

X

GOVERNANCE, HUMAN RESOURCES DEVELOPMENT AND ORGANISATIONAL MANAGEMENT

For a multi-faceted institution such as the Reserve Bank, the organisational systems and controls need to be robust so as to ensure that the system functions along sound lines. In this regard, the Reserve Bank has taken several initiatives to strengthen its communications policy, besides improving the governance standards and pursuing its efforts to nurture a dedicated work force. Several conferences, seminars and outreach programmes were organised during the year which facilitated the process of knowledge sharing as also discussion and debate about issues of topical interest among employees and outside experts. The Reserve Bank's efforts in this respect are supported by various departments that play a key role in furthering organisational functioning while respecting the need for ensuring corporate social responsibility.

INITIATIVES FOR IMPROVED GOVERNANCE

Governance Structure

X.1 One of the distinguishing features of a central bank is that it works in the public interest, performs services which are in the nature of public goods and does not have profit as a central objective. Accordingly, governance in the central bank is about legal foundations, practices, transparency, independence of views and accountability. It is also about fair and acceptable behaviour towards the more vulnerable sections of the society.

X.2 In the governance structure of the Reserve Bank, the Central Board of Directors constitutes the apex body, overseeing and guiding the activities of the Reserve Bank. In addition, there are four Local Boards for the Northern, Southern, Eastern and Western areas of the country. The Government of India appoints/nominates the Directors on the Central Board and the Members on the four Local Boards. The Central Board has three Committees (Committee of the Central Board, Board for Financial Supervision and Board for Regulation and Supervision of Payment and Settlement Systems) and four sub-committees (Audit and Risk Monitoring Sub-Committee, Human Resource Management Sub-Committee, Building Sub-Committee and Information Technology Sub-Committee). The

Governor presides over the meetings of the Central Board which generally meets seven times in a year. The Governor is assisted by four Deputy Governors and nine Executive Directors in managing the affairs of the Reserve Bank.

Meetings of the Central Board and its Committee

X.3 The Central Board held seven meetings during the year 2012-13. Of these, four were held at metro centres (New Delhi, Chennai, Mumbai and Kolkata) and three at non-traditional centres by rotation (Puducherry, Guwahati and Srinagar). The discussions at the meetings, *inter alia*, covered matters pertaining to general superintendence and direction of the affairs of the Reserve Bank, financial inclusion and issues relating to its role in supporting socio-economic goals. Traditionally, the post-budget meeting of the Central Board is addressed by the Finance Minister. Shri P. Chidambaram, Hon'ble Finance Minister addressed the post-budget meeting of the Central Board on March 8, 2013 in New Delhi.

X.4 During the year, 45 weekly meetings of the Committee of the Central Board were held in Mumbai. The Committee attended to the current business of the Reserve Bank, including approval of the Reserve Bank's weekly accounts pertaining to the Issue and the Banking Departments.

X.5 On the sidelines of the Central Board meetings, the Governor had interactions with the Chief Ministers and senior officials of State Governments, commercial banks and financial institutions of the respective states. The discussions generally covered issues such as extension of banking services in unbanked / under banked areas, use of IT-enabled banking services / Electronic Benefit Transfer (EBT), measures to promote financial inclusion, enhancing credit flow, development of Self Help Groups (SHGs), improving credit-deposit ratio and measures to enhance the quality, accessibility and integrity of banknotes.

Directors/Members of the Central Board / Local Boards – Changes

Nominations

X.6 Dr. Arvind Mayaram, Secretary, Department of Economic Affairs, was nominated a Director on the Central Board (Government nominee) with effect from August 7, 2012 *vice* Shri R. Gopalan under Section 8(1)(d) of the Reserve Bank Act, 1934.

X.7 Shri Y. C. Deveshwar was nominated as a Director on the Central Board with effect from September 3, 2012 *vice* Dr. Ashok S. Ganguly under Section 8(1)(c) of the Reserve Bank Act, 1934.

X.8 Prof. Damodar Acharya was nominated as a Director on the Central Board with effect from October 12, 2012 *vice* Late Smt. Shashi Rajagopalan under Section 8(1)(c) of the Reserve Bank Act, 1934.

X.9 Shri Rajiv Takru, Secretary, Department of Financial Services, was nominated as a Director on the Central Board with effect from February 4, 2013 *vice* Shri D.K. Mittal under Section 8(1)(d) of the Reserve Bank Act, 1934.

X.10 Dr. Nachiket Madhusudan Mor was nominated as a Member of the Local Board (Eastern Area) under Section 9(1) of the Reserve

Bank Act, 1934 and also as a Director on the Central Board under Section 8(1)(b) of the Reserve Bank Act, 1934 with effect from May 16, 2013 *vice* Late Prof. Suresh Tendulkar.

