



BANK OF BARODA

Bank's Publication No.154

**Discretionary Administrative Powers
for Domestic Operations**

(Approved by the Board vide Agenda Item No. O-3, dated 10.09.2007)

Operations & Services Dept., Head Office, Baroda.



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General guidelines while exercising Powers:

- 1) Powers are to be exercised by the concerned functional heads for their area of operation.
- 2) The Chief Manager / Senior Manager at Administrative / controlling Offices will exercise the same powers as delegated to the Chief Managers / Senior Branch Managers posted at branches.
- 3) The Chief Managers / Senior Managers working at branches headed by Executives in Grade / Scale IV/V and above will exercise the same powers as delegated to the Chief Managers / Sr. Branch Managers subject to reporting to branch head. (Extended version of HO: RM: Circular No.89/7 dated 26/09/1997).
- 4) The Executive posted in Staff College, Ahmedabad, Training Centres, Zonal Inspection Centers etc., should exercise administrative powers according to their rank in the matters concerning their respective functions.
- 5) The Officers-in-charge of Training Centers should exercise the powers as per their grades for issues concerning their respective Training Centers.
- 6) While officiating in the next higher grade, the Executives / Officers will exercise powers of that grade.
- 7) While exercising the powers shown in this chart, corresponding guidelines contained in the descriptive portion should be meticulously followed.
- 8) These powers are exercisable by all officers within their respective voucher signing powers.
- 9) All the delegated powers are exclusive of tax, wherever applicable.

CHAPTER - I

CHART SHOWING REVISION IN DISCRETIONARY ADMINISTRATIVE POWERS

1.0 CUSTOMER SERVICES

(Figure in Rupees)

Sr. No.	NATURE OF ISSUE	EMC CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
1.1	In the event of death of the customer:								
	(a) Payment of Balances in the account of the deceased customer to their legal heirs on the basis of :								
	Legal representation such as <u>succession certificate</u> (Limit per party)		----- Full Powers -----			Full Powers	Full Powers	5 lacs	3 lacs
	Indemnity Bond		----- Full Powers -----			Full Powers	5 lacs	4 lacs	2 lacs
	- With Sureties (Limit per party)		----- Full Powers -----			Full Powers	3 lacs	2 lacs	1 lac
	- Without Sureties (Limit per party)		----- Full Powers -----			Full Powers			
	(b) Delivery of Safe Custody Articles								
	Legal Representation		----- Full Powers -----			Full Powers	Full Powers	Full Powers	Full Powers
	Indemnity Bond (With or Without sureties)		----- Full Powers -----			Full Powers	Full Powers	Full Powers (with sureties)	No Powers
	(c) Release of securities pledged in advance accounts (provided the relative advances are adjusted). Value of the securities not to exceed								
	Legal Representation (Limit per party)		----- Full Powers -----			Full Powers	Full Powers	Full Powers	Full Powers
	Indemnity Bond								
	- With Sureties (Limit per party)		----- Full Powers -----			Full Powers	5 lacs	3 lacs	2 lacs
	- Without Sureties (Limit per party)		----- Full Powers -----			Full Powers	3 lacs	2 lacs	1 lac
1.2	In case of lost instruments / receipts								
	a) Renewal / repayment of Term deposits / issuance of duplicate Term Deposit Receipts		----- Full Powers -----			Full Powers	Full Powers	5 lacs	1 lac
	b) Delivery of safe custody articles (with or without sureties)		----- Full Powers -----			Full Powers	Full Powers	Full Powers	No Powers
	c) Refund of amount / issuance of duplicate Bankers' cheques		----- Full Powers -----			Full Powers	Full Powers	Full Powers	2 lacs
	d) Refund of amount of demand drafts / issue of new DD in lieu of reported lost		----- Full Powers -----			Full Powers	Full Powers	5 lacs	3 lacs

Sr. No.	NATURE OF ISSUE	EMC CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
1.3	Guarantees in favor of companies for issuance of duplicate shares / debentures in lieu of original one reported lost. (On behalf of our constituents) Guarantee amount not to exceed (Unsecured portion not to exceed 50% of the amount mentioned in this chart)	----- Full Powers -----				Full Powers	2 lacs	1 lac	0.50 lac
1.4	Prepayment of Term Deposits As per guidelines given from time to time	----- Full Powers -----				Full Powers	Full Powers	Full Powers	Full Powers
1.5	Payment of interest for overdue period on time deposits by effecting as of renewal as per rules.	----- Full Powers -----				Full Powers	Full Powers	Full Powers	Full Powers
1.6	Opening of safe deposit locker by legal heirs of deceased renter.	----- Full Powers -----				Full Powers	Full Powers	Full Powers	Full Powers
1.7	Breaking open of safe deposit lockers in the event of specific request by renter who has lost/misplaced the key or non-payment of rent by renter.	----- Full Powers -----				Full Powers	Full Powers	Full Powers	Full Powers
1.8	Refund of rent on lockers for unexpired portion of lease period.	----- Full Powers -----				Full Powers	Full Powers	Full Powers	Full Powers
1.9	Confidential opinion on constituents to other financial institutions / branches.	----- Full Powers -----				Full Powers	Full Powers	Full Powers	Full Powers
1.10	Solvency certificates to constituents who are contractors, suppliers etc.	----- Full Powers -----				Full Powers	Equivalent to their discretionary aggregate lending powers per party from time to time.		
1.11	Overprinting of customer's names on cheque forms and paying-in-slips.	----- Full Powers -----				Full Powers	Full Powers	Full Powers	Full Powers
1.12	Payment of specific approved instruments viz., Dividend warrants / refund orders etc., (as per instructions issued from time to time).	----- Full Powers -----				Full Powers	Full Powers	Full Powers	Full Powers
1.13	Storage of pledged stocks in godowns without direct access.	----- Full Powers -----				Full Powers	Full Powers	Full Powers	No powers
1.14	Storage of pledged stocks in premises/godowns belonging to parties other than borrowers.	----- Full Powers -----				Full Powers	Full Powers	Full Powers	No powers
1.15	Storage of pledged stocks belonging to different borrowers of Bank in one godown rented or owned by one of the borrowers.	----- Full Powers -----				Full Powers	Full Powers	Full Powers	No powers
1.16	Storage of pledged stocks (heavy items) in open compound.	----- Full Powers -----				Full Powers	Full Powers	Full Powers	No powers

Sr. No.	NATURE OF ISSUE	EMC CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
1.17	Storage of un-pledged stocks in godowns along with pledged stocks.	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers
1.18	Waiving display of Bank's signboards outside godowns containing pledged stocks and allowing putting up the same inside the godowns.	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers
1.19	Approval of drawees (for DA bills as per norms)	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers
1.20	Return of paid cheques on demand to specified constituents / other constituents against an undertaking	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers
1.21	Discretion to quote special rates for remittances and collection facilities (as per bank's guidelines issued from time to time)	Full Powers	Full Powers (Zonal Heads only)		No powers	No powers	No powers	No powers	No powers
1.22	Open accounts in the names of trusts, executors, administrators liquidator and HUF concerns	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	No powers
1.23	Consent to become bankers to share / debenture issues and select branches for the same.	Full Powers	Full Powers	Full Powers (Zonal Heads only)	No powers	No powers	No powers	No powers	No powers
1.24	To authorize acceptance of trusteeship business including Debenture Trust and to give consent to act as such trustees.	Full Powers	Full Powers	Full Powers	No powers	No powers	No powers	No powers	No powers
1.25	To modify approved lists of the Bank in respect of shares / debentures, clearing agents, motor transport companies etc.	Full Powers	Full Powers (only functional head at HO/CO)	No powers	No powers	No powers	No powers	No powers	No powers

