INTERVIEW SCHEDULES,

ANNEXURES-I & II

AND

BIBLIOGRAPHY
# QUESTIONNAIRE-1

[for Management, Officers Gr-IV above and Employee Directors]

**Part-I /MO**

(Personal Information)

1. Name:

2. Name of Bank, 
   Address & Category:
   (a) Rural 
   (b) Semi-Urban 
   (c) Urban 
   (d) Metropolitan

3. Designation:
   (a) Manager, Grade- I II III IV V VI VII 
   (b) Managing Director 
   (c) Member of Board of Directors/Employee Director 
   (d) Chairman

4. Education:
   (a) Graduation 
   (b) Post-Graduation 
   (c) Professional 
   (d) _______________________

5. Age:
   (a) 30-40 
   (b) 41-50 
   (c) 51-60 
   (d) 61 Above

6. Marital status:
   (a) Married 
   (b) Un-married

7. Sex:
   (a) Male 
   (b) Female

8. Scale of pay (in total):
   Present Basic 
   Allowances 
   Total drawn = 
   Deductions 
   Take Home Pay
   (a) 10-15'000 
   (b) 16-20'000 
   (c) 21-25'000 
   (d) 26- above

9. Your Union Affiliation (if any):
   (a) A I B E A 
   (b) N C B E 
   (c) B E F I 
   (d) I N B E F 
   (e) N O B W 
   (f) A I B O C 
   (g) A I B O A 
   (h) I N B O C 
   (i) N O B O 
   (j) none

10. Total service:
    (a) on Management
    (b) in Bank
    (c) Up to 10 years
    (d) 11-15
    (e) 16-20
    (f) 21-25
    (g) 25 above
Part-II
( Organisation Information )

11. Is there a personnel Department in your Bank/Branch?
   (a) Yes    (b) no

12. If no, what is the reason?
   (a) No need of such department
   (b) Looked after by another department
   © _______________________

13. Do you have written personnel Policies?
   (a) Yes    (b) no

14. Who is responsible for formulating personnel policies?
   (a) Board of Directors
   (b) Personnel Committee
   (c) Management & Staff union
   (d) ____________

15. How do you communicate personnel policies to your employees?
   (a) Personnel Bulletins
   (b) Through Circular Letters
   (c) Holding Employee Meetings
   (d) Display on Staff Notice Boards

16. How do you recruit your staff? Through-
   (a) Advertisements
   (b) Recruitment Boards
   (c) Initial temporary appointments
   (d) Employment Exchanges

17. Does Bank provides Training to all employees?
   (a) Yes    (b) no

18. Which Training Method is used?
   (a) On the job
   (b) Job rotation
   (c) Outside special training
   (d) Others if any _______

19. What is the criterion of promotion policy in your Bank?
   (a) Seniority
   (b) Merit
   (c) Efficiency
   (d) Seniority cum merit
20. What is the main reason for employees' transfers? Please give ranks-
   (a) On promotion/seniority _____
   (b) On the need of the Bank _____
   © On their request _____
   (d) As a procedure _____
   (e) As a penalty _____

21. How is the Wage/Salary fixed by the Bank?
   (a) As per IB A agreements
   (b) As per Grades/merits
   © Employee counselling
   (d) As per Management policy

22. How is the Incentives/Benefits/Bonus etc. fixed by the Bank?
   (a) As per IB A agreements
   (b) As per Management policy

23. What are the main superannuation or retirement provisions of your Bank?
   (a) Provident Fund   (b) Gratuity   © Family pension   (d) All/_________

24. What is the period of leaves under different heads?
   (a) Casual Leave _______
   (b) Medical Leave _______
   (c) Privilege Leave _______
   (d) ___________________

   Total:_________________

25. How do you settle the grievances of your Employees at Branch Level?
   (a) Direct approach to Management
   (b) As per procedures of the Bank

