005 – Requests Received and Resolved during the Year**

Item	July-June	
	2007-08	2008-09
1	2	3
<b>A. 1) Requests pending as at end of previous year</b>	<b>207</b>	<b>185</b>
<b>2) Requests received during the year</b>	<b>2,455</b>	<b>3,333</b>
<b>3) Requests resolved during the year</b>	<b>2,466</b>	<b>3,305</b>
<i>of which:</i>		
i) Requests met fully	2,051	2,879
ii) Requests met partly	62	38
iii) Requests declined	92	135
iv) Resolved in other manner	261	253
<b>4) Requests under consideration</b>	<b>196</b>	<b>213</b>
<b>B. 1) Appeals pending as at end of previous year</b>	<b>96</b>	<b>49</b>
<b>2) Appeals received by the Bank's Appellate Authority (AA) during the year</b>	<b>493</b>	<b>550</b>
<i>of which:</i>		
i) Appeals under consideration	49	75
ii) Appeals disposed off	540	524
<i>of which:</i>		
a. Appeals, which were partially allowed / where general directions to furnish additional information were issued by AA	223	193
b. Appeals, where CPIO's decisions were upheld	317	331
<b>C. 1) Orders issued by Central Information Commission</b>	<b>69</b>	<b>33</b>
i) Appeals partially allowed	24	7
ii) Appeals where CPIO/AA's decisions were upheld	45	26

requests had been responded to. The requests, in respect of which the information could be fully disclosed and hence disclosed, rose from 68 per cent as at the end of June 30, 2008 to 75 per cent as on June 30, 2009. Also, against the decision of CPIO /non-disclosure of information, 493 appeals in 2007-08 and 550 appeals during 2008-09 were received. Central Information Commission (CIC) has so far dealt with 125 appeals (including decisions on cases pertaining to earlier period). The Commission upheld the decisions of the CPIO/ first Appellate Authority of the Bank in 87 cases and

provided minor directions in 38 cases. Some of the important decisions of the CIC have been summarised in the Box X.4

X.78 Majority of the requests for information that were received during the year pertained to the Reserve Bank's regulatory and supervisory functions. Besides, there were also several requests pertaining to other areas, such as currency management, foreign exchange facilities, customer service and personnel management. Certain requests seeking opinions, views, reasons,

#### Box X.4

##### Major Decisions of the Central Information Commission (CIC)

- 1) **Information not in the possession of a public authority need not be procured for furnishing to the RTI applicant:** The appellant sought details of phone banking conversations he had with the 24 Hour Customer Care Center of one commercial bank on various dates during January 6 to June 10 2007 from the Reserve Bank. The CPIO informed the appellant that the Reserve Bank did not possess the said information. CIC stated that under the RTI Act, a public authority is obligated to disclose the information, which is in its possession and as the Reserve Bank has stated that the said information is not in its possession, the question of directing the Reserve Bank to furnish the information does not arise (Decision No. PBA/2008/395 dated August 21, 2008).
- 2) **Reiteration of valid mode of payment of prescribed fee for RTI and attempt should not be made to elicit views or opinions of CPIO:** CIC reiterated that the valid mode of payment of prescribed fee of RTI is in the form of cash, Bank Draft or IPO for seeking information under the RTI Act, 2005, indicating that fee paid in any other mode is not valid and such application may not be valid. Also, the appellant was advised to refrain from seeking opinions of CPIO (Decision No.3088 /IC (A) /2008 dated August 18, 2008).
- 3) **Redressal of grievance outside the purview of the RTI Act:** CIC reiterated that a redressal of grievance, is outside the purview of the RTI Act, 2005 (Decision No. CIC/PB/C/2008/00312-SM dated March 31, 2009).
- 4) **Copies of external commercial borrowing (ECB) application form details of third party need not be disclosed:** CIC upheld the Bank's contention that the disclosure of copies of forms containing details about the loans availed of or proposed to be availed of by third parties from various external sources and also information regarding particular projects based on which the loan is supposed to be granted, would adversely affect the competitiveness of those parties and would, therefore, be exempt as provided in Section 8(1)(d) of the Right to Information Act (Decision No. CIC/PB/A /2008/00574-SM dated February 02, 2009).
- 5) **Information sought should be clear and specific and the applicant should refrain from seeking opinion of CPIO on hypothetical situations:** In this case, the appellant had not specified the exact information he wanted nor had he given any particular timeframe with reference to which the information was sought. CIC advised him to approach the CPIO with a new application listing clearly and specifically the exact information he wants with reference to any particular time period and to refrain from seeking response or opinion of the CPIO on hypothetical situations (Decision No. CIC/SM/A/2008/00103-SM dated March 30, 2009).
- 6) **Ensuring repayment of investment made by the appellant is not the responsibility of public authority under the RTI Act:** The appellant sought information in respect of each of the non-banking finance institutions in which the appellant had claimed to have invested and the CPIO had provided the available information. As the CPIO had given available information, CIC stated that the CPIO could not give any more information than what he has already given. Further, CIC stated that in any case, it is not the responsibility of the Public Authority under the Right to Information Act to ensure repayment of the investment made by the appellant in any financial institution, and therefore, his appeal is devoid of any merit (Decision No. CIC/PB/A/2008 /00119-SM dated February 02, 2009).

interpretations or grievance redressal were outside the scope of the Act and dealt with accordingly. Information, which is exempted from disclosure under the provisions of the RTI Act was not furnished. A 'Disclosure Log' summarising disclosures of general interest has also been placed on the Reserve Bank's website.