Appointments

X.11 Dr. Ujit R. Patel was appointed as Deputy Governor of the Bank with effect from January 11, 2013 and assumed office on January 14, 2013.

X.12 Shri Anand Sinha continued as Deputy Governor of the Bank from March 1, 2013 and his present tenure will be up to January 18, 2014 when he completes the tenure of three years from the date on which he assumed office, *i.e.*, January 19, 2011.

X.13 Dr. Raghuram Rajan, Chief Economic Advisor, Ministry of Finance has been appointed by Government of India *vide* its notification dated August 7, 2013 as the next Governor of the Reserve Bank of India for a term of three years *vice* Dr. D. Subbarao upon completion of his tenure. He has also been appointed as Officer on Special Duty in the Reserve Bank of India for a period of three weeks prior to his taking over as Governor on September 5, 2013 to provide an overlap with the present Governor.

Retirements/Resignations

X.14 Dr. Subir Gokarn laid down office as Deputy Governor of the Bank on December 31, 2012 on expiry of his term.

X.15 Shri Najeeb Jung resigned as a Director of the Central Board with effect from July 9, 2013 consequent upon his appointment as Lieutenant Governor of Delhi.

X.16 Shri Kumar Mangalam Birla resigned as Director of the Central Board with effect from July 11, 2013.

X.17 Dr. M. Govinda Rao resigned as a Member of the Local Board (Southern Area) with effect from February 7, 2013 consequent upon his appointment as Member of the Fourteenth Finance Commission.

Appointment / Retirement of Executives

X.18 Shri V.S. Das, Executive Director, retired from service as at the close of business on July 31, 2012.

X.19 Shri Jasbir Singh was appointed as Executive Director with effect from August 1, 2012. He is in charge of Deposit Insurance and Credit Guarantee Corporation of India (DICGC).

X.20 Shri V.K. Sharma, Executive Director, retired from service as at the close of business on December 31, 2012.

X.21 Dr. (Smt.) Deepali Pant Joshi was appointed as Executive Director with effect from January 1, 2013.

X.22 Smt. Grace Koshie, Chief General Manager and Secretary retired from the service of the Reserve Bank at the close of business of December 31, 2012.

Awards / Felicitations / Honours

X.23 Ms. Ela Bhatt, Director, was presented the Indira Gandhi Prize for Peace, Disarmament and Development for 2011 by Shri Pranab Mukherjee, President of India, in February 2013 for her lifetime achievements in empowering women through grassroots entrepreneurship.

Visits by Foreign Dignitaries

X.24 Several foreign delegations visited the Reserve Bank during the year and interacted with the Top Management on a wide spectrum of issues, including the global economic situation, the framework for strong, sustainable and balanced global growth and financial/ regulatory reforms. The Reserve Bank's monetary and regulatory policies were also discussed, apart from aspects pertaining to mutual trade, investment and bilateral relations. The list of dignitaries who visited the Reserve Bank during 2012-13 is given in Annex II.

INITIATIVES IN COMMUNICATION

X.25 A major element of the Reserve Bank's strategy towards improved communication over the past several years has been demystifying the central bank and the Governor's office. In this respect, several initiatives have been undertaken.

X.26 Leveraging on emerging technology, a new initiative with respect to the communication of monetary policy was live mobile streaming of the Governor's monetary policy statement alongside live webcasting. This was initiated from the Third Quarter Review of Monetary Policy 2012-13 in January 2013. This has increased the reach of the Reserve Bank's communication immensely. In fact, access to policy communication through mobiles increased from 2,975 downloads in January 2013 to 3,756 downloads in May 2013 and further to 8,096 downloads in July 2013.

Town Hall Events/Outreach Programmes

X.27 Started in 2010, Town Hall is an initiative to demystify the Reserve Bank and bring it closer to the public by showcasing how the central bank touches everyday life of the common man. In the process, the Reserve Bank also gets a great deal of inputs for policy making. Town Hall is once a year event held in a tier-II city. The Governor and Deputy Governors make themselves available for responding to questions from the student community, which signify the aspirations of young India. Department of Communication arranged a Town Hall event at Puducherry on October 3, 2012. Students from Indira Gandhi College, Puducherry University, Saradha Gangadharan College and St. Joseph's College attended the event. ABP News helped extend this event to a wider audience.

X.28 Apropos the Saradha episode in West Bengal, the Reserve Bank took upon itself, as a public policy institution, the responsibility to create awareness about the role of various regulators in

regulating NBFCs and the available grievance redressal mechanisms. Towards this end, it organised a Town Hall in Chandigarh on June 29, 2013. Shri Anand Sinha, Deputy Governor and Senior Government Officials replied to public queries on NBFCs. Partnership with CNBC TV18 helped reach this Town Hall to a wider audience.