26. What are the major grievances according to you in the order of their seriousness? Please give your ranking:
   (a) Leave matters
   (b) Transfers
   © Promotions
   (d) Work related
   (e) Indiscipline

27. Do you think Wage/Salary of your Employees is in proportion to their nature of job?
   (a) Yes   (b) no
Part- III
(Inter Personnel Relations)

28. Do you consider revision in Wages/Salary/Benefits only after-
   (a) Employees agitations
   (b) As per policy of Management
   (c) As per negotiations with IBA
   (d) Government guidelines

29. Is there an Employee Director on the Board of Management?
   (a) Yes    (b) no

30. If yes, what is your opinion of the Employees Representation on the Board?
   (a) They contribute in the Management
   (b) They interrupt the proceedings
   (c) Their union is strong
   (d) As per order of the day

31. How the grievances of the employees are settled?
   (a) Collective Bargaining
   (b) Through their union
   (c) Reference to the Court/Tribunal
   (d) Arbitrations
   (e) As per procedure of Bank

32. Please mention about your experience of relationship after the strike is called-off-
   (a) Improved
   (b) Stabilized
   (c) Deteriorated
   (d) No change

33. What is your opinion about union leaders?
   (a) Possessive
   (b) Co-operative
   (c) Understanding
   (d) Cannot say

34. What reason do you attribute for the common unrest amongst the employees?
   (a) Inadequate wages/salary
   (b) Inadequate Incentives, Benefits
   (c) Transfer policy
   (d) Computerization
   (e) Privatization

35. In your opinion to what extent the objectives of the Nationalisation are achieved?
   (a) 100%    (b) 75%    (c) 50%    (d) 25%
36. What is the impact of Nationalisation on the efficiency of the Employees?
   (a) Improved
   (b) Deteriorated
   (c) Politicized
   (d) Cannot say

37. What is the most influencing factor for the unsatisfactory working of the Nationalised Banks?
   (a) Employee agitations
   (b) Political interference
   (c) Indiscriminate lending
   (d) Administrative expenses
   (e) Lack of manpower planning

38. Do you feel privatization helps in solving the problems faced by the Nationalised Banks?
   (a) Yes        (b) no        (c) Cannot say

39. How do you perceive the Employees/Subordinates in your Bank?
   (a) They work hard to achieve the objective
   (b) They work as it is their employment
   (c) They feel proud of their Management
   (d) They feel proud of their Bank

40. Your Suggestions in improving the Employer Employee relations—

-ooHoo-
QUESTIONNAIRE-II
QUESTIONNAIRE INDUCTED FOR OFFICERS, WORKMEN AND SUB-STAFF

Part-I
(Personal Information)

1. Full name:

2. Name of Bank, Address & Category:
   (a) Rural  (b) Semi-Urban  (c) Urban  (d) Metropolitan

3. Present Designation and Grade:

4. Total service:  (a) <5  (b) 6-10  (c) 11-15  (d) 16-20  (e) 21 above

5. Age group:  (a) 21-30  (b) 31-40  (c) 41-50  (d) 51-60

6. Place of Birth:  (a) Rural  (b) Urban  (c) Semi-urban

7. Marital status:  (a) Married  (b) Un-married.

8. Father's occupation:
   (a) Same as mine  (b) Agriculture  (c) Technical  (d) Industrialist  (e) Govt. service  (f) Business  (g) others.

9. Sex:  (a) Male  (b) Female

10. Education:
    (a) Primary  (b) Secondary  (c) Graduate  (d) Post-graduate  (e) Technical  (f) Professional

11. Computer knowledge:  (a) Yes  (b) No

12. Community:  (a) S.C.  (b) S.T.  (c) Back wards  (d) Others

13. Scale of pay (in total):
    Present Basic  (a) Up to 5'000
    Allowances  (b) 6-10'000
    Total drawn:  (c) 11-15'000
    Deductions  (d) 16-20'000
    Take Home Pay  (e) 21- above
14. Number of Promotions:  
   (Including assignments)  
   | 0 | 1 | 2 | 3 | 4 | 5 | 6 |  