1.0 CUSTOMER SERVICES

1.1 Payment of balances / delivery of safe custody articles, release of securities pledged to the Bank in the accounts of the deceased customers, to their heirs on the basis of:

- Legal representation such as Succession Certificate etc.
 - Indemnity Bond
- 1) The claimants must be properly identified in all cases.
 - 2) Interest on savings bank and term deposit balances may be allowed up to the date of payment at the specified rates.
 - If a term deposit receipt is to be prepaid, the Bank may pay interest without charging any penalty.
 - Interest for the overdue period may be paid to the heirs of the deceased, from the date of maturity to date of payment at the following rates for overdue period without insisting for renewal of the deposit:
 - a. In the event of payment of deposit being claimed, the branches should pay interest at the applicable rate (as mentioned below in point b & c) without charging penalty.
 - b. In the event of **death of the depositor before the date of maturity** of the deposit, if the amount of the deposit is claimed after the date of the maturity, the branches should pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the branches should pay simple interest at the applicable rate operative on the date of maturity for the period for which the deposit remained with Bank beyond date of maturity.
 - c. In the case of **death of the depositor after the date of maturity** of the deposit, the branches shall pay interest at Savings bank rate operative on the date of maturity from the date of maturity till the date of payment, as per RBI guidelines.
 - In case of Current a/c and Cash Credit a/c of deceased individuals and sole proprietors' simple interest applicable to Savings Bank a/c to be paid on credit balance till date of payment. No interest is to be paid if current a/c and cash credit accounts are in the names of joint individuals, partnership firms, HUF etc.
 - In case of Savings Bank a/c normal interest as per Savings Bank rule, be paid from the death of the account holder or period up to which interest paid last till settlement of claim.
 - 3) The procedure to be followed by the Bank in case where the packet purported to be containing the 'Will' is deposited with the Bank for safe custody:
 - On the application of any one of the heirs or executors of the 'Will'.
 - The applicant must produce the Death Certificate of the Testator.
 - The packet purported to be containing the 'Will' of the deceased must be opened in the presence of the parties i.e. the heirs or the Executors making the application and one of the officers of the Bank.
 - The original 'Will' may be handed over to the Executors, if all are consenting.
 - The original 'Will', however, should be handed over to such a person who produces Court's order, or should be forwarded to the Court on service of the Court's Summons upon the Bank.
 - After opening the cover containing the 'Will', if all the Executors do not agree as to whom the original 'Will' should be handed over, the Bank officer must put the original 'Will' in a cover, seal the cover and redeposit it with the Bank again in the presence of parties.

- 4) Following documents are to be obtained and duly verified before payment of balances / delivery of safe custody articles, release of pledged securities in each case :

AGAINST LEGAL REPRESENTATION	AGAINST INDEMNITY BOND
<ul style="list-style-type: none"> • Death Certificate 	<ul style="list-style-type: none"> • Death Certificate
<ul style="list-style-type: none"> • Claim application in the prescribed form No.33 as per Page No.128 of BOI – Volume I – Appendix X and Surety letter as per Page No.132 of BOI – Volume I – Appendix XI 	<ul style="list-style-type: none"> • Claim application in the prescribed form No.33 as per Page No.128 of BOI – Volume I – Appendix X and Surety letter as per Page No.132 of BOI–Volume I– Appendix XI
<ul style="list-style-type: none"> • Legal representation i.e. succession certificate or letter of administration or probate of Will 	<ul style="list-style-type: none"> • Credit reports on claimants, sureties.
<ul style="list-style-type: none"> • Stamped receipt for amount paid or discharged safe custody receipt or receipt for delivery of securities pledged to the Bank. 	<ul style="list-style-type: none"> • Indemnity Bond in the prescribed form APPENDIX VII – Volume -1 – page No.124.
<ul style="list-style-type: none"> • Consent letter to be sent by the other claimants (as per Page No.133 of BOI – Volume I – Appendix XII) 	<ul style="list-style-type: none"> • Stamped receipt for amount paid or discharged safe custody receipt or receipt for delivery of securities pledged to the Bank.
	<ul style="list-style-type: none"> • Consent letter to be sent by the other claimants (as per Page No.133 of BOI – Volume I – Appendix XII)

- 5) In case where claims are based on legal representation:
- Particulars of accounts and balances therein as on the date of death of account holder, mentioned in the legal documents, are to be verified with corresponding particulars in the ledger accounts.
 - If any discrepancy is found in the legal document, it must be got duly rectified. However, if the amount mentioned in the legal document differs from balance in ledger account due to accrued interest, payment may be made after obtaining an indemnity bond for the differential amount.
- 6) In case where payment of balances / deliver of safe custody articles / release of securities is to be made on the basis of indemnity bond:
- Cost of stamp paper must be recovered from claimants.
 - One or two sureties considered good for the amount involved as may be decided by the sanctioning authority and all the claimants and heirs must execute an indemnity Bond. Requirement of sureties may be waived in exceptional cases.
- 7) For payment of balances or delivery of safe custody articles to non-resident Indians, branches are advised to refer to RBI through Zonal Authorities.
- 8) Credit balances of any amount in the accounts of a deceased customer can be paid to the heirs/survivors without insisting on Legal Representation subject to observing usual safe guards as given above. But in all such cases, Indemnity Bond should be obtained from the claimants.
- 9) When all the heirs are not ready to sign claim form and indemnity bond, legal representation / succession certificate be insisted upon by the branches.
- 10) The above guidelines are also applicable in respect of other assets like articles kept in the Bank's securities held against advances after adjustment thereof, if any, etc. of the deceased customers to legal survivors / claimants.

- 11) In case of joint accounts and safe custody articles held in joint names, the credit balances / delivery of safe custody articles should be given to the surviving account holder in case the authority to deliver to the survivor was obtained at the time of accepting deposits / safe custody articles.
- 12) In case where claims are based on nomination:
 - Branch should ensure that the identity of the nominee is established to its satisfaction.
 - Payment / delivery of articles to be effected on obtaining an application in prescribed format (Form No.352) accompanied by a certified copy of death certificate and against an acknowledgement by the nominee.
 - In case of safe custody articles, the same to be delivered only after an inventory is made in the form of inventory (Form No.350). The relative receipt should thereafter be obtained duly discharged.
 - In case of deposit account, balance to be paid by Bankers' Cheque.
 - In case nominee is a non-resident, RBI's prior permission to be obtained for payment of balance / delivery of articles.

1.2 i) Renewal / repayment of term deposits, issuance of duplicate term deposit receipt.

ii) Delivery of safe custody articles.

iii) Refund of amount of Bankers' cheques, drafts/issue of new BC, DD in lieu of reported lost.

Where the relative receipt/instruments are reported lost:

- 1) The branch must obtain an application in writing from the constituent and record the reported loss of original receipt / instrument in the relative registers, ledgers and system.
- 2) The applicants must be properly identified in all cases.
- 3) In case where demand drafts are reported lost:
 - Confirmation of drawee branch must be obtained to the effect that
 - a) the draft in question still remains unpaid and
 - b) they will exercise caution if the original instrument is presented for payment.
 - If the purchaser and payee is one and the same person, a declaration must be obtained from him that the draft was not endorsed in favor of a third party.
 - However, in case of Demand Draft up-to Rs.5,000/- (Page 31 BOI Volume II) reported lost, Branches can issue duplicate drafts against indemnity / sureties as the case may be, without waiting for non payment confirmation from the drawee branch.
- 4) When a fixed deposit receipt is reported lost, a duplicate receipt may be issued only if:
 - the remaining maturity period of deposit exceeds 12 months, or
 - the depositor requires a loan against the deposit.