### RESEARCH ACTIVITIES

X.79 The Reserve Bank, as in the case of other central banks, has been at the forefront of promoting research activities both, within and outside the Bank. Timely availability of relevant information and quality analysis of the information in the country specific context are critical for formulating appropriate policies. All Departments, in particular the economic research and statistics Departments, have constantly strived to meet the growing research and information needs of the Reserve Bank. Staff members of the Bank are also encouraged to conduct independent research and publish their personal views in the occasional papers, staff studies and external research journals (Annex IV). A number of research articles were published by the staff of the Reserve Bank during 2008-09. In order to explain the rationale and the analytics of its policy initiatives to the public, the Reserve Bank disseminated wide ranging information through publications and speeches.

X.80 The Reserve Bank over time has been widely recognised for its qualitative reports and research publications. These reports not only contribute to strengthening the communication policy of the Bank on all important functional areas of the Bank but also serve as an important channel for explaining the Bank's views on emerging economic issues. The challenges that emerged during the current global financial crisis clearly manifest the need for better understanding of issues and relevant analytical and empirical research for undertaking crisis prevention as well as crisis management policy measures. Against this backdrop, the research Departments of the Bank, viz., Department of Economic Analysis and Policy

(DEAP) and Department of Statistics and Information Management (DSIM) continued to provide analytical research inputs on various aspects of the Indian economy for the conduct and formulation of policies by the Reserve Bank.

#### *Department of Economic Analysis and Policy*

X.81 The Department of Economic Analysis and Policy is engaged in conducting policy oriented research relating to various facets of the Indian economy as well as emerging issues of contemporary relevance. The Department plays an important role in terms of furnishing high quality research inputs on various policy matters concerning the Reserve Bank. As in the past, two statutory reports of the Reserve Bank, *i.e.*, Annual Report and the Report on Trend and Progress of Banking in India during 2007-08 were prepared in the Department. A study titled 'State Finances – A Study of Budgets of 2008-09' was published in December 2008, which carried a special theme on 'Revenue Receipts of the State Governments'. The Department also brought out the Summary of the Union Budget 2009-10 (Vote-on-Account) and Railway Budget 2009-10 (Vote-on-Account) in the Reserve Bank Bulletin.

X.82 The Report on Currency and Finance 2006-08, covering the theme "The Banking Sector in India: Emerging Issues and Challenges" was also released. Further, a special edition of Reports on Currency and Finance covering the period 2003-04 to 2006-08 was also released. This special edition of Reports on Currency and Finance brings together the analytical work of last four Reports with the objective of providing greater access to research conducted in the Reserve Bank in the areas of monetary policy, central banking, financial markets and the banking sector. The Report on Currency and Finance, 2008-09 covering a theme of most contemporary relevance, *viz.*, "Global Financial Crisis and the Indian Economy" is currently under preparation.

X.83 The Department assisted the Thirteenth Finance Commission, Government of India by presenting a study in National Institute of Public

Finance and Policy (NIPFP) on 'Fiscal Consolidation by Central and State Governments'. In pursuance of the decision taken at the twenty first Conference of State Finance Secretaries, two working Groups, viz., (i) Fiscal Transparency at State Level and (ii) Working Group on Local (Urban) Finance have been set up. The Department has been providing secretarial assistance to the Working Groups. Based on a request from the Thirteenth Finance Commission, three Concept Papers on terms of reference of the Commission, viz., (i) Introducing Expenditure Quality in Inter-Governmental Transfers: A Triple-E Framework, (ii) Strengthening Decentralisation - Augmenting the Consolidated Fund of the States by the Thirteenth Finance Commission: A Normative Approach and (iii) An Outline of Post 2009 FRBM Fiscal Architecture of the Union Government in the Medium-term were forwarded to the Commission. These Concept Papers are being published as Development Research Group (DRG) Studies. In addition, the Department provided technical inputs for the paper "Post FRBM Fiscal Architecture-Suggestions" forwarded to the Thirteenth Finance Commission. Inputs were also provided for the presentations at the twenty second Conference of State Finance Secretaries held on May 29, 2009.

