

XIV - Human Resource Development and Organisational Matters

Developments During 2000-01

Introduction

14.1 The content of human resource development (HRD) within the Reserve Bank has been undergoing significant changes along with the complexities characterising its role in the emerging economic and financial environment. Within the constraints of a relatively rigid organisational, pay and staff structure, the Reserve Bank has been following a strategy of meeting the evolving requirements through innovations in the approach to the development of a professional cadre and fortification of human skill formation through training, promotion, recruitment and transfers. There is an increasing emphasis, to the extent feasible, on the need for constant improvement and adaptation in strategies for placement, career development, performance management, incentive structures and organisational re-engineering.

14.2 Issues relating to promotion, transfer and placement policies, training in the various colleges and zonal training centres (ZTCs) of the Reserve Bank, deputation of officers for training in India and abroad including specialised training in supervision, computer technology, training of personnel of other organisations including those from other countries and workshops are covered under this chapter. Other aspects of human resource development such as developments in technology, promotion of Hindi, industrial relations and staff strength, database management and warehousing, research activities under the Development Research Group, operations and initiatives of the Regulations Review Authority (RRA), parliamentary committees, appointments and retirements relating to the central/local boards and appointment/retirement of executives and visits of foreign dignitaries are also covered.

DEVELOPMENTS DURING 2000-01

14.3 In order to enhance the motivation of officers and staff, the heads of central office departments, regional offices and the training colleges were advised to initiate measures to create an atmosphere of openness and trust, encourage collaboration, team spirit and proactive and innovative behaviour, improve work ethics, empower and motivate employees and help them develop leadership skills. Five Regional HRD cells, each with an HRD Officer, were set up on an experimental basis. The HRD cells are expected to strengthen the hands of Regional Directors and heads of departments in carrying out various HRD activities.

Training

Bankers Training College, Mumbai

14.4 The Bankers Training College conducted 113 programmes in which 2,436 participants were trained during 2000-01 as compared with 95 programmes in which 2,137 participants were trained in 1999-2000.

Reserve Bank Staff College, Chennai

14.5 The Reserve Bank Staff College conducted 140 programmes during 2000-01 in which 2,949 officers were trained as against 109 programmes benefiting 2,489 officers in 1999-2000. The College also conducted the 36th programme on "Investment and Retirement Planning" for retiring officers.

College of Agricultural Banking, Pune

14.6 The College of Agricultural Banking (CAB) conducted 153 programmes in which 3,179 officers were trained during 2000-01 as against 124 programmes in which 2,596 officers were trained in 1999-2000. It has been decided to establish a Training and Research Centre for Non-Banking Financial Companies (NBFCs).

Zonal Training Centres

14.7 The zonal training centres (ZTCs) at the four metropolitan centres cater exclusively to the training needs of employees in Class III and Class IV. During 2000-01, the ZTCs conducted 100 programmes for 2,013 Class III employees and 17 programmes for 313 Class IV employees as against 86 programmes involving 1,660 employees in Class III and 16 programmes involving 312 employees in Class IV in 1999-2000. Under the Retirement and Investment Planning Programme, 110 in Class III and 97 in Class IV employees were trained during the year.

Deputation of Officers for Training in India and Abroad

14.8 During 2000-01, 383 officers were deputed by the Reserve Bank to participate in training programmes, seminars and conferences organised by various external management/banking institutes in India. In addition, 49 officers were deputed for 36 weeks of training at select commercial banks under the scheme of Commercial Bank Training (8th Batch). A training programme on Attitudinal Development and Customer Service was conducted for the Cash Department staff in New Delhi by an external agency. Sixty one members of staff including assistant treasurers, tellers, coin note examiners (CNE), *etc.*, benefited from the programme. One hundred and twenty two officers were deputed by the Reserve Bank to attend training courses, seminars, conferences, workshops, *etc.*, conducted by banking and financial institutions in 22 countries abroad. Under the Golden Jubilee Scheme, four officers were selected in 2000-01 for pursuing higher studies abroad. The total number of officers deputed under the scheme stands at 59. During 2000-01, one officer was selected and granted study leave for pursuing higher studies under the Study Leave Scheme and another officer was granted sabbatical under the scheme for grant of sabbatical to senior officers.