In all other cases, only a letter of acknowledgement of deposit may be given to the depositor.
- 5) Indemnity Bond as per APPENDIX - IV & V (Page No.418 and 419 Book of Instructions, Volume-I), is to be obtained in the prescribed form in all cases. One or two sureties, considered good for the amount involved, must execute the indemnity along with the constituent. The requirement for sureties may be waived in the following circumstances:
 - If a term deposit represented by a lost receipt is renewed for a further period of at least 12 months, or
 - In special cases, where the constituents maintain well-conducted accounts with the Bank.
 - Indemnity obtained for issuance of fresh DD in lieu of DD reported lost must be executed by the payee also. (This requirement may be waived in special cases by authorities in the level of Regional / Chief Managers and above).

- 6) In cases where safe custody receipt is lost, no duplicate receipt should be issued in lieu of the safe custody receipt reported lost and articles should be delivered against an indemnity signed by the depositor and one / two sureties considered good for the amount involved. In the meanwhile, if the depositor requires a receipt he may be given an acknowledgement as per APPENDIX – VII of Chapter –IV (Page No.302 of Book of Instructions – Volume-2). The draft of indemnity bond is given in APPENDIX –VIII Chapter –IV (Page No.303 of Book of Instructions – Volume -2).

1.3 Execution of guarantees in favor of companies for issuance of duplicate shares/debentures in lieu of original ones reported lost.

- 1) Secured guarantees, up-to the limits specified in the chart, may be provided for issuance of duplicate shares / debentures in lieu of original ones reported lost by the customers. Security offered may be in the form of cash deposit or pledge of approved shares, Government Securities etc in de-mat form.
- 2) In exceptional cases, issuance of unsecured or partly secured guarantees is permitted provided the unsecured portion of the guarantee generally does not exceed 50% of the amounts mentioned in the chart.
- 3) Net worth of the applicant must be at-least twice the amount involved.
- 4) Counter indemnity bond duly signed by the constituents and sureties, if any, is to be obtained. Appropriate documents for creating charge on security in favor of the Bank must also be obtained for secured guarantees secured by Pledge of approved share in De-mat form.
- 5) Although the guarantee is issued for an unspecified period:
 - Security offered to the Bank may be released after a period of -5- years provided the constituents furnishes to the Bank a letter from the beneficiary company to the effect that no claim has been received by it in respect of the shares/debentures reported lost and no person has challenged the issuance of duplicate certificate.
 - Commission at our usual rate may be charged on the guarantee only for a period of -5- years.

1.4 Pre-payment of term deposits:

- 1) In case of deposits standing in joint names, the letter of request and deposit receipt must be signed / discharged by all depositors. Signature of all the depositors may be waived if letter as per APPENDIX-II, PAGE 416 BOI Volume-I is obtained initially.
- 2) Interest is payable on deposits as per the stipulations of Reserve Bank of India directives issued from time to time. In case of staff deposits the rate of interest applicable for the period for which the deposit has run, is to be allowed at the time of prepayment.
- 3) Regional Authorities are to be referred for their prior sanction when term deposits exceeding Rs.100/- lacs are prepaid in any case (PAGE 338 BOI Volume-I).

1.5 Payment of interest for overdue period on time deposits:

Payment of interest is to be made in accordance with the guidelines issued by the Bank from time to time.

1.6 Opening of Safe Deposit Locker of a deceased Renter by his legal heirs:

- 1) On production of satisfactory evidence heirs of a deceased renter may be permitted to open the locker and make an inventory of contents for the purpose of obtaining succession certificate or any other legal representation. The locker is to be opened in the presence of two witnesses known to the Bank, custodian of lockers and another officer.
- 2) Delivery of the contents of the safe deposit lockers to the heirs of the deceased renter is to be dealt within terms of item 1.1.
- 3) Procedures prescribed in BOI Volume -2 must be followed in all cases.
- 4) In case of nomination, procedure given in Point No.4.1.11 BOI Volume II Page No.261 & 262 to be followed and contents to be delivered to the nominee and other joint holders of the locker in the presence of the witnesses.

1.7 Breaking open safe deposit lockers in the event of:

- Specific request by renter who has lost/misplaced the key.
 - Non-payment of rent by renter.
- 1) The locker is to be drilled open only by the manufacturer's own mechanic/authorized representative.
 - 2) In cases where the renter reports loss of key:
 - The renter is to be properly identified.
 - A written application requesting the Bank to arrange for opening of locker is to be obtained.
 - The renter must be advised that the entire cost of breaking open the lock as well as fitting a new lock is to be borne by him/her.
 - Adequate amount of deposit must be obtained from the renter in advance to cover the approximate cost as above.
 - The renter must remain present when the locker is drilled open. In case of lockers rented in joint names, all the renters may remain present or they may authorize in writing one of the renters to be present at the time when the locker is to be drilled open.
 - 3) In case where the rent on lockers becomes overdue:
 - I) Before breaking open of lockers the custodian should verify the changes in address intimated by renter and revised instruction if any to debit his savings bank account or any other account maintained with the same branch or other branches for the amount of rent.
 - II) Branches should invariably make formal demand for the rental arrears by sending notices under certificate of posting in intervals of at-least one month. If there is no response within three months, branches should send a notice in Form No.285 by registered post acknowledgement due to the renter/s at the last registered address referring to the notices already given and fixing the date and time for breaking open the locker and inviting him / her / them to remain present at the appointed time and place as per draft given in APPENDIX -III - Chapter-IV BOI Volume-2 Page No.293. This schedule of time should be strictly adhered to and in the event of any change, another registered A.D. notice as per the same draft should be sent to the renter/s incorporating therein an additional line "that the second notice is given as the locker could not be broke open on the first appointed day". However, in order to maintain the schedule, it will be necessary to fix the day and time in consultation with the manufacturer for breaking open the locker.
 - III) At least 3 notices requesting for payment of overdue rent are to be sent under certificate of posting at reasonable intervals (Form No.277/278/279).
 - IV) It should be ensured that the locker is broken open within a period of six months from the date rent became overdue.

- V) If there is no response from the renter within the stipulated time, the locker may be got drilled open by the manufacturer's mechanic and thereafter the branch may proceed as per condition No.4 and /or 14 of rules for the vault/lockers as given on the reverse of the **memorandum of letting** (PAGE 297 BOI Volume-II). **It should be ensured that the correct locker which is to be broken open is shown to the manufacturer's mechanic.**
- VI) At the time of breaking open the locker, in addition to the Branch Manager or joint Manager/Custodian /Officer who looks after the work of lockers, two respectable persons known to the branch (not being the members or ex-members of staff) should also be present. They should sign the inventory of the items found in the locker. If nothing is found in the locker, a statement to this effect should be prepared and signed.
- VII) After making an inventory, the contents, if any, should be put in a box or packet, which should be sealed in the presence of the witnesses. It is also desirable that the approximate weight of the packet so sealed be mentioned at the end of the inventory. The box or packet should thereafter be held in safe custody. A note should be made at the foot of the inventory that the contents mentioned therein have been put into a box/packet and sealed in the presence of the parties and that the same has been kept in the safe custody.
- VIII) The Branches should, thereafter, refer to the Regional Authority for instructions regarding the follow up action to be taken for recovery of overdue rent and delivery of items listed in the inventory. If it is decided to claim arrears etc., a letter as per APPENDIX – IV Chapter-4 Page No.294 BOI Volume -II should be sent to the renter.
- IX) Branches should maintain a register wherein copies of inventories of all the lockers broken open be pasted under authentication.
- X) The Regional Manager is empowered to authorize branches to treat the overdue rent in arrears as irrecoverable and waiver thereof.