X.84 The Department functioned as a nodal unit for preparing the Reserve Bank's comments on the 'Committee on Financial Sector Reforms' (Chairman: Prof. Raghuram Rajan). It also provided inputs/material for the Committee on Financial Sector Assessment (Chairman: Dr. Rakesh Mohan). The Department prepared a paper titled 'Financial Inclusion in SAARC Countries – Approaches, Issues and Challenges' for circulation among SAARCFINANCE members. The Department also hosted the seminar on 'Strengthening Financial Stability Arrangements' which was jointly organised by the Reserve Bank and the World Bank at Mumbai during June 15-18, 2009. There were 10 participants from the SAARC member countries, 8 from the World Bank and 12 from the Reserve Bank.

X.85 The Department acted as the Secretariat to the 'High Level Committee on Estimation of

Savings and Investment' set up by the Government of India under the Chairmanship of Dr. C. Rangarajan and coordinated and released the final Report on behalf of the Ministry of Statistics and Programme Implementation on March 2, 2009. The Department participated in the inter-departmental Monetary Policy Strategy meetings and provided projections for 2008-09 and 2009-10 for growth, inflation, demand side aggregates and savings. Secretariat to the Working Group on the Real Sector is also with the Department. The Report of the Working Group on the Real Sector has been submitted to Top Management, appraising developments in the real sector of the economy at the time of monetary policy formulation. The Report of the Inter-departmental Working Group on 'Co-operative Credit Institutions in India-Data Availability' was also submitted to the Top management. During May 2009, the compilation work of Flow of Funds (FOF) has been initiated, which is expected to be finalised by the end of September 2009.

X.86 The Department released the 'Macroeconomic and Monetary Developments' on a quarterly basis during 2008-09 which is issued along with the Monetary Policy Statements/ Reviews. Presentations on macroeconomic and monetary developments were made by the Department before the Technical Advisory Committee on Monetary Policy at each of its quarterly meetings during the year. The Department also regularly published a monthly review on "India's Foreign Trade" in the Reserve Bank Bulletin. The Department published on a quarterly basis, a detailed article on "Indian Investment Abroad in Joint Ventures and Wholly Owned Subsidiaries".

X.87 The Department is the primary source of data on balance of payments of the country, which are released at the end of each quarter with a lag of one quarter. The Reserve Bank releases a Press Release at the end of every quarter detailing the trends in Balance of Payments (BoP) statistics. Further, an article on the developments in India's BoP during every quarter is also published in the monthly issue of the Reserve Bank Bulletin. The

quarterly data on external debt are compiled by the Department for two quarters, while the Government of India compiles the same for the remaining two quarters. The Department also compiles the index of Nominal and Real Effective Exchange Rate (36-country) for India. These data are disseminated through various publications of the Department. The Department also disseminates the various economic indicators under the Special Data Dissemination Standards (SDDS) of the IMF. Apart from primary compilation of data, the Department also focuses on research relating to balance of payments, capital flows, exchange rate and foreign exchange reserves. The articles on areas such as 'India's External Debt as at end-March 2008', 'India's External Debt: Trend, Policy Changes and Cross Country Comparisons'; 'Invisibles in India's Balance of Payments' and 'An Analysis of Trade in Services, Remittances and Income and India's Balance of Payments Developments' during four quarters of 2008-09 were published in the Reserve Bank Bulletin. A 'Working Group on Balance of Payments Manual for India' has been constituted under the chairmanship of Shri Deepak Mohanty, Executive Director, Reserve Bank, to draft comprehensive manual/guidelines on the definition, methodology, coverage and compilation of BoP in India consistent with the international best practices.

X.88 The Department is also entrusted with the responsibility of compiling the major macroeconomic aggregates such as data on monetary aggregates, consolidated state finances, flow-of-funds accounts and household financial savings. Detailed time-series statistical information covering various sectors of the Indian economy – real, monetary, fiscal, external and financial markets – continued to be released through the publication titled "Handbook of Statistics on Indian Economy, 2007-08" for use by researchers. The publication provides annual data (in many cases from 1950-51 onwards), quarterly/monthly data (from 1990-91 onwards) as well as daily data in the case of many financial variables for the last few years. The Department also disseminated

information on key parameters of the Indian economy in the Reserve Bank's Monthly Bulletin and its Weekly Statistical Supplement. During 2008-09, the Department prepared the Weekly Financial and Commercial Report for the Committee of the Central Board/Central Board Meeting and the Annual Memorandum on Current Economic Situation for Central Board Meetings. Analytical studies in areas concerning the Indian economy were published in the Reserve Bank's Occasional Papers.