Specialised Training in Supervision

14.9 The Department of Banking Supervision (DBS) has undertaken a number of training initiatives to equip its officers to supervise banks more effectively in the new banking environment. These initiatives, which began in 1999-2000, focus mainly on training in the area of risk management and inspection of banks in a computerised environment, using new tools and techniques. The concepts learned in these programmes were reinforced by on-job-training (OJT)

with various foreign and private sector banks during February-July 2000. The DBS organised a two-week training programme on Integrated Bank Management and Supervision covering areas such as risk assessment and management, Asset Liability Management (ALM), internal controls, accounting principles and NPA analysis, with 25 officers of the rank of Assistant General Manager attending this programme. The DBS also organised a training programme, with the help of outside consultants, to train its officers in the use of Audit Command Language (ACL), a powerful data extraction and interrogation software tool for inspection in a computerised environment. The training programme was conducted in two phases, introductory and advanced. A training programme on electronic data processing (EDP) Audit, conducted by the Institute of Chartered Accountants of India (ICAI), was organised in August 2000 for the officers of the Department. A training policy for officers focusing on enabling the officers to achieve the level of competence required to fulfil their individual roles and career expectations was approved by the Board for Financial Supervision (BFS) in August 2000.

Training Programmes for NBFC Personnel

14.10 The Department of Non-Banking Supervision (DNBS) also conducted training programmes for executives of NBFCs in order to familiarise them with the genesis and focus of the Reserve Bank's regulations. These programmes aim to disseminate a better understanding of the role and responsibilities of the NBFCs to their depositors as also to the Reserve Bank, as well as of systems and procedures, so as to improve their regulatory compliance. These programmes have been conducted at the CAB, Pune and replicated at Chandigarh and Jalandhar. Similar programmes are also planned to be held at other centres.

Training of Police Officials

14.11 One-day special seminars for the personnel of State Governments and the police were conducted to equip them with the skills to detect illegal deposit taking by NBFCs or unincorporated bodies engaged in financial activities and to apprehend the wrong doers as also to protect the interests of depositors. Three such seminars were conducted by the Reserve Bank's Chennai office, and a programme each at Belapur (Mumbai), Panaji and Chandigarh. Faculty support was provided to the Central Bureau of Investigation (CBI) Academy at Ghaziabad on issues pertaining to NBFCs.

Training in Computer Technology

14.12 The Reserve Bank continued to provide incentives to staff members to acquire qualifications in the field of computers. The scheme of base-level computer training for officers and Class III employees introduced by the Reserve Bank in November 1995 to cope with the increasing training needs in this area was liberalised. Regional offices and Central Office departments were delegated powers to depute officers and Class III employees to reputed computer training institutions to gain working knowledge of computers. Up to end-June 2001, 2,948 Class III employees and 1,276 officers were trained. Furthermore, with a view to enabling the officers to acquire more proficiency and skills in computer related areas which are directly linked to their job performance, 297 officers in various offices and departments were imparted training under the scheme during the year. In addition, 98 officers were deputed to various

training institutions such as the Indian Institute of Management, Administrative Staff College of India and National Institute of Bank Management during 2000-01 for computer training.

Training Imparted to Officials from Other Countries

14.13 During 2000-01, 115 officials from 11 countries, viz., Bahrain, Bangladesh, Bhutan, Ghana, Iran, Japan, Nepal, Sri Lanka, Sudan, Tanzania and Uganda were trained/provided study attachment facilities at the Reserve Bank's training establishments and central office departments. The Bankers Training College also conducted an off-site programme in Tanzania on computer-based financial and accounting system.

Development Centre Workshops

14.14 Three workshop-cum-labs on Development Centre were conducted, one each with the help of the Academy of Human Resources Development (AHRD), Hyderabad, Institute of Banking Personnel Selection (IBPS), Mumbai, and Alpha Assessment Centre, Mumbai. After gaining experience from the outside experts, the Reserve Bank has started conducting full-fledged Development Centre programmes in its training colleges with limited support from outside consultants. Two such programmes were conducted at CAB, Pune for Grade C officers.

Technological Development

14.15 A sophisticated Human Resources Information System (HRIS) application package has been developed in-house. The ORACLE-based HRIS, with a client-server architecture, is being maintained at the Reserve Bank's Central Office at Mumbai and is being installed at the regional offices/central office departments as well.

Promotion Policy

14.16 With effect from 2001, officers in Grade 'B' being considered for promotion to Grade 'C' are required to appear for an interview to be conducted by the Reserve Bank Services Board, for determining their suitability for promotion. A comprehensive review of the existing Performance Appraisal system for officers is in progress, with inputs from an outside expert and a cross-section of officers from offices at various centres.