1.8 Refund of rent in lockers for unexpired portion of lease period:

- 1) Request for refund of rent pertaining to unexpired portion of lease period may be considered provided the following conditions are satisfied:
 - The renter must submit application for refund of the rent.
 - The renter must be surrendering the locker for genuine reasons, which could not be foreseen at the time when it is rented.
 - The unexpired portion of lease period must be at-least one year.
- 2) Fraction of a year is to be treated as a full year while calculating the period of availing of the locker.
- 3) Rent applicable for the period of availing of the locker (as per our rates schedule) is to be deducted from the amount originally paid by the renter and only the balance amount may be refunded.

1.9 Confidential opinion on constituents to other financial institutions / branches:

- 1) The report is to be prepared as per APPENDIX-IV page No.218 of Book of Instructions – Volume-1. The report may, however, be sent under a covering letter, containing a protective clause that the information is given in confidence and without any responsibility on part of the Bank or any of its officers.
- 2) The net worth of the party on whom the report is being furnished is to be verified with the help of reliable documentary evidence such as wealth tax assessment orders and balance sheet etc.

- 3) The report must be as brief as possible. Means of the constituents are to be indicated through standard phrases given below and not in actual amounts (Appendix IV Page No.28 of Book of Instructions Volume V).

MEANS	STANDARD PHRASE
Rs.10,000/- or less	Very small means
Rs.10,000/- to Rs.25,000/-	Small means
Rs.25,000/- to Rs.50,000/-	Moderate means
Rs.50,000/- to Rs.1 lac	Moderate to fair means
Rs.1 lac to Rs.2 lacs	Fair means
Rs.2 lacs to 3 lacs	Fairly good means
Rs.3 lacs to 5 lacs	Fairly good to good means
Rs.5 lacs to 10 lacs	Good means
Rs.10 lacs to Rs.25 lacs	Very good means
Rs.25 lacs to Rs.50 lacs	Large means
Over Rs.50 lacs	Very large means

- 4) Requests from private parties for confidential reports on the constituents are not to be entertained instead they must be requested to approach through their bankers.

1.10 Issuance of solvency certificates to constituents, who are contractors, suppliers etc:

- 1) Solvency certificate may be issued to a contractor or a supplier who is the Bank's constituents having account relationship of minimum period of one year (may be waived by Regional Manager) on the basis of a specific written request received from him.
- 2) Before issuing the certificate, net means of the constituents are to be verified from documentary evidence such as tax assessment orders, financial statements etc. Conduct of accounts maintained with the branch must also be verified.
- 3) The certificate is to be addressed as "To whomsoever it may concern" and not to any specific party. Protective clauses such as "to the best of our information & belief" and "this is issued in confidence without responsibility on the part of the Bank or any of its officers" are to be invariably incorporated at appropriate places in the certificate.
- 4) Transmission of solvency certificate by means of a telegram is not permitted. The certificate must be sent to the authorities specified by the constituent in a sealed cover.
- 5) Care may be exercised in case where the operations in the account of the constituent indicate that balances have been built up very recently to qualify for a higher rated solvency report.

Note: These powers will automatically be increased or decreased as and when revision takes place in the discretionary lending powers by the competent authority. The aggregate per Party limit includes secured as well as unsecured limits.

1.11 Overprinting of customer's name on cheque leaves and paying-in-slips:

- 1) The facility may be extended only to valued clients (maintaining satisfactory KYC Compliant a/c and cheques should not have been frequently returned unpaid for financial reasons) against their specific request.
- 2) Overprinting names is allowed at the place of signature.
- 3) The cost of overprinting is to be borne by the Bank.

1.12 Payment of following specific approved instruments as per instructions issued from time to time:

- 1) Instruments received from other Banks being the proceeds of instruments sent for collection payable at places where our Bank has branches.
- 2) Upcountry dividend warrants drawn on other Bank's branches at places where our bank has a branch (only if the constituent is an introduced account holder).
- 3) The realization advices from drawee branches are to be received in reasonable time. Follow up action is to be taken promptly in case of non-receipt of advices.
- 4) The accounting procedure laid down from time to time for payment of dividend / interest warrants / refund orders of our Bank's corporate customers drawn on any of the branches of our Bank and payable at par, should be followed.

The present procedure is as under:

- Paying branches should pay such instruments to the debit of "G/L Special Debit A/c" in their books.
 - Proper record of all such payments should be maintained in a subsidiary register with company wise segment.
 - Claims should be lodged on day-to-day basis with the principal branch (at which the warrants are payable) in the prescribed claim form. For this purpose claim forms accompanied by the paid warrants should be sent under the cover of 'M' schedule to the principal branch by Registered Post/approved courier.
 - Paying branches should follow-up with the Principal branch for early reimbursement. IBT A/c should be debited by the Paying Branch only on receipt of the advice copy of 'M' schedule from the Principal Branch, indicating that reimbursement has been made by the latter to the paying Branch through IBT A/c.
- 5) Branches are authorized to give immediate credit of outstation local cheques etc. upto Rs.15,000/- in terms of Bank's "Cheque Collection Policy" in a properly introduced, satisfactorily conducted, savings and current /overdraft cash credit accounts of individuals provided customers desire the facility subject to fulfillment of the following:
 - a. The facility should be extended only to valued current/savings bank/overdraft/cash credit account holders. The cheques drawn or deposited by such account holders should not have been returned unpaid for financial reason and the loan/advance account should not be NPA.
 - b. Customers should be having account relationship with the branch at least for a period of 6 months and the account should have fulfilled KYC norms.
 - c. The maximum outstanding per individual customer should not exceed Rs.15000/- at any one time.
 - d. The customer should fill in special paying-in-slip (F.No.291) and sign it, while tendering the cheque.

1.13 Storage of pledged stocks in godowns without direct access:

- 1) The facility should be allowed only after ascertaining that the godowns with direct access are not available in that area and the parties have no other alternative arrangements.
- 2) A letter of confirmation in the prescribed form is to be obtained from the borrowers to the effect that the Bank is not responsible for any loss or damage to goods stored in the godowns and that the Bank will have no responsibility if access to the godown is denied.
- 3) A letter of access in the prescribed form must also be obtained from third parties from whom right of access to the godown is required to be secured.

1.14 Storage of pledged stocks in premises / godowns belonging to parties other than borrowers :

- 1) Storage of goods in godowns belonging to third parties (i.e. godowns not owned or rented by borrowers)
- 2) A declaration is to be obtained from the party to whom the godown belongs that they have no lien or charge over the goods and that the goods are stored on account of borrowers for the purpose of taking advance from the bank. They must also undertake to hold the goods free of any lien for future dues and agree to provide right to access to the Bank at all times.

1.15 Storage of pledged stocks belonging to different borrowers of Bank in one godown owned or rented by one of the borrowers :

- 1) Storage of goods pledged by two or more borrowers in a godown owned or rented by one of them may be permitted after obtaining a letter of consent, LDOC -44 from the borrower in whose name the godown stands or rent receipt is issued.
- 2) Separate storage space or labels identifying each borrower's stock should be maintained.
- 3) Separate insurance policies are to be obtained for stocks belonging to each borrower.

1.16 Allow storage of pledged stocks (heavy items) in open compound:

- 1) Stocks pledged as security (in the actual possession of the Bank) are normally to be stored in a godown under Bank's lock and key. In the case of very heavy items which cannot be kept in a godown, the borrowers may, however, be permitted to store goods in an open compound.
- 2) Suitable precautions must be taken in such cases to ensure that the goods stored in open compound are not removed without prior permission from the Bank.
- 3) Quality of stocks stored in open compound must be such that they would not deteriorate in weight, form or properties due to exposure to open air, sun/rain.
- 4) The storage arrangements are to be acceptable to the insurance company, which would cover them against all risks including theft and pilferage risks.
- 5) The open compound is to be secured by a wall or barbed wire fencing and Bank's name board is to be fixed at the entrance or within the compound at a conspicuous place. The compound must also be properly guarded.