X.89 The Department monitors developments in the international monetary and financial system with a view to examining their implications for India. In pursuit of the above objective, it undertakes policy oriented research pertaining to issues like global financial and currency crises, analyses of various reports prepared by the IMF on developments in the global economy such as the World Economic Outlook (WEO) and Global Financial Stability Report (GFSR) and prepares reports on the developments in the global economy. The Department serves as the nodal point for most of the work pertaining to multilateral institutions such as the IMF and the BIS and tracks developments in these institutions. It prepares briefs/comments on documents released by the IMF for discussions by its Executive Board, co-ordinates work relating to the visit of the IMF team to India in connection with discussions under Article IV and serves as the back office for ED (IMF), India's office. It also provides briefs/background material for International Monetary and Financial Committee (IMFC) meetings, besides preparing briefs/comments/background material for bi-monthly meetings of Governors at BIS as also for the G-20 meetings, which are attended by the top management of the Bank, in collaboration with other operational Departments. Further, it acts as the Secretariat of the SAARCFINANCE activities. It also serves as a nodal unit for visits by dignitaries from multilateral financial institutions, central banks of other countries, international banks, credit rating agencies, academics, and other international delegations; arranges lecture series in the Reserve Bank.



X.90 The Department provided valuable inputs to the inter-Departmental groups, viz., Group on Macro Prudential Indicators (MPI) (convened by DBS) and Corporate Performance Monitoring Group (CPMG) (convened by DSIM), the Technical Advisory Committee (TAC) on Money, Foreign Exchange and Government Securities Markets, RBI-SEBI Technical Committee on RBI Regulated Entities, the RBI-SEBI Standing Technical Committee and Standing Parliamentary Committee on Finance.

X.91 The Regional Offices of the Department continued to contribute to the research efforts of the Reserve Bank. Regular monthly/quarterly reviews pertaining to the specific States/regions were prepared. The Regional Economic Profiles were also prepared for the use of Central and Local Boards of the Bank. The Regional Expectation Survey was also submitted as an input for Monetary Policy formulation. A regional study on impact of global crisis on reverse migration of workers was prepared. To strengthen the research effort, DEAP Regional Offices' Conference was organised during March 30-31, 2009. The Conference, which was attended by eminent economists, covered three themes, viz., (i) Beige Book, (ii) Impact of Global Crisis on India and (iii) Financial Inclusion. In addition, various studies on areas covering economic, banking and fiscal sectors were also undertaken by the regional offices. They also made several presentations in outside venues to a wider audience of academicians, policy makers, corporates, research scholars and students on the latest policy developments/measures of the Reserve Bank.

X.92 The Development Research Group (DRG) was constituted in the Reserve Bank in November 1991 with the objective to undertake quick and effective policy-oriented research, backed by strong analytical and empirical work. DRG continued to serve as a platform for collaborative research between outside experts/academics and pool of research talent available within the Reserve Bank. DRG has published 28 studies since its inception, and 8 more studies are expected to be published

during the next few months. The studies cover a wide range of subjects relating to real sector, monetary policy, fiscal policy, banking, agriculture, external sector and social sector.

X.93 The Department also manages the Endowment Scheme of the Bank. Under the scheme, financial support is provided to various institutions for the purpose of research and training in areas of interest to the Reserve Bank. The financial support is provided through corpus funds. At present, there are 22 corpus funds, with a total corpus of Rs.26 crore. Besides the Endowment Scheme, the Reserve Bank also grants financial support to universities/institutions for funding research projects, publication of specialised journals and holding of conferences/seminars/workshops. During the year 2008-09, two new projects were initiated: (i) the RBI-Madras School of Economics (MSE) Macroeconomic Modeling Project, and (ii) the Indian Institute of Foreign Trade (IIFT) Project on Exchange Rate Movement and India's Exports of Textile and Engineering Goods.

X.94 To increase the spread of research activities in the country, an expert committee (Chairman: Dr. Bimal Jalan) was constituted to review the mission, objectives, scope and modalities of the Reserve Bank's research funding policy and to suggest changes to provide greater clarity and effectiveness of the programme. The Expert Committee submitted its Report to the Governor on February 19, 2009. The Committee has made wide ranging recommendations covering various aspects of the research support activities of the Bank (Box X.5). The recommendations of the Committee have been accepted by the Bank and are under implementation.

#### *Library*

X.95 The Central Library of the Reserve Bank, attached to the Department of Economic Analysis and Policy (DEAP) plays an important role in the collection, storage and dissemination of information. The Library has a comprehensive collection of books, journals, working papers,

**Box X. 5**

**Expert Committee on Research Funding Policy**

The Reserve Bank of India Act, 1934 [Section 17 (15B)] permits the Reserve Bank of India (the Reserve Bank or the Bank) to provide facilities for training in banking and for the promotion of research, where in the opinion of the Bank, such provision may facilitate the exercise of its powers and functions or the discharge of its duties. In pursuance of this Act, the Bank has been providing financial support for research and training to universities/institutions under the Reserve Bank Endowment Scheme. Besides, the Bank grants financial support to universities/institutions for publication of specialised journals and holding of conferences/ seminars.