X.29 With a view to spreading financial literacy and helping financial inclusion of the poor, the Reserve Bank organised several outreach programmes. A programme named 'Forex for You' was also organised during the year to disseminate information on foreign exchange facilities for general public, including students. In order to increase payment system literacy and visibility 'electronic banking awareness and training' (eBAAT) programmes were also organised. These programmes helped in bringing awareness of the various payment products and the ease with which they can be used to encourage the use of non-cash payment products and provide impetus to move towards a less-cash society.

RBI Pavilion in Indian Business History Museum at IIM, Kozhikode

X.30 At the request of the Indian Institute of Management, Kozhikode (IIMK), Department of Communication set up a permanent Pavilion in their Indian Business History Museum. The Reserve Bank Pavilion consists of a crisp, visual history of the Reserve Bank and the financial system, together with a short story on the evolution of banknotes. The Pavilion also includes Governors' Gallery, an ultra-violet machine used to verify banknotes and a shelf of publications by the Reserve Bank. The Pavilion was inaugurated by the Governor, Dr. D. Subbarao in July 2012.

X.31 According to IIMK, the Museum is frequented by a large number of visitors which includes heads of governments, envoys, thought leaders, CEOs, scholars, teachers, students of varying age groups and the general public.

Educational Visits

X.32 The Reserve Bank has been arranging educational visits since 2006 as part of Project Financial Literacy. Over the years, the visits have been gaining popularity by word of mouth. From July 2012 till June 2013, the Reserve Bank, Central Office arranged 89 visits. On an average, the Reserve Bank handles about 4 to 5 visits per month. Participation is mainly from schools, colleges, Indian Administrative Services, State Civil Services, NGOs, groups of senior citizens and students from foreign universities. The sessions have three modules – a visit to monetary museum, an interactive session with Reserve Bank officials and a visit to the clearing house. On request, officers from the Reserve Bank also deliver lectures on the functions and role of the Reserve Bank and on specific topics at schools, colleges and NGOs.

Seminars

X.33 To promote Reserve Bank publications among research students and analysts, outreach seminars are held jointly by various departments of the Reserve Bank at several centres. After the Annual Report 2011-12 was released, one outreach seminar was held in Mumbai for research analysts and three were held at the following centres, including a tier-II city: Centre for Development Studies, Thiruvananthapuram, Agartala University, Agartala and Jaipur Office. Students from colleges and universities and senior commercial bank officers participated.

X.34 Outreach seminars were held to disseminate the analytical research contents of the Reserve Bank's statutory publications - *Annual Report* and *Report on Trend and Progress of Banking in India* as also the *Report on Currency and Finance* on the theme of fiscal-monetary coordination. All the seminars were well-received and provided valuable feedback.

Research and Endowment schemes

X.35 As part of restructuring and making research publications available for wider audience, the Bank has reformed publications like Reserve Bank *Monthly Bulletin* and *Weekly Statistical Supplement*. In addition, the Bank is encouraging its staff to publish research papers. In this context, the research publications of the Bank's staff *viz.*, the Reserve Bank *Occasional Papers* and the web-based Reserve Bank of India *Working Paper Series* (RBIWPS) continued as major platform for disseminating in-house technical and analytical research on a wide array of macroeconomic and policy issues. Under the RBIWPS, initiated in March 2011, 45 papers covering wide range of issues have been uploaded till April 2013.

X.36 In addition to in-house research, the Reserve Bank of India Act, 1934 [Section 17(15B)] encourages and promotes external research activities in academia and research institutions. For this purpose, the Reserve Bank provides funds through endowment scheme and DRG Studies. The external research support provided under endowment scheme includes establishment of RBI Chairs in universities/ research institutions, funding medium-term research projects, supporting conference/workshop/seminar, publication of journals, scholarship scheme for faculty members, *etc.* So far, 39 DRG Studies have been published. During 2012-13, as part of research project funding, the Reserve Bank has placed two project research studies on 'India-China Bilateral Trade Relationship' and 'How the Poor Manage their Finances: A Study of the Portfolio Choices of Poor Households in Ernakulam District, Kerala' on its website.

X.37 The Reserve Bank of India has instituted Prof. K N Raj Memorial National Fellowship Scheme in 2012-13 as a tribute to the contribution of Prof. K N Raj to economic research and policy. The Fellowship is awarded to a distinguished

scholar of social sciences from India or abroad to pursue research for a short period in an academic/ research institution in India. Prof. Ravi Kanbur of Cornell University, U.S., is the first recipient of this Fellowship. Under this Fellowship, Prof. Kanbur will be pursuing his research on "Informality: Causes, Consequences and Policy Responses" at Centre for Development Studies (CDS), Thiruvananthapuram.