1.17 Storage of un-pledged stocks in godowns along with pledged stocks:

- 1) Storage of un-pledged stocks in godowns containing pledged stocks to be allowed only in exceptional cases.
- 2) Such a facility may be allowed to the borrowers only after ensuring that:
 - Other suitable premises to store un-pledged stocks are not available.
 - Godown is very spacious and there is a large space remaining unutilized in the godown where pledged stocks are stored.
 - Goods of hazardous nature are not proposed to be stored along-with pledged stocks.
- 3) Following conditions are to be fulfilled in such cases:
 - Un-pledged stock should be kept segregated from pledged stock and record of storage / delivery of pledged and un-pledged stocks maintained separately.
 - Un-pledged stock should be kept fully insured apart from the insurance of pledged stocks.
 - Borrower should be advised that with regard to un-pledged stock, the godown keeper will act upon his request only after obtaining necessary instructions from the Bank.

- An undertaking should be obtained from the borrower to the effect that un-pledged stock will be held under Bank's lock and key at his sole risk and responsibility. The borrower will also indemnify the Bank for any loss or damage arising out of storage of such un-pledged stock.
- The borrowers should also undertake to remove un-pledged goods when called upon to do so by the Bank.

1.18 Waive display of Bank's sign boards outside godowns containing pledged stock and allow the same inside the godown:

- 1) Request from borrowers, for waiving display of Bank's signboards outside the godowns containing pledged stock, may be agreed to only in exceptional cases.
- 2) Waiving display of godown boards both inside and outside the godown is not permitted.
- 3) Reasons for the request of borrower must be carefully looked into before waiving the display of Bank's sign board outside the godown.

1.19 Approval of drawees for D.A. bills (as per norms):

- 1) Branch authorities are empowered to approve drawees for D.A. bills in respect of facilities sanctioned under their own powers. Executives in the level of Regional Managers, Chief Managers and above may approve drawees for D.A. bills even in respect of facilities sanctioned by higher authorities unless otherwise provided in the sanction.
- 2) Confidential reports on drawees must be obtained at regular intervals from their bankers. Wherever considered necessary, suitable sub-limits may be fixed for bills drawn on each drawee.
- 3) If bills drawn on a drawee are not promptly realized or returned unpaid frequently further purchase of bills drawn on the same drawee is not to be permitted.

1.20 Return of paid cheques on request to:

- Specified constituents.
 - Other constituents against a letter of undertaking.
- 1) Request for return of paid cheques should be obtained in writing from the constituents. In case of limited companies, the written request is to be accompanied by Board Resolution authorizing them to receive paid cheques from the Bank and to execute necessary indemnity letters.
 - 2) Paid cheques are to be returned against a formal undertaking from the constituents to the effect that the returned paid cheques will be preserved as per the guidelines issued on preservation of old records and they will produce the cheques before income tax authorities and other authorities whenever called upon to do so. (Draft of undertaking given in Page No.217 of Book of Instruction Volume -1, Appendix – III). The copies of relevant parts of the paid cheques should be taken out and kept on record.
 - 3) The undertaking as mentioned above need not be obtained from the specified constituents listed below:
 - Central & State Governments.
 - Autonomous Corporation set up by the Central / State Governments.
 - Life Insurance Corporation.
 - Offices of Foreign Governments situated in India.
 - Agencies of the United Nations functioning in India.
 - 4) Indemnity Letter (undertaking) is to be treated as an agreement for the purpose of stamp duty.

- 5) Paid cheques may be returned to the constituents at periodical intervals only after books are balanced and after complying with the following:
 - List of paid cheques returned from time to time is to be prepared and acknowledgement of constituents thereon must be obtained.
 - Confirmation certificate for balance in the account is also to be obtained every time the paid cheques are returned.
 - Statement of account should be thoroughly checked before returning cheques to account holder.
- 6) The facility may be made available without levying any extra charge to the constituents.

1.21 Discretion to quote special rates for remittance and collection facilities:

- 1) Special rates for remittance collection facilities may be allowed to selected constituents on the following considerations:
 - To retain or enhance other types of remunerative business from constituents.
 - To meet competition from other Banks.
 - To replenish cash requirements or dispose of surplus cash balances of the branch.
- 2) The facilities must be reviewed at-least once in every year and a record thereof is to be maintained.
- 3) Branch-wise drawing limits prescribed are to be adhered to while effecting drawings on other branches.
- 4) For further details please refer to HO Circular No.HO:BR:98/152 dated 27.09.2006 and HO:BR:98/173 dated 09.11.2006 on Service Charges. The branches should refer the latest Circular issued by the Bank in this regard.

1.22 Open accounts in the names of Trusts, Executors, Administrators, Liquidators and HUF concerns:

- 1) The accounts of trusts may be opened taking into consideration the following:
 - Trust deed is to be verified to ascertain whether the trust deed has got sufficient provisions permitting to open, operate and close Bank Accounts. Whether the individuals who propose to open account, in fact, have got the power to open, operate and close the accounts. A certified true copy of trust deed must be kept on record.
 - List of current trustees and certified copy of resolution signed by all the trustees in regard to the conduct of the account are to be obtained for scrutiny and record.
 - As all public trusts are required to be registered under Public Trust Acts of respective States, certificate of registration or a certified copy of the entry of the Public Trusts Register must be obtained in such cases.
 - In case of trusts which have no codified constitution or instrument of trust a declaration-cum-indemnity letter (draft given in Page No.119 of Book of Instructions Volume -1, Appendix II) duly signed by all trustees personally must be obtained besides the certificate of Registration or certified copy of entry in Public Trusts Register.
 - Provident Fund accounts are to be treated as trust accounts. If a provident fund is officially recognized by the Income Tax Authorities, a certified copy of relative certificate issued by the Commissioner of Income Tax is to be obtained in addition to other usual credentials.
 - Accounts of trusts having no written constitution may be opened keeping in view the integrity and status of trustees. Where operations on the account are restricted to only some trustees, necessary indemnity duly signed by all trustees, is to be obtained to avoid the Bank being involved in cases of breach of trust by trustees.

- 2) As the Executors derive their title from the testators' Will and the Administrators from the Letters of Administration issued by the courts, it is necessary to obtain certified copies of Will and subsequent original probates in case of the former and original letters of administration in case of latter with a view to ascertain names of the persons so appointed and the extent of authority delegated to them in dealing with the estates of the deceased. These documents are to be registered in the books of the branch.
 - Though the Executors / Administrators constitute a single person in law and either or any one of the two or more executors / administrators can open and operate the account and deal with the estates of the deceased without a written authority from the others, in absence of any mandate to the contrary, the account opening forms may be got signed by all the executors / administrators. At that time, it would also be necessary to have the identity of the executors / administrators established.
 - The instructions in regard to operations on the account are to be obtained in very clear terms.
 - If the executors / administrators have their private accounts, notes of caution must be invariably made on all the related accounts giving cross reference.
- 3) The liquidators, in case of voluntary liquidation, are appointed by concerned companies at their extraordinary general meetings convened for the purpose. Copies of relevant resolutions certified true by the Chairman of the meeting are to be called for to ascertain the authority for operation of the accounts. Specimen signatures of the liquidators are to be verified by one of the authorized officers of the company.
 - The liquidators cannot delegate their powers to third parties and this must be taken into consideration while accepting the operational instructions in the account.
 - In case of official liquidators, who are appointed by courts, accounts cannot be opened with our bank due to the fact that under Section 552 of the Companies Act, 1956, they are required to deposit money into the public account of Government of India with the Reserve Bank of India.
- 4) The accounts of Hindu Undivided Families can also be opened keeping in view of the following:
 - Letter of request, in the prescribed form is to be obtained (Page No.122 of Book of Instructions – Volume-1, APPENDIX – V).
 - Operations on the account are normally to be restricted to 'Karta' of the family. However, if the Hindu Undivided Family business consists of various branches, the 'Karta' may appoint any of the adult coparceners as 'Manager' of a branch with authority to operate the Bank account.
 - Female members in a Hindu Undivided Family are not coparceners and hence they cannot be authorized to operate Bank accounts. Only exception is in the case of a mother who may be allowed to manage the property of Hindu Undivided Family and operate the account if there is no adult coparcener.
 - In case HUF is a partner in the firm, a certain procedure is to be followed for making all co- parceners as partners of the firm and a separate letter is to be obtained as per CO:BR:98/203 dated 01.07.2006.