14.17 A career progression/development strategy for direct recruit officers in Grade 'B' was initiated. Pending finalisation of a formal system for this purpose, an officer was designated as a Nodal Officer to devise measures for enhancing, in the organisational context, the faculties, competence and aptitude of these officers. The Nodal Officer is expected to periodically interact with the directly recruited officers and monitor their training during probation, placement, rotation, career-growth and motivation level.

14.18 A scheme to grant out of turn promotion/ increments for outstanding sports persons was introduced, on the lines of the scheme in vogue in the public sector banks. It would also be applicable to handicapped sports persons. The earlier existing scheme for deputation/ secondment/tour of duty of Reserve Bank officers with other organisations was streamlined and

widened in scope. The objectives of the revised scheme are to broaden officers' perspectives, provide them with alternative job experience and career opportunities and lend temporary manpower support to other organisations in the public interest.

Transfer and Placement Policy

14.19 The Reserve Bank's transfer and placement policy introduced in February 1996 was revised. The revised policy seeks to forge the transfer system into an effective policy instrument to achieve the organisational objectives, as also to minimise the dislocation and inconvenience associated with transfers, dovetailing the placement policy with the transfer system.

Summer Placement Scheme

14.20 The Reserve Bank's Summer Placement Scheme, which enables students pursuing postgraduate programmes in management to work on relevant short-duration summer projects in the Reserve Bank, was revised. The main highlights of the revised scheme include improvement in stipend paid, enlargement of the scope of the scheme to cover the students pursuing postgraduate courses in computer applications (MCA) in universities and institutes affiliated to universities and delegation of powers to certain offices for conducting the complete summer placement exercise locally.

Placements for Recently Retired /About to Retire Staff of the Bank

14.21 In response to a request received from Maxwell Stamp Plc., UK for details of recently retired or about-to-retire staff who might be interested in offers of suitable post-retirement placement, the Reserve Bank forwarded applications from senior officers interested in such placements.

Reserve Bank Employees' Early Severance Scheme

14.22 An Early Severance Scheme (ESS) was introduced which covers all categories of Reserve Bank's permanent employees. The objective is to provide employees who have been superseded more than once and wish to take voluntary retirement with a financial incentive to reduce their demotivation on account of their non-selection for promotion.

Promotion of Hindi

14.23 The Reserve Bank continued its efforts for promotion of the use of Hindi consistent with the Official Language Policy. Hindi workshops and training programmes were arranged for imparting training to officers and other staff for doing work in Hindi. The training establishments of the Reserve Bank conducted 15 programmes on bilingual software packages besides conducting separate sessions on the use of Hindi on computers in the computer training programmes of a general nature.

14.24 The year was celebrated as the Golden Jubilee Year of Rajbhasha in the Reserve Bank. Three publications containing major achievements of the Reserve Bank in various fields were

brought out, including the compilation of important decisions of Official Language Implementation Committee of the Reserve Bank. The Reserve Bank launched its website in Hindi which contains valuable information for public sector banks and financial institutions. The first issue of "Hindi Interface", a quarterly newsletter on computer bilingualisation, was also brought out by the Reserve Bank.

Industrial Relations

14.25 The industrial relations remained peaceful during 2000-01. The Reserve Bank reached settlements with the All India Reserve Bank Employees' Association (AIRBEA) and the All India Reserve Bank Workers' Federation (AIRBWF) on their Charter of Demands in regard to revision of pay and allowances and other service conditions. These settlements also provided for increased productivity and commitment to ensure good customer service through greater degree of computerisation and streamlining of systems and procedures. The Charter of Demands in respect of officers was also settled through discussions with the Officers' Associations.

Recruitment

14.26 During 2000, the Reserve Bank recruited 371 employees, of which 106 were from Scheduled Castes (SC) and Scheduled Tribes (ST) categories constituting 28.6 per cent of total recruitment ([Table 14.1](#)).

Table 14. 1 : Recruitment During 2000

Category	Total Recruited	Of which		Percentage	
		SC	ST	SC	ST
1	2	3	4	5	6
1. Class I	80	21	17	26.3	21.3
2. Class III	90	15	1	16.7	1.1
3. Class IV	201	37	15	18.4	7.5
<i>of which</i>					
a) Sweepers	26	8	5	30.8	19.2
b) Others	175	29	10	16.6	5.7
Total	371	73	33	19.7	8.9

SC : Scheduled Caste;

ST : Scheduled Tribe

14.27 The staff strength as on December 31, 2000 stood at 31,275 as compared with 31,737 a year ago. Of the total staff, 7,924 belonged to the SC/ST ([Table 14.2](#)).