X.38 Since last year, the Bank is organising Conference to facilitate researchers of the Bank to present their papers. The Bank has organised jointly 2nd DEPR Research Conference on May 30, 2013 and 2nd Reserve Bank Chair Professors' Research Conference on May 31, 2013. The joint conference proved to be an effective platform for obtaining two-way feedback on the research issues conducted by Reserve Bank researchers and the Chair Professors.

India-OECD-World Bank Regional Conference on Financial Education

X.39 Given the priority attached to financial inclusion and financial literacy, the Reserve Bank, in collaboration with the Organisation for Economic Cooperation and Development (OECD) and the World Bank, organised the Regional Conference on Financial Education during March 4-6, 2013 in New Delhi.

X.40 The various sessions deliberated upon manifold issues, such as, national strategies for financial education, measurement of financial literacy and methods for programme evaluation, financial education for young people and women, as well as innovative delivery methods. Select banks/NGOs were invited to set up stalls showcasing their efforts in financial literacy at the venue and received good response. The Conference was a valuable learning experience and provided a platform for experience sharing and brainstorming on new ideas.

X.41 To popularise the electronic payment products among the stakeholders like merchants and consumers, Electronic Banking Awareness and Training (e-BAAT) programmes are being planned by the Reserve Bank along with the banks.

Knowledge Dissemination –International Seminar

X.42 An international seminar on “Principles for Financial Market Infrastructures and Innovations in Retail Payments” was organised by the Reserve Bank during February 14-16, 2013 in New Delhi. The seminar focused on the twin topics of principles for financial market infrastructure and its implications, as well as recent developments in the retail payments space across the world. Eminent speakers from Bank of International Settlements, World Bank, European Central Bank, Bundesbank and Hong Kong Monetary Authority addressed the participants from 23 countries.

Enterprise Wide Risk Management

X.43 The Risk Monitoring Department (RMD) was set up as part of the Enterprise-wide Risk Management (ERM) initiative of the Reserve Bank on May 31, 2012. The ERM framework comprises the ‘risk governance structure’ as well as a three-tier ‘risk management structure’ which will enable the Reserve Bank to take a holistic view of risks faced by it at the organisational level and to manage these risks in conformity with its risk policies and risk tolerance limits.

X.44 The ‘risk governance structure’ has the Central Board at the apex level, which is responsible for overall governance of the Reserve Bank. The Board is supported by the Audit and Risk Management Sub-Committee (ARMS) which is chaired by an independent Director. The ARMS is responsible for the broad strategy and risk policies of the Reserve Bank. The Risk Monitoring Committee (RMC), an executive level committee, is responsible for maintaining oversight of the

Reserve Bank’s risk management function and to ensure that risks are managed in compliance with the Reserve Bank’s policies. It will report to the ARMS.

X.45 The three-tier risk management structure has at the first level, the business areas, which will be primarily responsible for the management of risks. The second level - the centralised Risk Monitoring Department - will assist the ARMS/RMC and will be responsible for formulating and periodically reviewing the ERM policies and methodologies, interacting with the business areas to ensure that all significant risks are identified, aggregated and reported to the ARMS/RMC, creating institutional memory of ‘loss’ and ‘near loss’ events and fostering a ‘risk awareness’ culture in the organisation. The third level comprises of the Inspection Department which through its internal audit/ inspection process performs the role of risk assurance.

**HUMAN RESOURCE DEVELOPMENT
INITIATIVES**

Training/ Deputation/ Higher Studies/ Distance Learning

X.46 To enhance the quality of human capital in the organisation, the Reserve Bank continued to provide avenues for skill upgrading to its staff. The six training establishments of the Bank, viz., Reserve Bank Staff College (RBSC), Chennai, College of Agricultural Banking (CAB), Pune and four Zonal Training Centres at Mumbai, New Delhi, Kolkata and Chennai cater to its training requirements. CAB also provides training to officers from the banking industry in the areas of rural/co-operative banking (Table X.1).

X.47 To explore the potential for integrating financial education and literacy into the Reserve Bank’s overall endeavour for financial inclusion by encouraging young students across the country to

Table X.1: Reserve Bank Training Establishments – Programmes Conducted

Training Establishment	2010-11 (July-June)		2011-12 (July-June)		2012-13 (July-June)	
	No. of Pro-grammes	No. of Parti-cipants	No. of Pro-grammes	No. of Parti-cipants	No. of Pro-grammes	No. of Parti-cipants
1	2	3	4	5	6	7
RBSC, Chennai	147	2904	125	2492	126	2676*
CAB, Pune	162	4951	190	5647	164	5105®
ZTCs (Class I)	57	1140	116	2098	116	2526
ZTCs (Class III)	87	1310	35	639	64	1492
ZTCs (Class IV)	70	1422	65	1237	58	1184

* : Includes 14 foreign participants.
 ® : Includes 52 foreign participants.

learn more about the Reserve Bank, the *RBIQ* - an all-India Reserve Bank Inter-School Quiz - was launched in 2012 (Box X.1).