1.23 Consent to become bankers to share / debenture issues and selection of branches for the same:

Branches are requested to obtain prior approval of respective Zonal Heads for undertaking such business.

CHAPTER – II

2.0 OPERATIONAL ISSUES

(Figure in Rupees)

Sr.No.	NATURE OF ISSUE	EMC/CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
2.1	Authorizing staff members to hold the keys of cash safe, securities safe, safe deposit vault / locker cabinets etc., in joint control.	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full powers
2.2	Deposit of duplicate keys of cash safe, securities safe, safe deposit vault/locker cabinet etc. for safe custody with other branches/ Banks.	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full powers
2.3	Deletion / approval of names in the approved list of Suppliers /printers / architects / contractors / valuers / workshops etc.	Full Powers	Full Powers	Full Powers For respective Zonal Heads/ Regional Heads	Full Powers	No Powers	No powers	No powers	No powers
2.4	Fixation of drawing limits for branches.	Full Powers	Full Powers	Full Powers	Full Powers	No Powers	No powers	No powers	No powers
2.5	External cash verification arrangements for branches.	Full Powers	Full Powers	Full Powers	Full Powers	No Powers	No powers	No powers	No powers
2.6	(a) Authorizing grant of powers of attorney to officers within the powers given to an executive by the board.	Full Powers	Full Powers	Full Powers	Full Powers	No powers	No powers	No powers	No powers
	(b) Authorizing grant of additional signing powers to staff members within the powers given to an executive by the board.	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers (Only DRMs)	No Powers	No powers	No powers
2.7	To approve changes in operational / accounting procedures from time to time.	Full Powers	Full Powers (only functional head at HO/CO)	No powers	No powers	No powers	No powers	No powers	No powers
2.8	To determine: (a) Rates of interest on advances, deposits (excluding interest on staff deposits) etc.	Full Powers (Powers vested with ALM Committee)	No Powers	No Powers	No Powers	No Powers	No Powers	No Powers	No Powers
	(b) Service charges on other types of business subject to stipulations of RBI from time to time.	Full Powers	No Powers	No Powers	No Powers	No Powers	No Powers	No Powers	No Powers

Sr.No.	NATURE OF ISSUE	EMC/CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
2.9	To authorize branches to deal in foreign exchange business and also to approve arrangements with foreign correspondents domestic Banks, agency arrangements with Banks etc.	Full Powers	Full Powers (Only functional head at HO/CO)	No Powers	No Powers	No Powers	No Powers	No Powers	No Powers
2.10	(a) To determine / alter working / business hours , weekly holiday at branches / offices subject to giving adequate Public Notice to the customers.	Full Powers	Full Powers	Full Powers (Zonal heads only)	No Powers	No Powers	No Powers	No Powers	No Powers
	(b) To authorize introduction of mechanization / teller System, courier service etc.	Full Powers	Full Powers	Full powers (Zonal heads only)	No powers	No powers	No powers	No powers	No powers
	(c) to authorize discontinuation of Non Banking Working Days at Rural Branches on account of								
	(i) Adverse effect on Govt. Business	Full Powers	Full Powers GM (O&S)	No powers	No powers	No powers	No powers	No powers	No powers
	(ii) Other reasons	Full Powers	Full Powers GM (PS)	No powers	No powers	No powers	No powers	No powers	No powers
2.11	To revoke and / or restrict the administrative powers delegated to lower levels of management.	Full Powers	Full Powers	Full powers	No powers	No powers	No powers	No powers	No powers

2.0 OPERATIONAL ISSUES

2.1 Authorizing staff members to hold keys of cash safe, securities safe, safe deposit vault/ locker cabinets, etc. in joint control.

- 1) Staff members confirmed in the Bank's services only is to be vested with control of the keys.
- 2) Following norms are to be observed while authorizing staff members to hold the keys in joint control.

Cash Safe	Keys to be held by Head Cashier along-with Branch Manager or Accountant (in exceptional cases officers)
Securities safe	Keys to be held by officer-in-charge of securities along-with Manager or Accountant or any other officer.
Safe deposit vault or strong room	Keys to be held by cashier or custodian of lockers along-with accountant or any other officer. In case cash safe and safe deposit lockers are kept in the same strong room and without separate enclosures, keys should be kept under the joint custody of the Head Cashier and Manager / Accountant / Officer looking after lockers.
Vacant safe deposit lockers	Keys to be held under joint control of custodian of lockers along-with Manager or Accountant or any other Officer.

- 3) Authorities in the level of Regional / Chief Managers and above may authorize variation of above norms in appropriate cases.
- 4) Whenever custody of keys is transferred from one person to another, a record thereof is to be maintained in the Key Register.

2.2 Deposit of duplicate keys of cash safe, securities safe, safe deposit vault / locker cabinets, etc. in safe custody with other branches / Banks :

- 1) Duplicate keys are to be deposited with main branch of our Bank at centers where we have more than one branch. The main branch may deposit its duplicate keys with any other branch.
- 2) At centers where we have only one branch, duplicate keys are to be deposited with local branch of State Bank of India or any of its subsidiaries. If there is no branch of State Bank of India or its subsidiaries, duplicate keys may be deposited with any other Scheduled Bank with prior approval of the Regional Authority.
- 3) If no other Scheduled Bank exists at the place, duplicate keys may be deposited with nearest upcountry branch of our Bank or any other Scheduled Bank. Where duplicate keys are deposited with any other Scheduled Bank, prior approval of Regional Authority is to be obtained.
- 4) The packet / box containing the duplicate keys must be sealed with our Bank's seal. Delivery instructions are to be given in such a manner that only the joint custodians of original keys will be able to withdraw the packet containing the duplicate keys.
- 5) The keys in use and the keys in safe custody should be inter-changed once in a year to ensure that the same set of keys is not constantly operated.

2.3 Deletion / inclusion of names in the approved list of suppliers, contractors, valuers, etc., of

- **Suppliers / Printers**
- **Architects / Contractors**
- **Valuers / Workshops etc.**

1) Interested parties may be asked to submit applications to the Bank giving the following particulars:

- Name of the concern :
- Name/s of Proprietor / Partners / Directors :
- Nature of Business :
- Date of Establishment :
- Address of Head Office :
- Places where branches, if any, are located :
- Turnover, Gist of work done during last three completed accounting years :
- Names and addresses of Bankers :
- Interest of any staff member/Director of our Bank :
- Turnover in Rs. for -3- completed accounting years :

2) Integrity and experience of applicants in their line of business may be verified from independent sources. Report of bankers on the applicants would be helpful in this regard.

3) Where considered necessary, suitable monetary limits maybe fixed for awarding work contracts / purchase orders to the applicants.

4) While placing purchase orders / awarding contracts:

- The usual procedure of obtaining sealed quotations from at least –3 parties on the approved list must be complied with.
- Excessive reliance on only a few approved parties is to be avoided.
- Care should be taken to ensure that there is no possibility of syndication or common understanding amongst the approved parties submitting the quotations to the Bank.

5) Name of a party may be deleted from the approved list for cogent reasons such as failure to meet with business obligation, insolvency or liquidation, malpractices etc.

NOTE: Powers are exercisable by the Zonal / Regional Heads for their respective Zones / Regions only.