14.28 The Reserve Bank's Liaison Officer for SC/ST employees conducted the inspection of reservation rosters maintained at the Reserve Bank's New Delhi office. Meetings between the Management and the representatives of the All India Reserve Bank Scheduled Caste/Scheduled Tribe and Buddhist Employees Federation were held on four occasions during the year to discuss issues relating to the implementation of reservation policy in the Reserve Bank. In accordance

with the Central Government's policy on reservation for Other Backward Classes (OBCs), the Reserve Bank has introduced 27 per cent reservation in favour of OBCs in its recruitments. The total representation of OBCs in the Reserve Bank as at end-December 2000 was 65 (0.82 per cent) in Class I, 68 (0.49 per cent) in Class III and 323 (3.38 per cent) in Class IV.

14.29 The total strength of ex-servicemen in the Reserve Bank as at end-December 2000 stood at 117 in Class I, 596 in Class III and 1,154 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 60, 316 and 149, respectively, as at end-December 2000.

Premises Department

14.30 During 2000-01, the infrastructure facilities in a number of the Reserve Bank's existing premises were upgraded/renovated for smooth functioning in a computerised environment. A state-of-the-art backbone/ structured cabling system to integrate all the local area networks (LAN) was commissioned in 14 offices with the ultimate objective of connecting all the offices of the Reserve Bank at user level through the INFINET/the Reserve Bank's Wide Area Network (WAN) and creating a secure payment system backbone for applications like RTGS, EFT *etc.* New generation electronic telephone exchanges with voice mail system were installed in certain offices. To enhance security and surveillance, a closed circuit TV system was provided in four offices.

**Table 14. 2 : Total Staff Strength During 1999 and 2000
(As at end-December)**

Cadre	Category-wise strength						Per cent to total strength	
	Total strength		SC		ST		SC	ST
	2000	1999	2000	1999	2000	1999	2000	
1	2	3	4	5	6	7	8	9
Class I	7,881	7,481	776	718	208	184	9.8	2.6
Class III	13,837	14,641	2,067	2,174	1,093	1,111	14.9	7.9
Class IV	9,557	9,615	2,976	2,947	804	792	31.1	8.4
Total	31,275	31,737	5,819	5,839	2,105	2,087	18.6	6.7

Central Database Management System for Reserve Bank of India

14.31 The first phase of the Data Warehouse project, Central Database Management System (CDBMS), was completed during the year. The study of existing operational information systems and information requirements of the Reserve Bank was completed. Individual department-wise reports were consolidated into a Bank-level report wherein information requirements for decision support were cast into analytical domains or subject areas.

14.32 The second phase, covering the design of technical architecture, data modeling and detailed system design for the selected subject areas, has been taken up. The Technical Committee appointed by the Policy Group has also finalised the broad contours of the hardware and software components of the CDBMS. A separate Working Group examined issues relating to information security, and access privileges/restrictions both within and outside the Bank. Initial modules of the CDBMS are expected to be operational in a year ([Box XIV.1](#)).

Development Research Group

14.33 Since its inception in 1991, the Development Research Group (DRG), has served as a forum for constructive debate and interaction among professional economists and policy makers on subjects of current interest. Since March 2001, the DRG handles the arrangements relating to the Reserve Bank's endowment scheme. It would seek to establish formal links with the research units of domestic financial institutions in order to build up a financial sector research network as well as to track the research activities of major central banks. It would, in collaboration with relevant departments of the Reserve Bank and training institutes, also strive to upgrade the analytical and technical skills of the Reserve Bank staff.

Box XIV.1

Data Warehouse - Technology for Decision Support

A data warehouse is a state-of-the-art system of database management defined as a subject-oriented, integrated, time-variant and non-volatile collection of data in support of the management's decision support process. It creates a decision support environment that leverages data stored across various sources, organises it into a standardised format and schema and delivers it to the decision makers across the organisation in such a manner that enables them to access, view and analyse information irrespective of their technical skill level. Recent technological developments such as multi-dimensional databases, On-Line Analytical Processing (OLAP) tools, client /server architecture, web publishing tools, *etc.*, have made it possible to conceive and build an integrated data repository which allows users quick and multi-faceted access to this repository.