Training at External Institutions

X.48 During 2012-13, 874 officers were deputed by the Reserve Bank to participate in training programmes, seminars and conferences organised by external management/banking institutions in India. Several Class III and Class IV employees were also deputed for training in external institutions in India. The Reserve Bank also deputed 510 officers to attend various training courses, seminars, conferences and workshops conducted by banking and financial institutions and multilateral institutions in more than 54 countries (Table X.2).

X.49 During the year, six officers of the Reserve Bank availed of study leave under different schemes to pursue higher studies. Further, 350 employees pursued select part-time/distance education courses during 2012-13 under the Reserve Bank's incentive scheme.

X.50 In recent years, the Reserve Bank has taken initiatives to provide greater access to

Box X.1 RBIQ

An all-India Reserve Bank inter-school quiz - RBIQ – was launched in 2012. This initiative is in line with the emerging consensus that any attempt at expanding the outreach of financial education needs to start at the school level.

Improving basic financial education through an interesting, effective and popular format such as a quiz contest at the school level has the potential to build a solid foundation for financial literacy. It is felt that the *RBIQ* will become a major awareness and sensitisation exercise on the role of the Reserve Bank and the banking system across the country, particularly for a vast segment of our youth.

The main objectives of organising *RBIQ* are as under:

- To create awareness and interest in the history and role of Reserve Bank, banking and finance, other banking institutions, economics, current affairs, personalities and events that have contributed to the growth and progress of India over the years;
- To build a connect between Reserve Bank and the student community across the country and achieve extensive dissemination of financial literacy;

- To recognise and encourage bright young students on a national platform.

Designed as an informative, educational and enjoyable quiz event, *RBIQ* was held at 32 locations across the country. *RBIQ* 2012 helped to build a connect with the young student community enrolled in schools across the country and achieve deepening of the financial literacy efforts. In 2013, it is planned to hold *RBIQ* at 12 more locations, *i.e.* a total of 44 locations spread across the country. Students in standards 9-12 across all Boards would be eligible to participate in *RBIQ*.

RBIQ consists of questions on the Reserve Bank and Indian banking history, banking, accounting, finance, trade and commerce, India's economy, economics, common business terms, India's achievements over the years, General Knowledge and current affairs.

The entire event is being conducted in an innovative and exciting way so that it generates and engages the interest of young participants and members of the audience, and makes them keen to know more about the related topics.

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

Year	No. of officers trained in India (external institutions)	No. of officers trained abroad
1	2	3
2010-11	1,090	578
2011-12	1,072	511
2012-13	874	510

financial services to the hitherto unreached segment of our population, as well as to bridge the knowledge gap in financial education and literacy in our country. Towards this end, a need was felt to innovate on the inclusion initiatives by exploring the potential of sensitising and involving young Direct Recruit Officers of the Reserve Bank. This would better integrate the human resources as also bring in fresh, implementable ideas into the Reserve Bank's overall endeavour for financial inclusion.

X.51 Pursuant to this, Reserve Bank decided to institute an Award in honour of late Shashi Rajagopalan who had served as a Member of the Central Board of Directors between June 27, 2006

and August 05, 2011 and had worked for several years on rural development and financial inclusion. The first Shashi Rajagopalan Memorial Awards were given away on January 26, 2013 in Mumbai (Box X.2).

SEACEN Membership

X.52 The Reserve Bank has been admitted as the 19th Member of South East Asian Central Banks (SEACEN) Research and Training Centre from January 1, 2013. SEACEN is Asia's regional learning hub for capacity building in central banking, and it fosters networking and collaboration among its member central banks / monetary authorities. In view of its high quality training and facilities, the Reserve Bank had been sponsoring its officers for various training programmes, workshops and seminars conducted by SEACEN for capacity building even before it became a member of this training and research centre.

Joint Seminar

X.53 As part of the arrangements that the Reserve Bank has with Banque de France in the form of joint seminars on areas of mutual interest, the fourth seminar in this series was organised on

**Box X.2
Shashi Rajagopalan Memorial Awards**

All Direct Recruit Officers who have joined or will be joining the Reserve Bank with effect from January 2012 are eligible for these Awards. This Village Lived-in Experience has been made as part of probation-period training for Direct Recruit Officers joining the Reserve Bank effective the above date.

As part of this, Direct Recruit Officers joining the Reserve Bank are required to undergo Village Immersion Programmes for 7 days each in unbanked and underbanked areas across India. To make the exercise more meaningful and collaborative, the Awards have been designed as a team effort and each team will comprise two eligible Direct Recruit Officers.

At the end of the programme, each team is required to submit Project Reports on their experience as also the policies/ measures considered necessary for initialising inclusion/ improving financial conditions of residents of the area visited. The finest documentation of such first-hand, lived-in experiences are given the Shashi Rajagopalan Awards. Three

Prizes including Two Consolation Prizes are given to the three best efforts.