15. Your Union Affiliation:  
   (a) AIBEA  
   (b) NCBE  
   (c) BEFI  
   (d) INBEF  
   (e) NOBW  
   (f) AIBOC  
   (g) AIBOA  
   (h) INBOC  
   (i) NOBO  
   (j) none  

16. Earlier Appointments if any and number of years worked. 

17. What was the reason for leaving it & joining the Bank?  
   (a) Better Salary  
   (b) Job Security  
   (c) Better Work Conditions  
   (d) Better Promotions  
   (e) Dignity of Labour  
   (f) no other choice  

Part-II  
(Personnel Policies/Relations)  

18. Are you aware of personnel policies of your Bank?  
   (a) yes  
   (b) no  

19. Who frames the personnel policies of your Bank?  
   (a) Board of Directors  
   (b) Personnel Department  
   (c) Committee on Personnel Management  
   (d) Indian Bank Association  

20. Are you satisfied with Communication of personnel policies of your Bank?  
   (a) Highly satisfied  
   (b) Satisfied  
   (c) Dissatisfied  
   (d) Cannot say  

21. Do you feel you are involved in framing of the personnel policies?  
   (a) Yes  
   (b) no  

22. If no, in which particular manner you wish to be involved in such circumstances-  
   (a) Opinion poll/voting  
   (b) Through my union  
   (c) Direct representation  
   (d) Cannot say
23. Are you satisfied with the personnel policies of your Bank?
   (a) Highly satisfied
   (b) Satisfied
   (c) Dissatisfied
   (d) Cannot say

24. How do you feel the method of recruitment of your Bank?
   (a) Extremely fair
   (b) Fair
   (c) Unfair
   (d) Cannot say

25. How is the placement policy of your Bank?
   (a) Highly satisfied
   (b) Satisfied
   (c) Dissatisfied
   (d) Cannot say

26. Did you undergo before your placement any of these?
   (a) Special training  (b) Apprenticeship  (c) Probation  (d) Part-Time work

27. Was it satisfactory and uniform to all of your cadres?
   (a) Yes    (b) no

28. If no, for which cadres it is exempted? Specify-

29. Which method of Training do you prefer?
   (a) On the job
   (b) Off the job
   © Job rotation
   (d) Others if any

30. What is the promotion criterion of your Bank?
   (a) Seniority
   (b) Efficiency
   © Seniority-cum-efficiency
   (d) Seniority-cum-merit

31. Are you satisfied with the existing promotion policy of your Bank?
   (a) Highly satisfied
   (b) Satisfied
   © Dissatisfied
   (d) Cannot say
32. How do you feel the Transfer policy of your Bank?
   (a) Highly satisfied
   (b) Satisfied
   © Dissatisfied
   (d) Cannot say

33. Specify the reason of transfer with number of times -
   (a) On promotion/seniority ________
   (b) On the need of the Bank ________
   © On your request ________
   (d) As a procedure ________
   (e) As a penalty ________
   Total number of times transferred- ________

34. Wage and Salary policy of your Bank is 
   (a) Highly satisfied
   (b) Satisfied
   © Dissatisfied
   (d) Cannot say

35. What is your opinion about the wage/salary policy of the Bank?
   (a) Adequate
   (b) Inadequate
   © Fair
   (d) Cannot say

36. Name the component of your wage/salary that is in adequate

37. Name the component, which is not given to you when compared with the similar Bank-

38. Name the component that is given only by your Bank and not given by the other Bank-

39. Do you think your wage/salary is in proportion with the nature of your job?
   (a) Yes  (b) no

40. Your Take-Home Pay is satisfactory or not
   (a) Yes  (b) no

41. Do you borrow for your routine expenditures before your payday?
   (a) Very often (b) often © less often (d) none
42. What are the main superannuation or retirement provisions of your Bank?