2.4 Fixation of drawing limits for branches:

1) Zonal / Regional Authorities may fix limits for drawings on branches under their jurisdiction taking into consideration the following:

- Location of the branch and needs of clientele in the area.
- Expected funds position based on business potentialities.
- Facilities available to the branch for periodical replenishment of its funds.

2) Drawing limits fixed for existing branches may also be reviewed by the Zonal / Regional Authorities whenever need arises.

3) Limits fixed for drawings on branches are to be advised to Head Office.

2.5 External physical cash verification arrangements for branches:

- 1) At branches where cash is under joint custody of Manager and cashier, monthly verification of cash by the Accountant / Officer is to be construed as external verification.
- 2) At branches where cash is under joint custody of Accountant / Officer and Cashier, monthly verification of cash by the Manager is to be construed as external verification.
- 3) On occasions when the Accountant / Officer is away either on leave or on duty and charge of cash is held by Manager along with cashier, the Accountant / Officer must carry out verification of cash immediately on resumption of duty.
- 4) External cash verification by outside officers will be necessary only when Manager is in-charge of cash along with the cashier and no Accountant / Officer is posted at the branch. Regional Authorities may arrange for external cash verification at such branches as under:

Branches located at places where there is a branch of SBI : Once in two months

Branches located at places where there is no branch of SBI: Once in fortnight

- 5) There must be surprise element in the periodical external cash verification. Officers who carry out the external cash verification must submit the report to the Regional Authority immediately on the same day or on the next working day. Rotation of officers for such verification should also be effected.

2.6 Authorizing grant of powers of attorney to officers within the power given to an Executive by Board:

- 1) Executive/Executives holding A1 or A class of Power of Attorney, in terms of the powers delegated to him/them, are empowered to grant Power of Attorney to the Chief Manager, Senior Managers, Managers and Officers for the purpose of signing and executing documents, instruments, deeds etc., on behalf of the Bank.
- 2) Such Executive/Executives holding A1 or A class power of Attorney, before granting power of attorney by further delegation, should satisfy by re-checking/confirming himself that
 - a. The A1 or A class power of attorney held by him contains sufficient power for further delegation (which they normally contain)
 - b. The items for which/in respect of which powers are to be delegated are specifically provided for further delegation in the power of attorney.
 - c. However, such delegation does not include the power to sub-delegate i.e. the specific clause empowering to further delegate should not be there in the Power of Attorney to be issued by the competent authority.
- 3) Detailed guidelines in this regard are conveyed vide circular No.HO:RM:90/5 dated 07.04.1998.
- 4) Signing powers are grade/area specific. Refer to Circular No.HO:BR:93/213 dated 10.10.2001. For CBS branches refer to Circular No.HO:BR:98/126 dated 10.08.2006.

2.11 To revoke and / or restrict the administrative powers delegated to lower levels of management.

Whenever warranted and circumstances demand, Regional Heads and Asst. General Manager heading branch can withdraw the powers of staff in consultation with the Zonal Heads and the concerned staff should be advised the same in writing.

CHAPTER – III

3.0 PREMISES MATTERS

(Figure in Rupees)

Sr.No.	NATURE OF ISSUE	ICOE (P) CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
3.1	Premises on lease on tenancy basis in Bank's name including renewal of existing arrangements for office / residential accommodation (subject to RBI guidelines). Annual rent including taxes and service charges not to exceed at:								
	- Metropolitan Centers	-- Zonal Committee to exercise powers as per area wise norms contained in Premises Policy --							
	- Urban Centers	-- Zonal Committee to exercise powers as per area wise norms contained in Premises Policy --							
	- Other Centers (i.e. Semi-urban and Rural)	-- Zonal Committee to exercise powers as per area wise norms contained in Premises Policy --							
3.2	Facilities to landlords of premises rented by or leased to the Bank by way of: (i) Sanction of loan (a) Metropolitan Centers (b) Urban Centers (c) Other centers (Semi-urban / Rural)	----- Lease sanctioning authorities to exercise powers as per Premises Policy -----							
	(ii) Deposit of Rent (In special cases up to -6- months rent may be allowed)	ICOE(P) Full powers CMD & ED- Up to 3 months rent	Upto months rent 3	Upto months rent 3	Upto 3 months rent	No powers	No powers	No powers	No powers
	(iii) Powers for review of loan	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full powers For regular accounts only	
3.3	Shifting of existing branches/offices to new premises or taking up space (within limits specified in additional item 3.1 above)	Full Powers	Full Powers	Full Powers	Full Powers	No powers	No powers	No powers	No powers

Sr.No.	NATURE OF ISSUE	ICOE (P) CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
3.4	Termination of subsisting lease / rental agreements by mutual consent with landlords.	Full Powers	Full Powers	Full Powers	No powers	No powers	No powers	No powers	No powers
			{Only Z/committee (Premises)}						
3.5	Surrender of branch / office / other premises at various centers	--- Zonal Committee to exercise powers as per area wise norms contained in Premises Policy ---							
3.6	Residential accommodation for eligible executives/officers	--- To be allowed as per prescribed ceiling for each category of Executives/Officers ---							
3.7	To let out on rental/lease basis surplus space available in the premises owned or leased by/to the Bank.	Full Powers	Full Powers	No Powers	No Powers	No Powers	No Powers	No Powers	No Powers
3.8	To authorize disposal of land / building owned by the Bank.	----- Full Powers ----- (Subject to reporting to the Board)			No powers	No powers	No powers	No Powers	No powers

3.0 PREMISES MATTERS

3.1 Lease Rental Agreements

- 1) Selection of Premises on lease or tenancy basis in Bank's name, including renewal of existing agreements for offices / residential accommodation:
 - Premises for new branches included in the approved branch expansion plan of the zone, may be secured after receiving the requisite license / permission from Reserve Bank of India / MCB.
 - Location of premises, whether advantageous or not both from business and security angle.
 - Adequacy of space to meet the requirement of the branch / office for a period of at-least -5- years or lease period whichever is higher.
 - Availability of basic amenities such as water supply, electricity, ventilation, toilets, parking space etc.
 - Floor on which the accommodation is available.
 - Age and appearance of the premises.
 - Efforts should be made to avoid locating controlling administrative office, training establishments in congested / costly locations. In cities as far as possible such offices should be located in the suburbs or even outside the corporation limits where expenses would be comparatively low. Efforts should be made to get assistance of State/Central Government agencies to secure accommodation or otherwise Bank should invite offers through advertisement specifying the Bank's requirements.
 - Efforts should also be made to acquire a branch/office premises which would be suitable for decent office layout and that the productivity of available space is 'optimum'.

2) The lease / rental agreements shall interalia contain clear terms and conditions on the following:

- Taxes and other charges, whether to be borne by the Bank or landlord, clearly mentioning the nature of Taxes.
- Rights of Bank to sub-lease, make additions / alterations etc.
- Maintenance and repair, whether the expenses are to be borne by the Bank or landlord. Nature of repairs to be defined clearly.
- Periodicity for color washing / painting of premises
- First option to the Bank for any additional space that may be available in the premises during the period of lease.
- Landlords undertaking not to rent out the remaining portion of the building to any other Bank for banking purpose.
- Mode of payment of rent, notice period for exercising options available to the Bank etc.
- In case of advance payment of rent to landlord, right of appropriation by Bank of portion of rent towards repayment of the advance.
- Right to remove partitions and other articles from premises.
- Ratio of legal/lease expenses to be borne by the Bank & Landlord to be spelt out clearly.

Standard format of the Lease Deed should be adopted from the Premises Policy guidelines or the relevant Book of Instructions of the Bank. The proposals, which do not conform, to the aforesaid guidelines/RBI guidelines should be reported to the Premises and Equipment Department at Corporate Office, Mumbai.