Source systems or operational systems are not part of the data warehouse but they represent the data capturing and processing systems which provide data to the warehouse at pre-determined intervals.

The dimensional data warehouse (Central repository and data marts) is the most important component of data warehouse and a modeling discipline called dimensional modeling is used for designing as against entity-relationship (E/R) modeling used in relational database management system. The OLAP is a new generation *ad hoc* query and reporting tool that provides a unified multi-dimensional view of large quantities of data. The OLAP tools incorporate a user interface designed to make exploration of the data in a highly user-friendly way within the spreadsheet paradigm. When the model is defined directly to a relational database, the technology is known as Relational OLAP (ROLAP). Alternatively, when a specialised multidimensional database (MDDDB) is created in accordance with the model, the technology is known as Multidimensional OLAP (MOLAP). Metadata contains information about data such as definition, structure, and content of the system, end-user views, and data sources. It includes integration and transformation rules used to populate the database, history of update and refreshments, security authorisation, etc. End-user data access tools for the data warehouse could be based on the traditional client-server architecture or on the more recent browser based interface. The tools also provide limited standard analytical capabilities, with a facility to download the data into the user machines for more rigorous analysis using specialised tools.

References

1. Inmon, W. H. (1996), *Building the Data Warehouse*, John Wiley and Sons, Inc.

2. Kimball, Ralph. (1996), "*Data Warehouse Toolkit*", John Wiley & Sons, Inc.

14.34 During 2000-01, the DRG completed and published four studies entitled "Productivity in Major Manufacturing Industries in India", "Modernising Indian Agriculture: Priority Tasks and Critical Policies", "Capital Adequacy Requirements and Behaviour of Commercial Banks in India: An Analytical and Empirical Study" and "A Leading Index for India's Exports". Taking these four studies into account, the DRG has so far published twenty-three studies on a wide range of subjects relating to monetary policy, public finance, financial markets, real activity and the external sector. The DRG also undertook a study on the Public Accounts of State Governments at the behest of the Finance Secretaries of State Governments, the broad findings of which were presented at the Seventh Conference of State Finance Secretaries at the Reserve Bank in November 2000.

Dissemination Policy

14.35 Transparency is the cornerstone of dissemination policy in the Reserve Bank under which information on areas relating to the economy, banking and financial sector is released with stringent standards of quality and timeliness. Dissemination of information takes place through several channels such as press releases, publications - regular and occasional - notifications, Frequently Asked Questions (FAQs), advertisements and the website. The annual April and October monetary and credit policy statements, speeches and interviews given by senior executives articulate the Reserve Bank's assessment of the economy and the financial system.

14.36 During 2000-01, the Reserve Bank continued to release data under the Special Data Dissemination Standards (SDDS) of the IMF. The education drive for depositors of Non-Banking Finance Companies (NBFCs) initiated in 1999-2000 received greater focus and intensity in 2000-01. The objective of the drive was to empower the depositors of NBFCs to make good investment decisions. For this purpose, the Reserve Bank released advertisements in print and electronic media. Four separate films were produced and released on Doordarshan's national and regional channels as also on Star News and Zee News with a total telecast time of over 10,600 seconds. Advertisements were also released in 24 publications published in 13 languages. Efforts were undertaken to familiarise the public with the security features of genuine currency notes. For this purpose, a film depicting security features of Rs.500 notes was released in electronic media. An advertisement was also released on the subject with focus on vernacular languages. In all, two rounds of advertisements were released in 43 publications in 13 languages.

14.37 During the year under review, the Government of India authorised branches of commercial banks to sell and service Relief Bonds. Information was provided to the general public about the availability of these bonds at bank branches close to them and in demat form through advertisements. Three films were released on DD National, DD Metro, Star News, Start Plus and Zee News with a total telecast time of over 10,000 seconds. Advertisements were released in 14 publications in two languages.

14.38 A new initiative was taken by several offices and departments in setting up helpdesks to clarify doubts raised by the general public regarding the Reserve Bank's policy through e-mail. The maximum number of queries, received and attended, related to exchange control issues.