(a) Provident Fund  (b) Gratuity  © Family pension  (d)____________________

43. Are you satisfied with wage/salary settlements between Union and IBA?

(a) Highly satisfied  
(b) Satisfied  
© Dissatisfied  
(d) Cannot say

44. Are you satisfied with the Bonus/Incentives/Benefits given by the Managements?

(a) Highly satisfied  
(b) Satisfied  
© Dissatisfied  
(d) Cannot say

45. Are you satisfied with the Leave Rules and Policy of the Bank? (If not suggest what modification to be done in brief at the end of page)

(a) Highly satisfied  
(b) Satisfied  
© Dissatisfied  
(d) Cannot say

46. What is the duration of Leave Travel concession? If given____________________

47. How is the employee’s grievances settlement procedure in your Bank?

(a) Highly satisfied  
(b) Satisfied  
© Dissatisfied  
(d) Cannot say

48. How is the attitude of your management towards new/women employees and settlement of their grievances?

(a) Highly satisfied  
(b) Satisfied  
© Dissatisfied  
(d) Cannot say
49. Do you have/had any grievance against the management? Regarding-
(a) Selection (b) Probation
© Confirmation (d) Promotion
(e) Transfer (f) Leave
(g) Business Hours(h) Indiscipline
(i) Discriminations__________

50. Who is responsible in your opinion to handle such grievance in just and fair manner?
(a) Manager (b) Supervisor
© Your union (d) Management
(e) I BA (f)___________

51. The management of my Bank is -
(a) Excellent (b) Good
© Fair (d) Bad

Part-III
(Job Satisfaction)

52. What are your preferences on the job? Please give ranking numbers.

(a) Achieving the Target (b) Work conditions
© Rules & Regulations (d) Supervision & control
(e) Assuming responsibility (f) Relation with others
(g) Wage/Salary (h) Incentives/Benefits
(i) Recognition/Appraisal (j) Job security
(k) Customer service (l) Status
(m) Promotions (n) Family welfare

53. What reason made you to join for the Bank job?
(a) Better Pay (b) Better promotions
© Interest in job (d) got no other job

54. Do you feel you have got a right & satisfactory job?
(a) Highly satisfied (b) Satisfied
© Dissatisfied (d) Cannot say
55. How do you feel your work?
   (a) Fascinating
   (b) Routine
   (c) Challenging
   (d) Boring

56. Please mark the percentage you feel that your abilities are exploited (used) in this job?
   (a) 100%
   (b) 75%
   (c) 50%
   (d) 25%

57. Do you feel your job is difficult?
   (a) Yes
   (b) No

58. Do you get an opportunity to do the things you feel best while on the job?
   (a) Yes
   (b) No

59. Are you satisfied with your Working Hours?
   (a) Yes
   (b) No

60. Do you feel you are secure in your job?
   (a) Yes
   (b) No

61. Do you feel always employees have to agitate to get better wages, bonus, better work conditions etc.,
   (a) Yes
   (b) No

62. If you are offered with a job in some other organization with no change in status/ - emoluments will you –
   (a) Accept it
   (b) Refuse it

63. Does your job give you mental satisfaction?
   (a) Yes
   (b) No

64. Do you frequently apply for Leave due to work strain?
   (a) Yes
   (b) No

65. Do you get Leave whenever you apply?
   (a) Yes
   (b) No

66. Do you feel your family is happy with your job, pay, facilities etc., getting in your present Job.
   (a) Yes
   (b) No

67. Do you feel there is scope for your growth in the present organization?
   (a) Yes
   (b) No
68. Do you feel you have co-operation of your colleagues?
   (a) Yes  (b) no

69. Do you feel you were better in your job before-
   (a) Nationalisation
   (b) After nationalisation
   © No change.

70. Do you feel enjoyed when you render service to the customer -
   (a) beyond your capacity
   (b) within your capacity
   © with great precaution

71. How do you feel your job?
   (a) as opportunity to serve
   (b) as employment
   © as no alternative

72. Do you feel physical work conditions are satisfactory?
   (a) Yes  (b) no

73. Do you prefer computerisation to what extent?
   (a) 100%  (b) 75%
   (c) 50%  (d) 25%

74. Do you agree with the recommendations of the Narasimhan Committee on the Reforms?
   (a) Yes  (b) no
   (If no, on what particular aspects you disagree specify in brief at the end of the page.)