Put together, these Reports are expected to shed light on both supply-side and demand-side barriers responsible for low level of access to financial services for a huge segment of our population as also the role of public policy and initiatives in addressing the disadvantages of circumstances and in ensuring a level playing field for all that lies at the core of inclusiveness.

The basis for providing any financial service lies in first understanding the circumstances of the financially excluded, so that, at the very least, their needs can be incorporated in the policies and measures that are planned for them. It is hoped that this initiative by the Reserve Bank that affords young central bankers an opportunity to experience and understand life at the grassroots will be a significant step in that direction.

March 22-23, 2013 at the College of Agricultural Banking (CAB), Pune. The theme of the seminar was 'Consumer Protection'.

Joint India-IMF Training Programme (ITP)-Pune

X.54 The Reserve Bank and the International Monetary Fund had jointly established the Joint India-IMF Training Programme (ITP) at NIBM, Pune. During the year 2012-13, nine programmes were conducted with 55 participants from the Reserve Bank. The programme ceased to be in operation from May 2013.

Grants and Endowments

X.55 During the year 2012-13, the Reserve Bank extended financial support of ₹330 million, to the Indira Gandhi Institute of Development Research (IGIDR), Mumbai; ₹70 million to the Centre for Advanced Financial Research and Learning (CAFRAL), Mumbai, ₹14.9 million to the National Institute of Bank Management (NIBM), Pune; and ₹1.47 million to the Indian Institute of Bank Management (IIBM), Guwahati for their activities in research, training and consultancy for the banking and financial sector.

INITIATIVES IN ORGANISATION MANAGEMENT

X.56 The Reserve Bank continued its initiatives for talent acquisition, alongside its capacity-building initiatives and knowledge dissemination.

Industrial Relations

X.57 The Reserve Bank continues to hold periodic meetings with recognised associations/federations of officers and employees/workers on matters related to service conditions and welfare measures. Its interactions with the industry remained encouraging during the year.

Right to Information Act (RTI), 2005

X.58 In the eighth year of the implementation of the RTI Act in the Reserve Bank, the Reserve Bank received 6276 requests for information, of which 95 per cent have been addressed. The number of

Table X.3: Category-wise Actual Staff Strength
(As on June 30, 2013)

Class	Actual Strength
1	2
A. Class I	8,148
1. Senior Officers in Grade F	92
2. Senior Officers in Grade E	296
3. Senior Officers in Grade D	355
4. Officers in Grade C	1,038
5. Officers in Grade B	1,527
6. Officers in Grade A	4,790
7. Treasurer	7
8. Deputy Treasurer	4
9. Assistant Treasurer	39
B. Class III	3,588
1. Senior Assistant	1,036
2. Assistant	1,539
3. Secretarial Assistant	56
4. Word Processor Assistant	270
5. Special Assistant (Teller)	307
6. Class III (Others)	380
C. Class IV	5,713
1. Maintenance Staff	1,333
2. Service Staff	3,549
3. Technical Staff	162
4. Other Staff	669
Total Strength in the Reserve Bank (A+B+C)	17,449

first appeals received during the year was 917. The Appellate Authority of the Reserve Bank disposed off 936 appeals during the year, including appeals received last year. During the year, the Central Information Commission (CIC) heard 21 cases of second appeals filed by the appellants.

X.59 Two programmes on Right to Information Act were conducted at RBSC, Chennai and three programmes were conducted at Zonal Training Centre, Chennai for the staff of the Reserve Bank to familiarise them with the provisions of the RTI Act and its implementation in the Reserve Bank.

Staff Strength

X.60 The total staff strength as on June 30, 2013 was 17,449 compared with 18,132 a year ago. Of the total staff, 46.7 per cent belong to Class I, 20.56 per cent to Class III and the remaining belong to Class IV (Table X.3).

X.61 The Mumbai centre (including the central office departments) continued to have the maximum staff (5,227 or 29.96 per cent), followed by Kolkata (1,528 or 8.79 per cent), Chennai (1,269 or 7.27 per cent) and New Delhi (1,189 or 6.81 per cent) (Table X.4).