The Reserve Bank Endowment Scheme is reviewed periodically by the Department of Economic Analysis and Policy of the Bank. The last such review was undertaken in February 2008 and submitted to the Central Board of Directors of the Bank. In the meeting of the Central Board held on February 7, 2008, it was proposed that the following aspects of the endowment scheme need to be examined – policy on selection of universities/ institutions for instituting a corpus fund; funding arrangements; institutional mechanisms, including accountability and transparency; and eligibility criteria for expanded funding. In the meeting of the Central Board held on March 6, 2008, the proposal to set up an Expert Committee to review the mission, objectives, scope and modalities of the Bank's research funding policy and to suggest changes to provide greater clarity and effectiveness of the programme was approved.

Consequently, the Expert Committee was constituted on June 17, 2008 by the Bank under the Chairmanship of Dr.

Bimal Jalan. DRG, DEAP provided the Secretariat to the Committee. The Committee deliberated on the terms of references, including the overall mission, objectives and scope of the Bank's research funding programme and submitted its Report to the Governor on February 19, 2009. The main recommendations of the Committee are as follows:

- The mission and objectives of the Bank's support for research activities should be clearly defined.
- There should be a coordinated approach to research within the Bank.
- The interested scholars/researchers could be advised to send their research proposals to the Bank for scrutiny.
- Enhancement of the corpus funds on account of changes in interest rates, inflation and recommendations of the Sixth Pay Commission. Increase in corpus fund should be done only after a thorough review and on a case-by-case basis, based on the requests received from the universities/institutions.
- The magnitude of grant for projects should be based on the need of the project, considering the theme/ subject area of each project proposed by the researcher/institution.
- To incentivise research in RBI Chairs, the magnitude of corpus fund could have two components – a nominal component and a special component.

reports, CD-ROMs and other documents. The Library maintains electronic databases of all these documents (OPAC-Online Public Access Catalogue), which can be accessed through Library website (homepage) from the Central Office building and from all other offices of the Reserve Bank. Central Library also subscribes to various online databases such as Bankscope, CentralBankNews.com, Datastream, RGE Monitor, World Bank resources. In addition, e-journals, viz., JSTOR Business, Mathematics, Statistics and Legal collections, ECONLIT, Proquest Business Periodical Databases, Springer Business and Economics package and Elsevier Science Direct E-journals and E-handbooks are subscribed to by the Central Library. The Central Library is implementing new Library Website and a search

software, viz., ERMSS, which would scan all the subscribed electronic resources and display the results based on keyword based search. The Library database has a collection of about 99,246 documents comprising books, Government publications, working papers, discussion papers and complimentary publications. It also maintains an online database of 31,261 journal articles and receives 340 technical journals. The Library also provides information services and technical support to training colleges and libraries in other offices of the Reserve Bank.

*Department of Statistics and Information Management*

X.96 The Department meets the Bank's statistical needs, which range from collection,

compilation, analysis and dissemination of information relating to various sectors of the economy to study important dynamics of the economy and the financial system through the application of econometric and statistical procedures. The Department has been entrusted with managing electronic data dissemination platform through Database on the Indian Economy, *i.e.*, Data Warehouse of the Reserve Bank. Providing technical support to other Departments in statistical analysis and large-scale data management in specific areas also form the core activities of the Department.

X.97 During 2008-09, the Department conducted the following surveys: (a) quarterly industrial outlook surveys for four quarters during the year, providing insight into the performance and prospects of the private corporate sector engaged in manufacturing activities; (b) quarterly Inflation Expectations Survey of Households, covering 4000 households in 12 cities; (c) quarterly Survey of Inventories, Order Books and Capacity Utilisation for the private corporate sector providing information relevant to business cycle analysis; (d) biennial Survey of Small Borrowal Accounts (each with credit limit of Rs.2 lakh or below) with March 31, 2008 as the reference period.

X.98 An inter-departmental Working Group has been set up to assess the information requirement through surveys for monetary policy formulation and to carry out a review of the surveys being conducted by the Department. The Group is headed by Shri Deepak Mohanty, Executive Director and members are drawn from MPD, DEAP and DSIM.

X.99 With a view to reviewing the methodology and data quality of various rounds of the Inflation Expectation Survey and to suggest ways to improve it, a Technical Advisory Committee on Surveys was set up in 2007 under the Chairmanship of Dr. Rakesh Mohan, the then Deputy Governor. The members were drawn from MPD, DEAP, DSIM as well as external experts from IGIDR, ISI and agencies conducting economic surveys like ABN

Amro and Dun and Bradstreet. The group is now finalising its report.

X.100 The information on the performance of the corporate sector is an important input to policy formulation. Though the domestic economy has been passing through a robust growth phase in recent years, it has felt the impact of unprecedented financial crisis world over on account of getting increasingly integrated with the global markets. Monitoring corporate performance has become more significant in the present scenario. The Department made concerted efforts to expand the scope of studies and analytical work on the corporate sector to extract useful information for policy formulation. Besides, as per the agreement between Central Statistical Organisation (CSO) and the Bank and also on recommendations of various committees, the Department estimates the saving and capital formation of the private corporate business sector and forwards it to CSO for inclusion in National Account Statistics every year.