75. What are your preferences for bringing improvement in job satisfaction amongst the Bank employees? (give your preference number)
   (a) Promotion policy ______
       © Hike in incentives ______
   (b) Hike in wages/salary ______
       (d) Job rotation ______
   (e) Job enrichment ______
       (f) Transfer policy ______
   (g) Work conditions ______
       (h) Inter personal Relations ______
   (i) Communications ______
       (j) Appraisal system ______

76. How do you accept the changing Technologies in the Banking Business?
   (a) Excellent  (b) Good
       © Fair  (d) Bad

77. Do you practice any of the following to release your stress on the job?
   (a) Yoga  (b) Meditation
       © Listening Music  (d) None
   (e) If any ____________________________________
(78) How do you feel about your present job?
   (a) Work atmosphere is very congenial
   (b) Brings no better reward
   (c) Nothing happens if worked more
   (d) Nothing happens if worked less

(79) What reason do you attribute for the common unrest amongst the employees?
   (f) In-adequate wages/salary
   (g) In-adequate Incentives, Benefits
   (h) Transfer policy
   (i) Computerization
   (j) Privatization

(80) Which particular demand is not complied in the VII Bi-partite agreement between Union and IB A specify-

Your Suggestions please-

-ooHoo-
LIST OF BANKS: [Reference to Page-8]

(a) State Bank Groups: [1+7=8]
1. State Bank of India
   State Bank Subsidiaries-
   i. State Bank of Bikaner and Jaipur
   ii. State Bank of Hyderabad
   iii. State Bank of Indore
   iv. State Bank of Mysore
   v. State Bank of Patiala
   vi. State Bank of Saurashtra
   vii. State Bank of Travancore

(b) Nationalised Banks: [14+6=20]
Banks Nationalised during July'1969-
1. Allahabad Bank
2. Bank of Baroda
3. Bank of India
4. Bank of Maharashtra
5. Canara Bank
6. Central Bank of India
7. Dena Bank
8. Indian Bank
9. Indian Overseas Bank
10. Punjab National Bank
11. Syndicate Bank
12. United Commercial Bank
13. Union Bank of India
14. United Bank of India

Banks Nationalised during April’1980-
1. Andhra Bank
2. Corporation Bank
3. New Bank of India (now merged with PNB)
4. Oriental Bank of commerce
5. Punjab and Sindh Bank
6. Vijaya Bank

Private Sector Banks (OLD-24)
1. The Benares State Bank Ltd.
2. Bharat Overseas Bank Ltd.
3. The Catholic Syrian Bank Ltd.
4. City Union Bank Ltd.
5. The Dhanalakshmi Bank Ltd.
6. Development Credit Bank Ltd.
7. The Federal Bank Ltd.
8. The Ganesh Bank of Kurundawad Ltd.
10. Karnataka Bank Ltd.
11. Lord Krishna Bank Ltd.
12. The Karur Vysya Bank Ltd.
13. Bank of Madura Ltd.
14. Nainital Bank Ltd.
15. The Nedungadi Bank Ltd.
16. The Bank of Rajasthan Ltd.
17. The Ratnakar Bank Ltd.
18. The Sangli Bank Ltd.
19. SBI Commercial and International Bank Ltd.
20. The South Indian Bank Ltd.
21. Tamilnad Mercantile Bank Ltd.
22. The United Western Bank Ltd.
23. The Lakshmi Vilas Bank Ltd.
24. The Vysya Bank Ltd.