**Table X.4: Reserve Bank's Office-wise
Staff Strength**
(As on June 30, 2013)

Office (including sub-offices)	Class I	Class III	Class IV	Total
1	2	3	4	5
Agartala	7	2	0	9
Ahmedabad	328	159	238	725
Bangalore	477	143	224	844
Belapur	138	60	182	380
Bhopal	163	74	74	311
Bhubaneswar	170	80	186	436
Chandigarh	180	58	91	329
Chennai	519	333	417	1,269
Dehradun	20	6	2	28
Gangtok	5	0	0	5
Guwahati	236	125	196	557
Hyderabad	321	126	259	706
Jaipur	283	126	191	600
Jammu@	98	29	64	191
Kanpur	258	183	305	746
Kochi	41	43	34	118
Kolkata	589	410	529	1,528
Lucknow	189	63	125	377
Mumbai	770	415	1040	2,225
Nagpur	267	216	239	722
New Delhi	608	246	335	1,189
Panaji, Goa	20	3	2	25
Patna	187	97	211	495
Pune-CAB-CRDC-ITP	67	20	79	166
Raipur	13	3	0	16
Ranchi	14	4	0	18
Shillong	7	2	0	9
Shimla	9	0	0	9
Thiruvananthapuram	208	89	117	414
Total	6,192	3,115	5,140	14,447
CODs #	1,956	473	573	3,002
Grand Total	8,148	3,588	5,713	17,449

CAB: College of Agricultural Banking.
CRDC: Central Records and Documentation Centre.
ITP: IMF Training Program, Pune.
@: Includes Srinagar sub-office.
#: Central office departments including DICGC.

X.62 During the year 2012 (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 the reservation policy in the Reserve Bank.

X.63 In accordance with the Central Government's policy, the Reserve Bank provided reservation to Other Backward Classes (OBCs) effective September 8, 1993. The representation of OBCs (recruited after September 1993) in the Reserve Bank as on December 31, 2012 stood at 1,233. Of these, 382 were in Class I, 349 in Class III and 502 in Class IV.

X.64 The total strength of ex-servicemen in the Reserve Bank as on December 31, 2012 stood at 930 consisting of 193 in Class I, 141 in Class III and 596 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 219, 80 and 104 respectively, as on December 31, 2012.

Recruitment of Assistants

X.65 Taking into account the anticipated high rate of retirements in the Reserve Bank during the next five years, the process of recruiting assistants in Class III cadre across all offices has been initiated. As part of this process, 1000 assistants were recruited during 2012-13.

Code of Ethics and Governance

X.66 The Reserve Bank has long been known as an institution that practices fairness, transparency and accountability. The systems and processes have been, over the years, regarded by many observers as having set estimable standards of accountability and transparency.

X.67 Taking this process further, the Reserve Bank is committed to working hard to preserve and fortify its long-held reputation in this regard and creating a climate of integrity and responsibility which is imperative for the central bank (Box X.3).

Box X.3 Code of Ethics and Governance

The Reserve Bank's Senior Management Retreat is an annual event that provides an interface mechanism for the Heads of Regional Offices and Central Office Departments with the Top Management. The Retreat, held in November 2012 revolved around the theme of 'Ethics and Governance'. The proceedings at this Retreat involved, *inter alia* interactive sessions on dilemmas of ethics in a case study format as well as sharing of best practices other central banks.

The Retreat was followed up by a series of interactive workshops for senior officials. In these workshops, the participants are taken through a broad canvas of ethical issues and dilemmas in professional life. The deliberations also dwell on the theoretical explanations and integrating when making moral choices in organisational contexts as well as guiding narratives on how to distinguish good from bad, the link between ethics and governance and the need for and ways of breaking stereotypes.

To improve understanding of corporate ethics, law and governance and to identify ways in which everyone in the

Reserve Bank can operate ethically and along principled lines, these workshops also focus on how to create more effective public policies, how to promote a more ethical, self-governing corporate culture and how to increase public trust.

The effort is thus to make ethics and governance a core component of the knowledge and skill base in the Reserve Bank since the Reserve Bank's employees play several roles: as public policy makers, regulators and supervisors and also provider of a host of other services. This is expected to help employees to better understand and put in place governance mechanisms to ensure lawful and effective corporate behaviour and operations.

Taking forward these deliberations, the Reserve Bank is working on a Code of Ethics that is expected to guide its employees to greater awareness of ethics and governance and enable them to identify and resolve ethical issues and conflicts effectively throughout their career.

Rajbhasha

X.68 In compliance with the statutory requirements of the *Rajbhasha* policy, the Reserve Bank strove to promote the use of Hindi in its working during 2012-13. Besides statutory publications, other publications were brought out in bilingual form. The revised edition of the Banking English-Hindi Glossary was published during the year.

X.69 A number of inter-bank and internal Hindi competitions as well as several Hindi functions were organised during the year. The Rajbhasha Officers' Conference as well as review meetings with Rajbhasha Officers were held to monitor the progress in implementing the Rajbhasha policy and to draw up future plans.

