# FINANCIAL

| No. | Suggestions | Response of the Commission |
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| 13 | | The matter was taken up with Dept. of Posts and Systemic Improvements done in this regard can be seen at https://utilities.cept.gov.in/dop/pdfbind.asl?id=5602 |
| 37* | Banks should be allowed to access ITR Forms, form 26AS from their website by IT Department which would facilitate the process of sanctioning of loans. | |
| 38 | Top management including Board members should be held accountable for loans slipping into NPAs. Officers in the lower levels of hierarchy should not be compelled to follow orders made over telephone or on the social media regarding sanctioning of loans. | As part of "Mission Indradhanush" and Enhanced Access and Service Excellence (EASE) Reforms, reforms have been introduced to increase transparency in prudential lending and risk management through technology. This inter-alia include improved credit policies, setting up of loan management system, Early Warning Signals (EWS), segregation of monitoring and sanctioning roles in high value loans, online end to end One Time Settlement System, changes in Insolvency and Bankruptcy Code (IBC), SARFAESI Act, prevention, timely detection and action on fraud accounts etc. As per RBI guidelines, where staff grievance is noticed, along with borrowers, banks conduct enquiry to fix staff accountability and impose appropriate penalty including filing of complaints in fraud cases with CBI, in a time bound manner. |
| 50* | To curb transactions in black money, a system should be | |

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| | devised which captures the GST paid by an income tax payee over a year, so that he can claim an exemption on that amount ,while filing returns. | |
| **64** | Public Sector Banks (PSB) branches are selling third party products like Insurance, Mutual Funds, Demat accounts, credit cards as mandatory add ons to their products like Savings Account, Term Deposit Account, Loan Accounts etc. and they earn commission on them. | There is a statutory restriction on payment of incentive to bank staff u/s 10(1)(b)(ii) of Banking Regulation Act, 1949 and any attempt at extending incentives to Branch staff for selling insurance products would be in violation of the Act. |
| **69** | In the Finacle system for loan sanction adopted by KarntakaGramin Bank, the loan entry can be done by a clerical level staff and verified by any officer at the branch. This system enables sanctioning and disbursement of loans without knowledge of branch manager. The suggestion is to change the existing system so that the loan amount can be verified through the id of Branch Manager only. | Maker/ checker concept is prevalent in Regional Rural Banks including Karnataka Gramin Bank. All loans are sanctioned by Branch Manager & above. Loan disbursements are entered in CBS and loan documents are passed on to the checker for entry in system which is authorised by Officer/Branch Manager. |
| **82** | 1.There is a need to monitor and regulate commission paid to Direct Selling Agents (DSAs). Branches tend to engage their relatives as DSAs and engage in unethical practices to facilitate earning commission.<br><br>2.There should be a transparent promotion policy to avoid officers strictly following guidelines from being | (i) There is a statutory restriction on payment of incentive to bank staff u/s 10(1)(b)(ii) of Banking Regulation Act, 1949 and any attempt at extending incentives to Branch staff for selling insurance products would be in violation of the Act. (ii) PSBs have complete managerial autonomy to frame their own HR policies. In departmental promotions at junior level, adequate weightage is given to APAR and interview in addition to written exam marks. For promotion to senior management levels posts, two external domain experts are also made part of the Interview |

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| | sidelined during promotions.<br><br>3.Regional Managers in banks get posted as Network Deputy General Managers and mange to continue in the same state or region, thereby continuing to influence the process of sanctioning loans to satisfy vested interest. This defeats the very purpose of rotation of staff every three years being followed by the bank. | Board. |