**Private Sector Banks (NEW-9)**
1. Bank Punjab Ltd.
2. Centurion Bank Ltd.
3. Global Trust Bank Ltd.
4. H D F C Bank Ltd.
5. I C I C I Bank Ltd.
6. I D B I Bank Ltd.
7. Indusind Bank Ltd.
8. Times Bank Ltd. (now merged with HDFC Bank Ltd]
9. U T I Bank Ltd.

**Foreign Banks In India (43)**
1. ABN-AMRO Bank N.V.
2. ANZ Grindlays Bank.
3. Abu Dhabi Commercial Bank Ltd.
4. American Express Bank Ltd.
5. Arab Bangladesh Bank Ltd.
6. Bank International Indonesia Ltd.
8. Bank of America NT & SA Ltd.
9. Bank of Bahrain and Kuwait BSC Ltd.
10. Bank of Ceylon Ltd.
12. Barclays Bank PLC Ltd.
13. Chase Manhattan Bank N A Ltd.
15. Cho Hung Bank Ltd.
16. Citibank N.A. Ltd.
17. Commerz Bank AG Ltd.
18. Credit Agricole Indosuez Ltd.
19. Credit Lyonnais Ltd.
20. Deutsche Bank AG Ltd.
21. Dresdner Bank AG Ltd.
22. Fuji Bank Ltd.
23. Hong Kong Bank Ltd.
24. Ing Bank Ltd.
25. K B C Bank N.V. Ltd.
26. Krung Thai Banking Public Company Ltd.
27. Mashreq Bank psc Ltd.
29. Oman International Bank S A O G Ltd.
30. Overseas Chinese Banking Corporation OCBS Bank Ltd.
31. Societe Generate Ltd.
32. Sonali Bank Ltd.
33. Standard Chartered Bank Ltd.
34. State Bank of Mauritius Ltd.
35. The Bank of Nova Scotia Ltd.
36. The Bank of Tokyo Mitsubishi Ltd.
37. The British Bank of the Middle East Ltd*.
38. The Development Bank of Singapore Ltd.
39. The Sakura Bank Ltd.
40. The Sanwa Bank Ltd.
41. The Siam Commercial Bank PLC Ltd.
42. The Sumitomo Bank Ltd.
43. The Toronto-Dominion Bank Ltd.
ANNEXURE - II

The two important Reports on the Banking Industry, which have created turmoil in the Structure, Relationship of Management and Employees, in due course leading to total revamping of the Banking System in India.[Reference to page-27]

From Annexure to General Secretary’ Report XXIV Conference 30th December’2000 to 2nd January’2001 at Mumbai (NC-II) a Gist p-50)

Banking Sector Reforms Narasimham Committee’s Report-April 1998. (NC-I & II)

This Committee was appointed under the Chairmanship of M. Narasimham former Governor RBI, on 14th August’1991 to make study on Finance and Banking Sector and to suggest remedies for total improvements, the report (NC-I) was submitted during November month of the same year in a very short span of three months. Some of its recommendations are as follows:

1. Government should not nationalise any more banks.
2. There should not be RBI Liscensing system for opening of bank branches either for Public, Private or Foreign.
3. There should not be restrictions on opening of Private or Foreign Banks in India.
4. RBI should encourage formation or opening of more branches by the existing Foreign Banks in India.
5. RBI should not distinguish between Public Sector Banks, Private Sector Banks or as Foreign Banks.
6. Banks should have sole discretion of fixing interest on their Loans and Advances as well on their Deposits.
7. Reservation for Priority Sector lending should be done away forthwith.
8. The RBI should be revising its rates, SLR and CRR ratios periodically to encourage the liberal capital inflows to the private Banks.

Recommendations of NC-II:
1. Government’s Share holding in Public Sector Banks should be brought down to 33% from the present 51%
   - This is a step towards offering functional autonomy to banks.
   - This will enhance the effectiveness and efficiency of the system.
   - RBI as a regulator of monetary system should not be the owner of a bank.
   - 5% to 10% of the equity of the bank concerned may be reserved for employees of the bank. This will ensure positive stake and involvement.