X.101 Economic forecasting is a pre-requisite for a forward-looking macroeconomic policy. Forecasts of key macroeconomic indicators, such as output growth, inflation and interest rates are important not only for the Central Bank, but also for the Government, private businesses and individual households. The availability of reliable and accurate macroeconomic forecasts is essential for policymakers conducting monetary and fiscal policy. Against this background and keeping in view the international experience, the Department introduced 'Survey of Professional Forecasters' in 2007 on a quarterly basis. Eight rounds of the survey have been conducted successfully. The results of the survey are placed on the Reserve Bank's website and are also published in the quarterly Macroeconomic and Monetary Developments.

X.102 The house prices are traditionally looked into for an assessment of operative asset price channel of monetary policy. However, construction of house starts database also provides additional and supplementary information about the impact

of monetary policy impulses on housing investments. Keeping in view the importance of such an indicator for central bank, the Reserve Bank constituted a Technical Advisory Group (TAG) on Development of Housing Start Up Index (HSUI) (Chairman: Prof. Amitabh Kundu). The TAG, since submitted its final report, has recommended that the Housing Start-up Index based on newly built residential units in urban India may be compiled on a quarterly basis and the Reserve Bank may set up a Standing Committee to launch this initiative, monitor its progress, commission and overview the surveys for constructing start-up coefficients and consider increasing the scope and coverage of HSUI over time.

X.103 With a view to monitoring the current trends in real estate prices and rent, it was felt imperative to establish an appropriate statistical data collection system within the Reserve Bank. An Expert Group on Asset Price Monitoring System has been set up in the Bank with the objective of developing an information system on asset prices. The group has membership from the Reserve Bank (DSIM), State Bank of India, NHB, ICICI, IGIDR, ISI, CSO and HDFC Realty. The Department is providing the secretarial support to the Group.

X.104 The system of the Uniform Code Numbers (UCNs) was put in place in 1972, as a need was felt for a unique identification of each of the branches/offices of the banks in India. Under the system, a bank office/branch is allotted a unique code number, known as Uniform Code Number (UCN). These codes, for the branches transacting in foreign exchange, are also known as Authorised Dealers (AD) Codes. The UCNs, along with other particulars of bank branches, such as locational details (state, district, centre), population category, type of business conducted, AD Category, etc. is maintained in the DSIM in the form of the Master Office File (MOF) system. The details are updated in the MOF system based on the information submitted by the banks. These UCNs allotted to bank branches facilitate to get the spatial distributions of the bank branches functioning on a given date or opened or closed/merged/converted

during a given period and also the distributions of the deposit and credit data received through the BSR returns. During the year, Department continued to update the MOF by the way of state/district level amalgamation/ merger of RRBs and UCBs, continuous allotment of the new bank branches/ offices, affecting closures and any other changes. Based on the MOF, 115 Parliament queries/Government queries/ under Right to Information Act queries were replied, in addition to the 120 data supply cases relating to updated bank branch details to various state government departments in connection with their publications, disbursement of pension, online reporting of tax payment data to Online Tax Accounting System (OLTAS), the Office of the Customs and Central Excise (New Delhi), other organizations, other Departments of Reserve Bank, and researchers.

X.105 The BIS system of quarterly compilation of International Banking Statistics (IBS) was implemented by the Reserve Bank in December 1999. The data on IBS of India comprising 18 statements on locational banking statistics (LBS) and 5 statements on consolidated banking statistics (CBS) are being supplied to the BIS beginning March 2001. During the year, LBS and CBS statements in the prescribed format, based on IBS data for the three quarters from end-June 2008 to end December 2008 were supplied to the BIS.

X.106 With a view to reviewing the present position regarding receipt and compilation of data by the Reserve Bank and NABARD on bank credit to agriculture and other priority sectors, so as to ensure consistency and accuracy, a Working Group on Rationalisation of Returns furnished by scheduled commercial banks to the Reserve Bank and NABARD was constituted in the DSIM. The group submitted its report in the month of August 2008.

X.107 Data on various characteristics of credit and deposits are collected from offices of scheduled commercial banks through the Basic Statistical Returns (BSR) 1 and 2, under the BSR system. BSR 1 provides data on purpose (occupation)-wise

distribution of credit along with spatial distribution of place of sanction and place of utilisation of credit. It also provides data on credit amount outstanding on various parameters like type of account, organisation, interest rate, bank groups and population groups. BSR 2 provides data on deposits amount outstanding according to type of deposits, spatial distribution of total deposits and classification of term deposits on various parameters such as original maturity period, interest rate range, size of deposits and residual maturity period. As stated in the last year's Annual Report, Basic Statistical Return 1 was revised and implemented with effect from March 2008. Data pertaining to March 2008 have been collected in the revised format and finalisation of results with March 31, 2008 as reference date is at advanced stage. The survey for March 2009 data with March 31, 2009 as reference date has been launched. In order to ensure improvement in quality/coverage of the BSR system and IBS data, the Department continued to conduct workshops/training programmes for officials of participating banks at the colleges and various centres of the Reserve Bank and other banks.