14.39 Apart from such special efforts, the Reserve Bank continued to use the regular channels of information dissemination, namely, press releases and the website. During the year under review, the Reserve Bank issued 1,755 press releases and added 850 mega-bytes (MBs) of material to its website taking the volume of information available on the website to over 1.6 giga-bytes (GB). To pro-actively reach information to the public, the Reserve Bank offered to send by e-mail information in packets. For this purpose, it provided a registration form on its website. A total of 1,815 requests were received by end-June 2001; a total of 920 and 695 requests were received in respect of the Monetary and Credit Policy Statements announced in October 2000 and April 2001, respectively.

14.40 The Library of the Department of Economic Analysis and Policy in the Central Office has an important role in the storage and provision of information services within the Reserve Bank. It has a collection of about 1,26,000 books and other documents, 802 journals and financial reports, a CD ROM collection of 950 and on line access to various electronic databases, for books, journals, journal articles and other publications. The Library provides information support to various departments, training colleges and libraries in regional offices. During 2000-01, electronic information dissemination was made operational, using an integrated library application software and Corporate Mail with effect from January 2001. During the year the Library also organised library user training programmes.

Regulations Review Authority

14.41 The Regulations Review Authority (RRA), which was constituted in the Reserve Bank on April 1, 1999, for reviewing the central bank's rules, regulations and reporting systems, on the basis of suggestions in this regard from the public at large, market participants and other users of Bank's services, ceased to operate from the close of business on March 31, 2001 on expiry of its term. The Reserve Bank has, however, decided to make the review exercise an integral part of its internal system in view of the favourable response to the scheme. Accordingly, an alternate mechanism was put in place under the charge of an Executive Director for dealing with such applications from April 1, 2001. This is in consonance with the Reserve Bank's endeavour to further simplify procedures, reduce paper work and improve customer service, on an on-going basis.

14.42 During two years of its operations, the RRA received a number of suggestions covering various spheres of activities in the Bank and several of them were implemented. This has helped to remove the redundancies in the reporting system, simplify rules and internal procedures in various functional departments and enabled better customer service. It also created an awareness in the Reserve Bank to be more responsive to the public needs. A major achievement of the RRA was preparation of master circulars on important areas of compliance by banks and institutions for the benefit of its users.

Parliamentary Committees

14.43 The Public Accounts Committee of the Lok Sabha headed by Shri N.D Tiwari, Member of Parliament visited the Reserve Bank on July 10, 2000 and held discussions with the officials,

inter alia, on matters relating to management of internal debt.

14.44 The Standing Committee on Finance, headed by Shri Shivraj V. Patil, recorded the oral evidence of the officials of the Reserve Bank at Mumbai on September 18, 2000 in regard to the objectives, performance and future prospects of financial institutions.

14.45 The Parliamentary Committee on Welfare of SCs & STs, headed by Shri Ratilal Kalidas Varma, Member of Parliament held discussions with the officials of the Reserve Bank during its visit to Mumbai on October 16, 2000.

14.46 The department-related Parliamentary Standing Committee on Industry, headed by Shri Ramdas Agarwal, held discussions with the officials of the Reserve Bank at Mumbai on June 15, 2001 on credit to SSI sector by financial institutions.

14.47 The Parliamentary Committee on the Welfare of SCs & STs, headed by Shri Kariya Munda, visited Mumbai on June 28, 2001 and had discussions with the officials of the Reserve Bank.

14.48 The officials of Reserve Bank of India made presentations on the Financial Responsibility and Budget Management Bill, 2000 before the Standing Committee on Finance at New Delhi on various dates during April-June 2001.

Central Board/Local Boards

14.49 Dr. Bimal Jalan was re-appointed as Governor for a further period of two years commencing from November 22, 2000.

14.50 Shri Vepa Kamesam and Shri G.P. Muniappan were appointed as Deputy Governors of the Bank with effect from July 1, 2001.

14.51 Shri Ajit Kumar, Finance Secretary, Government of India, Ministry of Finance, Department of Economic Affairs, was nominated as the Government nominee Director on the Central Board under Section 8(1) (d) of the RBI Act, 1934 with effect from November 23, 2000 in place of Dr. E.A.S. Sarma.