(At present Government share holding in State Bank of India is not less than 55% and that of Public Sector Banks is not less than 51%)
2. The managements should manage their institutions to enhance Profitability through improvements in productivity and efficiency.

3. All Board appointments to be made by Government on the recommendations of “Appointment’s Board”.
   - Shareholders should elect the Board and the Board in turn to appoint Chairman and Managing Directors.
   - Whole-directors to be increased.
   - Management Committees to be constituted of whole-time Directors.

4. In the Private Banks, “Promotee,” cannot hold more than 40% of shares.

5. Foreign Banks are allowed to set up subsidiaries joint ventures in India.

6. Minimum Capital Adequacy to be increased to 9% by 2000 and 10% by 2002.
   - Banks should be encouraged to access the Capital market instead of Depending on Government.

7. So far Rs 20,000 Crores has been expended to Re-capitalization, which has enabled Banks to write off losses. That means the Government bears the cost of bad debts of Banks. This is not a sustainable option.

8. Net NPAs to be reduced to 5% by 2000 and by 3% by 2002. But in respect of Banks with International presence gross NPAs to be reduced to 5% by 2000 and 3% by 2002 and net NPAs to be reduced to 3% and 0% by these dates.
   - Advances covered by Government Securities should also be treated as NPAs.

9. Asset Reconstruction Company (ARC): Since Asset Reconstruction Fund (ARF) is ruled out the Committee recommends an alternative approach.
   (i) a. Identify hard core NPAs of Banks.
      b. Then determine their realizable value.
      c. Transfer these assets to an “Asset Reconstruction Company” (ARC)
      d. The ARC would issue to the Banks “NPA Swap Bonds” representing the realizable value of the Assets transferred.
      e. ARC could be set up by one Bank or a set of Banks or even in private Sector.
      f. If Banks set up ARC, adequate staff to be provided to ARC by Banks on Transfer or Deputation. There will be rationalization of staff through this method.
      g. For adopting this procedure stamp duties to be minimal and tax incentives to be provided to Banks.

   OR

   (ii) In the alternative the Banks can issue bonds guaranteed by Government.
10. Directed credit to Agriculture and small-scale sector should be on Commercial considerations and on the basis of credit worthiness.

11. Present basis of directed credit may continue. Bank managers should be fully responsible for identifying the beneficiaries. Employment oriented sectors like food processing and fisheries, poultry and dairying to be covered under priority sector lending.

12. In cases of all future loans, Income recognition, asset classification provisioning norms should apply even to Government guaranteed advances in the same manner as far as any other advance.

13. There is a need for disclosure in a pleased manner-pattern of Assets and Liabilities, Foreign Currency Assets and Liabilities, movements in provision Accounts and NPAs.

14. There should be independent loan review mechanism.

15. There should be in-house limits to big clients.

16. There should be computer Audit.

17. Banks should not rely on Capital Markets. It can be only for meeting unforeseen swings and not for regular financing lending operations.

18. There should be no recourse to any scheme of Debt Waiver. This will have serious and deleterious impact on the culture of credit.

19. Co-operative Banks and RRBs:
   i. Co-op Banks and RRBs should reach capital adequacy of 8% in 5 years.
   ii. Capital structure of RRBs to be revived.
   iii. Sponsor Banks to have greater ownership and responsibilities in the operation of RRBs.
   iv. RRBs to continue as low cost credit delivery institution. Wages of employees should be considered accordingly.
   v. Co-op Credit institutions to be delayed to introduced intermediation cost and for providing cheaper NABARD credit to ultimate borrowers.
   vi. The new set up of supervision i.e. “Board for Financial Regulation and Supervision” should also take once NABARD regulation and supervisory function over rural credit.
   vii. Co-op. Banks should come under the discipline of Banking Regulation Act instead of RBI/NABARD.