X.108 The Department compiles and disseminates International Investment Position (IIP) of India as per Special Data Dissemination Standard (SDDS) of IMF on annual basis. The annual data on International Investment Position (IIP) of India as at end- March 2008 were compiled and released on RBI website within two quarters lag. Further, IIP data is also being compiled and disseminated on quarterly basis since June 2006. The latest IIP was disseminated for the quarter as at end December 2008.

X.109 As per the recommendation of the Technical Group on Statistics for International Trade in Banking Services, comprising members from the Ministry of Finance, Ministry of Commerce and the concerned Departments of the Bank, a survey was launched in January 2008 for collecting information on trade in banking services, from foreign banks operating in India and the Indian banks having branches abroad. The article based on the 2006-

07 survey was published in RBI Bulletin, January 2009. The survey for 2007-08 has been launched and the data have been processed. Further, the report submitted by the Technical Group on Computer Services Exports (comprising members from National Association of Software and Services Companies (NASSCOM), Software Technology Parks of India (STPI) and the Reserve Bank) in May 2008, was accepted by the Reserve Bank. As per the recommendations, a comprehensive survey for the period 2007-08 was launched in September 2008 to collect information on computer/software services exports from the companies dealing in computer software/ information technology (IT) and IT enabled services. The survey results have been finalised.

X.110 During the year, the Department was actively involved in migration of Database on Indian Economy (DBIE): Reserve Bank's Data Warehouse to the Bank's Data Centre and successfully completed migration of Database and Web layer of the DBIE site. Accordingly, URL of the site has been changed to <http://dbie.rbi.org.in>.

X.111 The ORFS, a web based platform for online submission of returns, has been successfully migrated in the state-of-art data centre of the Bank. The system is currently being used by DBOD, DBS, FED, DPSS, MPD and DSIM for receiving various returns submitted by commercial banks. As a result, the data submission and compilation time has come down significantly. The system has facilitated online submission of 17 important returns; including the statutory Section 42(2) form 'A' return, under the phase I of this project. In phase II, 41 more returns from DPSS, FED and DBS have been taken up under the coverage of ORFS. All returns under OSMOS system of DBS are also proposed to be covered under this phase. As on date, 13 returns of phase II are made live and others are at various stages of implementation.

X.112 The Department is coordinating the adoption of Extensible Business Reporting Language (XBRL) standard in Indian banking industry for financial reporting. This effort is being monitored by a High Level Steering Committee

chaired by Smt Usha Thorat, Deputy Governor. The entire project of XBRL is targeting to cover all the returns submitted by commercial banks to the Reserve Bank by 2011. In the first stage, Basel II Reporting System has been developed and implemented in the Bank's data centre. On this content, an international seminar on "Use of XBRL by Developing Economies – Central Bank's Perspective" was also organized. Various subject matter experts from different organization, viz., XBRL International Inc., Bank of Spain, Bank of Japan, and Australian Prudential Regulatory Authority (APRA), IT firms providing core banking solution in India, SEBI and a few selected commercial banks were invited for sharing their experiences. The High Level Steering Committee also took initiative in reducing the number of returns to be submitted by commercial banks to 225 from 291. Also, the first phase of the XBRL project covers five returns and is nearing completion. The XBRL Core Group is working in close coordination with the Institute of Chartered Accountants of India (ICAI) for designing the banking taxonomy for financial statements of the banks.

X.113 The Annual Conference of the Department of Statistics and Information Management was held during November 27-28, 2008. The theme of this year's conference was 'changing role of DSIM'. Shri Deepak Mohanty, Executive Director inaugurated the conference and all the officers of the DSIM across central office departments and regional offices participated. During two days, prospective role of every individual unit of DSIM were discussed.

X.114 As a part of the Platinum Jubilee celebration of the Reserve Bank, the Department organised the Statistics Day International Conference 2009 on July 2, 2009. The deliberations of the conference highlighted issues relating to revision, measurement, and collection of data, leading indicators for business cycles, financial soundness indicators, sample surveys, cross checking and validation of data, and data quality and policy. The Statistics Day marks the birth anniversary of Prof. P. C. Mahalanobis, the legendary statistician who

contributed enormously on the development of statistics and statistical infrastructure in the country.

X.115 Continuing with the strong commitment for the knowledge and skill development of the officers, the Department arranged in-house lecture series on relevant topics in statistics, economics, econometrics and finance. As part of this programme, the Department organised the following lecture series during the year- Stochastic Frontier Analysis, Nonparametric smoothing (Regression), Resampling (Bootstrapping), Regression Diagnostics and International Financial Reporting Standards.