14.52 Shri Y.H. Malegam was re-appointed as Member of the Western Area Local Board of the Reserve Bank with effect from November 27, 2000 and was re-nominated as Director of the Central Board under Section 8(1)(b) of the RBI Act, 1934 with effect from the same date. Prof. Mihir Rakshit, Dr. A.P.J. Abdul Kalam and Shri K. Madhava Rao were appointed as Members of the Eastern, Northern and Southern Area Local Boards of the Reserve Bank respectively, with effect from November 27, 2000 and were nominated as Directors of the Central Board under Section 8(1)(b) of the RBI Act, 1934 from the respective Local Boards, with effect from the same date. S/Shri J.J. Irani, P.N. Dhar and E.A. Reddy ceased to be the Directors of the Central Board with effect from November 27, 2000.

14.53 Shri K.P. Singh, Prof. V.S. Vyas, Shri D.S. Brar, Prof. C.N.R. Rao, Shri H.P. Ranina,

Shri N.R. Narayana Murthy, Shri R.N. Tata, Dr. Amrita Patel, Shri Suresh Krishna and Dr. A.S. Ganguly were nominated as Directors on the Central Board of the Reserve Bank with effect from November 27, 2000 under Section 8(1)(c) of the RBI Act, 1934. Dr. S.S. Johl, Dr. C.H. Hanumantha Rao, Dr. Bhai Mohan Singh, Dr. M.L. Shahare, Shri Vipin Malik and Shri G. Ramachandran ceased to be the Directors of the Central Board with effect from November 27, 2000.

14.54 S/Shri P. D. Chitlangia, A.K. Saikia, Sovan Kanungo and Smt. Kiran Ghai were appointed as Members of the Eastern Area Local Board of the Reserve Bank under Section 9 (1) of the RBI Act, 1934, with effect from May 24, 2001, and Dr. Subrata Ganguly and Dr. Subir Chowdhury ceased to be Members with effect from the said date.

14.55 Shri Prem Nath Khanna, Dr. Ram Nath, Shri Mitha Lal Mehta and Dr. Pritam Singh were appointed as Members of the Northern Area Local Board of the Reserve Bank under Section 9 (1) of the RBI Act, 1934, with effect from May 24, 2001 and Smt. Shobhana Bhartia, Shri Brij Mohan Lall and Shri D.H. Pai Panandikar ceased to be Members with effect from the said date.

14.56 Shri K. Venkatesan, Shri Dattaraj V. Salgaocar, Shri Jayanti Lal Bavjibhai Patel and Prof. Mahendra Singh Sodha were appointed as Members of the Western Area Local Board of the Reserve Bank under Section 9 (1) of the RBI Act, 1934, with effect from May 24, 2001, in place of Dr. Bakul H. Dholakia, Shri Pradip Pannalal Shah, Dr. Neelkanth A. Kalyani and Shri Inder Chand Jain, who ceased to be Members with effect from the said date.

14.57 Dr. Ashok Kumar Lahiri, Shri C.P. Nair, Shri S. Ramachander and Dr. M. Govinda Rao were appointed as Members of the Southern Area Local Board of the Reserve Bank under Section 9 (1) of the RBI Act, 1934, with effect from May 24, 2001 and Shri N. Sankar and Shri D. Seetharamaiah ceased to be Members with effect from the said date.

14.58 Consequent upon reconstitution of the Central Board of the Reserve Bank with effect from November 27, 2000, the Board for Financial Supervision (BFS) and the three SubCommittees of the Central Board were also reconstituted in consultation with the Central Board at its meeting held on December 21, 2000. Directors Shri Y.H. Malegam, Dr. Amrita Patel, Shri K. Madhava Rao and Dr. A.S. Ganguly were nominated on the Board for Financial Supervision. BFS was set up by the Central Board of the Reserve Bank of India by means of statutory regulations made in 1994 under Section 58(2) of the Reserve Bank of India Act, 1934, to perform the functions and exercise the powers of supervision and inspection under the aforesaid Act and the Banking Regulations Act, 1949 in relation to different sectors of the financial system, such as banking companies, financial institutions and non-banking institutions. Governor is the Chairman of the BFS and the three Deputy Governors of the Reserve Bank are its members, with one of them, *viz.*, Shri G.P. Muniappan nominated as Vice Chairman.

14.59 The Inspection and Audit SubCommittee (IASC), constituted by the Central Board of the Reserve Bank in the year 1992 to review the Inspection and Audit Reports on various Regional Offices and Central Office Departments, as also their compliance reports, at periodic intervals with a view to giving a sharper focus to the internal audit and inspection exercise and tailoring them towards maximum productivity and efficiency of operations, was reconstituted with

Director, Shri H.P.Ranina as its Chairman and three other Directors *viz.*, Professor V.S. Vyas, Shri D.S.Brar and Shri Suresh Krishna as members. Deputy Governor and Executive Director in-charge of the Inspection Department and Executive Director in-charge of the Department of Administration and Personnel Management are other members of the IASC, with Chief General Manager in charge of Inspection Department as its Member-Secretary.