20. Third Tier Banking- Micro Credit Institutions like Local Area Banks (LABs) with focus on Agriculture, Tiny and Small Scale Industries to be promoted and strengthened.

21. Legal framework to be strengthened:
   a. Debt Recovery Tribunal to be given adequate powers.
   b. Stamp duties to be reviewed.
   c. Banking Act, RBI Act to be suitably amended.
   d. Legal support to Computerisation work.
22. Human Resources:
1. Recruit skilled manpower from open market.
2. Merit based recruitment to take place.
3. BSRBs to discontinue recruitment of officers.
4. Banks to have their own recruitment machinery for recruiting clerks.
5. There is over manning in Public Sector Banks.
6. Staff strength to be determined
7. Surplus staff to be identified and redeployed on new business.
8. If found unfit for new business or found not suitable introduce appropriate VRS and start dialogue with unions.
9. Move over to Bank-wise wage negotiations from industry level negotiations,
   - have Collaborations with Universities and other institutions in India and abroad which offer special training.
10. Training programmes to be changed.
11. Board to determine remuneration at managerial levels taking into account market trends.
12. Delink from Civil Service pay scales.

23. Technology has to be upgraded, introduced in more areas and several segments. Now it is being introduced only in a diluted form.

Recommendations of Mr. Verma Committee:

Another important report of recent times, which affects the Banking Industry in India i.e., also called as Verma Report, which was set up in February’1999. Submitted its report to the Government on 4th October’1999. Constituted for making recommendations to the Government for bringing improvements in the Banking Sector based on which current changes are taking place in the Sector.

The “package offer” of the report relates to:
   i. on Operational Restructuring
   ii. on Financial Recast
   iii. on Organisational Revamping and
   iv. systemic Overhauling

SUGGESTIONS of the Verma Committee: only few of them are as mentioned below,
1. staff strength to be cut by 25% through V R S for the employees (Voluntary Retirement Scheme)
2. five year wage freeze/cuts from November’1997
3. if VRS fails cut wages across the Board
4. sell Foreign Branches
5. Closedown all subsidiaries
6. Rationalise Branch Network
7. Reconstruct Bank Boards with professionals, Industrialists and Financial experts
8. Withdraw Government nominees
9. Appoint CMD/ED with longer tenure two or more depending on the size of Banks.
10. Spend cash Rs.300/400 crores for Technology upgradation
11. Spend cash Rs.1, 100/1,200 crores for VRS.
12. Set up Centre owned "Asset Reconstruction Fund" (ARF managed by Private sector 'Asset Management company')
13. Establish some Supervisory Authority to monitor progress of weak Banks and also ARF Government owned
14. Debt Recovery Tribunal to work on war footing - take up cases from Weak Banks on priority. Weak Banks- United Commercial Bank (UCO), United Bank of India (UBI) and Indian Bank.
15. Financial Restructuring Authority (FRA) should also be set up at the Bank level
16. No narrow Banking- No mergers, No closures unless it is last resort and No privatisation.
17. Packages to be backed up by commitments from Unions and Managements
18. M O U has to be signed between 'Financial Restructuring Authority' FRA and Managements- Commitments to be fulfilled- Performance milestones to be achieved- then only Government will release Funds.
19. Financial Restructuring Authority (FRA) will be the owner of Asset Reconstruction Fund (ARF) -FRA will represent the Government and Vested with powers to - Offer guidance, To give instructions, To oversee the proper implementation of restructuring programmes, course corrections if any to be under separate Authority.
20. Out dated legal enactments to be amended, taking the present day realities and the present day economic business environment.
21. Establishment of Debt Recovery Tribunals (DRTs) to take up weak Bank cases on a priority basis.
22. Separation of employees in the age group of 45 and above
   - Post VRS Staff to be retained and relocated
   - Retrenched employees can be used for Deposit Mobilisation, Recovery of NPAs (Non Performing Assets), Selling new financial markets (all to minimize human suffering)