#### THE CENTRAL BOARD AND ITS COMMITTEES

X.116 Six meetings of the Central Board were held during the year. Of these, three meetings were held at traditional centres (Kolkata, Chennai and Mumbai) and three were held at non-traditional centres (Panaji, Ahmedabad and Bengaluru). The usual post-Budget meeting of the Central Board held in New Delhi in March every year was held this year on July 11, 2009 after the presentation of the Union Budget on July 6, 2009. Forty-six weekly meetings of the Committee of the Central Board were held during the year at Mumbai. Three Committees, i.e., Committee of the Central Board, Board for Financial Supervision and Board for Regulation of Payment and Settlement System and three sub-Committees, i.e., Inspection and Audit sub-Committee, Staff sub-Committee and Building sub-Committee have been constituted to assist the Central Board in its decisions on various affairs of the Reserve Bank. The Committee of the Central Board, as usual, attended to the current business of the Bank, including approval of the Reserve Bank's weekly accounts pertaining to the Issue and the Banking Departments. The discussions at the meetings of the Central Board broadly covered matters pertaining to general superintendence and direction of the Reserve Bank's affairs, in which the Directors, with their vast experience in diverse fields, actively contributed to important decisions pertaining to currency management, information

technology, human resource development, banking regulation and supervision, monetary and credit policy, the Reserve Bank's accounting policy, internal debt management policy, global economic turmoil and functioning of Local Boards, among others. The deliberations of the Board also focused on the critical assessment of the percolation of benefits of growth to the poorer sections of the society and on agriculture and rural areas in general.

X.117 Four meetings of the Inspection and Audit Sub-Committee (IASC) were held during the year. The IASC examined, *inter alia*, the critical areas emanating from the Management and Systems Inspection of Central Office Departments and Regional Offices of the Reserve Bank.

X.118 The Building Sub-Committee (BSC) was reconstituted for a period of two years with effect from June 11, 2009. Shri Sanjay Labroo, Director of the Central Board, was nominated on the reconstituted BSC in place of Dr. D. Jayavarthanavelu. Three meetings of BSC were held during the year. BSC advised the Bank on various matters including construction of staff quarters under Design and Build mode, installation/replacement of air-conditioning plants and renovation of the executive floors of Central Office Building.

X.119 On the occasion of the meetings of the Central Board held at Panaji, Ahmedabad and Bengaluru, the Reserve Bank officials led by Governor held meetings with the senior officials of the State Government, commercial banks and financial institutions in Goa, Gujarat and Karnataka, to discuss the State-specific issues relating to banking. Pursuant to the deliberations at the meetings at Ahmedabad and Bangalore, major decisions were taken to energise financial inclusion in the respective States. A Task Force, consisting of the representatives of the State Government, the SLBC convenor and other bankers, was constituted to look into the distress arising on account of the problems faced by the diamond industry in Gujarat and to make practicable recommendations for mitigating the difficulties. It was decided to launch a pilot programme for financial literacy in Karnataka. This programme, to be launched by the

Reserve Bank in collaboration with the State Governments, will involve introduction of financial and related material in the curriculum of schools and colleges. Steps would also be taken to make financial literacy part of non-formal education.

#### *Directors / Members of the Central Board / Local Boards*

X.120 Dr. Y. V. Reddy demitted the office of Governor of the Bank on September 5, 2008 on completion of five year term.

X.121 Dr. D. Subbarao assumed the office of Governor of the Bank on September 5, 2008 for a period of three years.

X.122 Shri V. Leeladhar relinquished the office of Deputy Governor of the Bank on completion of his term on December 8, 2008.

X.123 Dr Rakesh Mohan relinquished the office of Deputy Governor of the Bank, as at the close of business on June 10, 2009.

X.124 Dr. K. C. Chakrabarty assumed the Office of Deputy Governor of the Bank on June 15, 2009 for a period of three years.

#### *Awards*

X.125 Dr. Ashok S. Ganguly, Director of the Central Board was awarded Padma Vibhushan in the field of Trade and Industry on the Republic Day 2009.

#### *Obituary*

X.126 Shri S.S. Marathe, former Director of the Central Board and Chairman of the Local Board (Western Area) during January 16, 1986 to March 28, 1994, passed away on September 28, 2008.

#### *Appointment of Executives*

X.127 Shri Deepak Mohanty was appointed as Executive Director with effect from October 13, 2008.

#### *Retirement of Executives*

X.128 Dr. R.B. Barman, Executive Director retired from the Bank's service at the close of the business on July 31, 2008.

*Foreign Dignitaries*

X.129 A number of foreign delegations visited the Reserve Bank during the year and interacted with Top Management (Annex IV).

X.130 The sustained emphasis of the Reserve Bank in strengthening its human resources to meet the changing needs of the Reserve Bank was, thus, carried forward during 2008-09 with several new initiatives. The Reserve Bank explored and

utilised alternative channels for enhancing the required skill levels of its officers, besides offering adequate incentives to the staff to seek knowledge and practical experience in any area that may be relevant to the functioning of the Bank. The initiatives taken by the respective Departments also contributed to strengthen the organisation in its capacity to meet new challenges and also in making advances with forward looking vision in the relevant areas.