X.70 The major highlights of the year include intensive Hindi typing training programmes for the members of staff other than typists (including officers) with a record number of 116 trainees successfully passing the Hindi typing examination conducted by the Government of India. Padma

Bhushan Justice Chandrashekhar Dharmadhikaari gave a lecture on "Role of languages in inclusive growth" under the banner of *Addhyayan Manch* on February 13, 2013 at Central Office, Mumbai. In addition, a quarterly Hindi magazine on banking "Banking Chintan-Anuchintan", containing original Hindi articles, with a special issue on 'Capital Adequacy Norms and Basel III', was published aside from the quarterly news magazine 'Rajbhasha Samachar' which discusses the activities regarding the implementation of the Rajbhasha policy. A Hindi book titled "*Sukshma, Laghu Evam Madhyam Udyam : Vividh Aayaam*" was also brought out by the Reserve Bank.

Management of the Reserve Bank Premises

X.71 The Premises Department is responsible for the creation, maintenance and up-gradation of infrastructure in the Reserve Bank. In this connection, some new construction projects have been undertaken, apart from monitoring the implementation of on-going projects. The important

activities in this area are described below.

Design and Build (DB) Projects

X.72 Projects to provide residential accommodation and hostel facilities were awarded to a reputed builder in 2011. There are six projects spread over three cities: Mumbai, Delhi and Chennai. Three out of the six projects are in progress. The residential construction project at Hyderabad, which was awarded during the year to another firm, is progressing satisfactorily.

Projects under planning

X.73 A design competition for the proposed Centre for Advanced Financial Research and Learning (CAFRAL) was held and an architectural firm has been appointed. The firm has commenced work relating to submission of plans to statutory authorities for approval.

Land acquisition

X.74 The process for land acquisition for office and residential premises in Dehradun was completed during the year. The Lease Deed Agreement has been executed in respect of land acquired for office premises at Raipur. The Reserve Bank has also initiated the process for acquisition of land for office and residential premises at Shillong and Agartala.

Improvements in physical security infrastructure

X.75 The pilot project of Internet Protocol (IP) based CCTV system has been completed in La-Gajjar Chambers, Ahmedabad and will be replicated in the Bank's offices. The action plan for integrated security system for Central Office Building, Mumbai, has been formulated for implementation through the process of Expression of Interest (EOI) / Request for Proposal (RFP)

Green Initiatives

X.76 The Carbon Footprint Mapping (CFM) exercise, aimed at reducing Green House Gas

(GHG) emissions, has been completed for the Reserve Bank's Central Office Building at Mumbai and offices at Bengaluru and Jaipur. A similar exercise for other offices is being taken up in a phased manner.

X.77 A pilot project for harnessing solar energy to produce electricity has been awarded for the Bandra-Kurla Complex (BKC) office of Mumbai.

X.78 Work for installation of energy-efficient central air-conditioning plants at the Reserve Bank offices at Patna and Nagpur has been awarded.

X.79 The Reserve Bank has provided energy-efficient centralised UPS systems in a few offices. The procurement process for similar systems in remaining offices has been initiated.

X.80 An Organic Waste Converter has been installed in Osborne Road Staff Colony, Bangalore, to dispose of the wet waste generated in the colony in an environmental friendly way. The Organic Waste Converter uses food, animal and garden waste and converts it into homogenised odour-free raw compost in 15 minutes. The compost can be used for various purposes including kitchen, gardening and landscaping. Each cycle can process around 25 kgs of waste.

Internal Audit/ Inspection in the Reserve Bank

X.81 As part of its ongoing process of ensuring that the internal systems and controls are in order, the Reserve Bank examines its systems, processes and controls to provide objective feedback to the Top Management and the Audit and Risk Management Sub-Committee (ARMS) of the Central Board about the preparedness of various offices and departments. In this connection, inspection/ audit was carried out at 21 Regional Offices (including sub-offices), 16 Central Office departments, one subsidiary and one training establishment under Risk Based Internal Audit (RBIA), while one Central Office department was

covered under Management Audit and Systems Inspection (MA&SI).¹

X.82 Information System Audits (IS Audits) were carried out along with RBIA and MA&SI. Compliance Audit of Technology Audits were also conducted of (i) Integrated Computerised Currency Operations & Management System, (ii) Integrated Establishment System, (iii) Mail Messaging System including Vulnerability Assessment-Penetration Testing (VA-PT) of MMS, Enterprise Knowledge Portal and Data Base on Indian Economy. Continuous Assurance on IS controls at Delhi, Mumbai, Belapur, Kolkata

and Chennai Regional Offices and VA-PT of (i) Human Resource Management System and (ii) College of Agricultural Banking's public website were also carried out during the year.

X.83 The Audit and Risk Management Sub-Committee (ARMS) assists the Central Board in its oversight function by reviewing and monitoring the inspection and audit process, compliance, internal control systems, the financial reporting process, the risk management framework, BCPs and disaster management functions. Since its formation, four meetings of ARMS have been held during the year.

¹ Inspections under MA&SI have been discontinued with effect from October 2012 and all Regional Offices/ Central Office Departments/ Training Establishments are now audited/ inspected under the RBIA.