14.60 The Building Sub-Committee, which advises the Central Board on matters relating to building projects of the Bank, was reconstituted with Director Dr. Amrita Patel as the Chairman and Director Shri K.P. Singh as the other Member. There has not been any change in the four technical members of the Sub-Committee, who are engineers/architects of repute. Deputy Governor and Executive Director in charge of the Premises Department are *ex-officio* members of the Building SubCommittee, with the Chief General Manager, Premises Department as its Secretary.

14.61 Director Shri Ratan N. Tata was nominated as the Chairman of the Staff SubCommittee of the Central Board, with Director Prof. Mihir Rakshit as the other Member. Deputy Governor and Executive Director in-charge of Department of Administration and Personnel Management are *ex-officio* Members of the Sub-Committee with the Chief General Manager in charge of the Department of Administration and Personnel Management as its Member Secretary. The Sub-Committee looks into the matters relating to staffing pattern in the Reserve Bank and sanction of posts in various cadre of employees.

14.62 Shri. S.P. Talwar and Shri Jagdish Capoor, Deputy Governors retired from the Bank's service from the close of business on June 30, 2001.

14.63 Shri R.K. Seshadri, former Deputy Governor passed away on August 20, 2000.

14.64 Shri G. Ramanujam, former Director on the Central Board of the Bank passed away on June 26, 2001.

Appointment/Retirement of Executives

14.65 Dr. A. Vasudevan, Executive Director retired from the Bank's service from the close of business on August 31, 2000.

14.66 Shri D.P. Sarda was appointed as Executive Director with effect from September 1, 2000.

14.67 Dr. R.B. Barman was appointed as Executive Director with effect from November 3, 2000.

14.68 Shri I.D. Agarwal, Executive Director retired from the Bank's service from the close of business on December 31, 2000.

14.69 Shri M.G. Srivastava, Executive Director retired from the Bank's service from the close of business on January 31, 2001.

14.70 Shri S. L. Parmar was appointed as Executive Director with effect from February 1, 2001.

14.71 Shri P. R. Gopala Rao, Executive Director, retired from the Bank's service from the close of business on February 28, 2001.

14.72 Shri K.L. Khetarpaul was appointed as Executive Director with effect from March 1, 2001.

14.73 Shri G.P. Muniappan, Executive Director, retired from the Bank's service from the close of business on March 31, 2001.

14.74 Shri Mohammad Tahir was appointed as Executive Director with effect from April 1, 2001.

14.75 Shri J. R. Guha was appointed as Executive Director of Deposit Insurance & Credit Guarantee Corporation (DICGC) with effect from May 1, 2001.

Foreign Dignitaries

14.76 Prof. Willem H. Buiter, Chief Economist, European Bank for Reconstruction and Development, London, visited the Reserve Bank on October 16, 2000 to deliver the seventh L.K. Jha Memorial Lecture.

14.77 A delegation of 8 officials from People's Bank of China, headed by Ms. Yao Guiqin, Deputy Director General, visited the Reserve Bank from November 29, 2000 to December 5, 2000 on a Study Tour.

14.78 Prof. Charles Goodhart, Norman Sosnow Professor of Banking and Finance, London School of Economics, London, visited the Reserve Bank on December 7, 2000 to deliver the Eleventh C.D. Deshmukh Memorial Lecture.

14.79 Mr. Phil Goff, Minister of Foreign Affairs and Trade, New Zealand, visited the Reserve Bank on March 5, 2001.

14.80 Mr. Rob Wright, Deputy Minister (Trade), Canada, visited the Reserve Bank on March 19, 2001.

Auditors

14.81 The accounts of the Reserve Bank were audited by M/s. Kapoor Tandon & Co., Kanpur, M/s. N.C. Rajagopal & Co., Chennai, M/s. P.K. Mitra & Co., Calcutta, M/s. R. K. Khanna & Co., New Delhi, M/s. Chandabhoy & Jassoobhoy, Mumbai and M/s. P. B. Vijayaraghavan & Co., Chennai. While the first three audit firms were re-appointed, the latter three have been appointed for the first time by the Central Government.