Further, the following points may also be considered:

- Before taking the premises on lease, branch and Regional Office should ensure itself that the prospective Landlord has clear title to the property or he has sufficient authority to lease the said property.
- If the property proposed to be leased out belongs to a trust or association or club, branch and Regional Office should ensure that constitution, deed of trust, association or club contains sufficient power to lease said property.
- If a part of the lease period is over before executing the lease deed, branch should ensure that lease deed is executed only for the remaining period of the lease. However, if any deviation is to be made, the competent authority may be approached by the branch.
- The lease agreement is to be executed in duplicate and to be duly registered with Sub-Registrar. The duplicate copy may be handed over to the landlord and original to be kept by the Bank.

3) Terms of lease

- Renewal of existing lease agreements may be considered under the powers given in this item, provided the terms and conditions thereof are in conformity with the norms specified above. Where Rent Control Act is not applicable the Zonal Committee (Premises) may consider renewal of lease agreement, where proposed increase in rent does not exceed 50% for rural and semi urban centers, subject to availability of new lease to the Bank for 10 years (5 years certain and 5 years option).
- Discretion to increase the rent for existing premises, which are covered under Rent Control Act, rests only with Estate Management Department, Corporate Office. Rent should not be increased during the currency of lease period. If extension / renewal of lease are not possible on reasonable terms, protection under tenancy act may be sought for the premises.
- Minimum period of lease (preferably certain period) should be 8-10 years. However, negotiation/efforts should aim at 10 years lease minimum.
- On completion of 5 years, escalation at agreed rate as per policy may be permitted.
- 3 months exit clause will be there in Lease Deed. Endeavor be made to match the period of exit clause with period of recovery of Interest Free Deposit (IFD) paid to landlord, if any.

- In case of Currency Chest in leased premises, endeavor should be for longer lease i.e. 20 years and above.
- As far as possible, basement area of the building should be avoided for branch premises, unless otherwise justified properly.
- Option in favour of the Bank as provided for in the lease agreement should be exercised well in time.
- The powers as per the chart are to be exercised by Zonal Committee (Premises) only.
- For exercising the above Discretionary Administrative Powers at Zonal level, a Committee comprising of Zonal Head as Chair person and other Regional Managers in the Zone as members, with a minimum quorum of -3- officials including Zonal Head is to be formed. The decisions when taken are to be advised to Corporate Office, Mumbai for P.S.R.
- All proposals pertaining to premises in Rural and Semi-urban areas and deviating from the Bank norms / RBI norms given under the heading "rent" (sub point 5) are to be referred to ICOE (P)/MCB and the functional head at Corporate Office will sponsor such proposals duly incorporating their observations.

4) Suggested Carpet Area for branch / Office premises:

While acquiring branch/office premises considering the business, computerization, future expansion of business etc., per staff area of 100-150 sq. ft., may be taken into consideration subject to maximum indicative carpet area as under:

Centre	Maximum indicative carpet area	
Rural	93 sq. mts.	(1000 sq ft.)
Semi-Urban	139.5 sq. mts.	(1500 sq ft.)
Urban	186 sq. mts.	(2000 sq ft.) (Residential Area)
	279 sq. mts.	(3000 sq ft.) (Commercial Area)
Metro	186 sq. mts.	(2000 sq ft.) (Residential Area)
	279 sq. mts.	(3000 sq ft.) Commercial Area)

Variance allowed of 15% for rural and Semi-Urban centers and 20% for Urban & Metro Centers. (Excluding Currency Chest, SDV, ATM)

Centre	Maximum indicative carpet area	
Specialized Branches	279 sq. mts.	(3000 sq. ft.) With 20% variance.
Zonal Office	325.5 sq. mts.	(3500 sq. ft.)
Regional Office	325.5 sq. mts.	(3500 sq. ft.)

However, it should be ensured that minimum 25% of the area is available to customers in rural / semi-urban centers and 40% at urban and metro centers.

5) Rent

- a. Rate per sq.ft. p.m for carpet area or for equivalent on conversion in built up area on comparable rental basis but exclusive of service, maintenance and amenities charge:

Category	Power to ZC (P)
Rural	Rs.5/- (including taxes)*
Semi-urban	Rs.10/- (including taxes)*
Urban	Rs.20/- (including taxes)*
Urban (Only for Jaipur, Pune, Surat, Lucknow, Vadodara, Chandigarh)	Rs.25/- (excluding taxes)
Metro (only for Delhi & Mumbai)	Rs.60/- (excluding taxes)
Other Metro (Kolkata, Chennai, Ahmedabad, Hyderabad, Bangalore & Kanpur)	Rs.40/- (excluding taxes)

*Taxes to be borne by the landlords.

Note : Taxes to include society charges, wherever applicable.

Whenever it is felt expedient on a case-to-case basis, taxes may be borne by the Bank either in agreed ratio or in full in addition to rental payment at Rate stipulated herein.

- b. Increase of Rent during renewal

Reasonable increase may be allowed within the norms preferably lower than the rate suggested above in 5(a) as we are sitting tenants.

While processing lessor's request for renewal of lease with increase in rent, apart from factors as stated above, period of banks occupation of the premises, availability of protection under Rent Control Act etc. should also be considered.

- c. Escalation in Rent during Lease/Option period

Reasonable enhancement after 5 years subject to maximum as under:

After 05 years

Rural/Semi Urban	:	20%
Urban	:	25%
Metro (Other than Delhi & Mumbai)	:	25%
Metro (Delhi & Mumbai)	:	30%

Residential Premises:

Residential premises may be taken in individual occupant's name except for Regional and Zonal Manager and Executive Heads of Zonal Inspection Centers for lease period preferably 3 to 5 years.

Wherever, landlords do not agree for lease period of 3 to 5 years, short period of lease including on leave and license basis may be considered on merits of each case by delegated authority.

In place where residential accommodation is available on lease /rent with interest free deposit, delegated authority may sanction interest free deposit up-to 06 months rent in cases also where lease has been made with individual officer / executives with a suitable undertaking from concerned officer / executives that he would ensure recovery of interest free deposit at the time of termination of lease, failing which the amount in default will be recovered from him.

3.2 Loans & Advances to Landlords:

Facilities to landlords of premises rented by or leased to the Bank by way of

- Sanction of loans
 - Deposit of rent
 - Review of loans
- 1) Loans to landlords may be sanctioned for constructions or renovation of premises selected for branches/offices taking the following into consideration:
 - Loan amount not to exceed the limit specified in the chart and cost of construction/renovation etc.
 - Credit report on the borrower to be obtained and verified
 - No advance should be granted to enable the lessor to obtain tenancy rights or to purchase alternative accommodation for themselves.
 - Registered or equitable mortgage of the property to be taken as security for the loan. Valuation report and legal opinion on the property to be obtained.
 - Loan amount together with interest to be recovered in suitable installments within the certain period of lease or within -5- years whichever is less by appropriation of monthly rent. The repayment of the loan should not normally exceed the lease period and in all cases at least 50% rent payable should be utilized for adjustment of loan A/c.
 - Interest rates specified by Corporate Office or as per Premises Policy guidelines from time to time are to be stipulated for such loans. Any concession in rate of interest on such loans requires prior approval of Internal Committee of Executives for premises {ICOE(P)}.
 - 2) Deposit of rent up to the limit mentioned in the chart is permitted if it forms part of the terms and conditions of lease / tenancy agreement. Efforts to be made to deposit -3- months rental and in any case not more than -6- months rental. Keeping "large amounts" as deposit with the landlord requires prior permission of the Reserve Bank of India. Such deposits should be adjustable against rent payable over a period or at the time of surrendering the premises.
 - 3) Powers for sanction of loans, advance payment of rent and deposit of rent are mutually exclusive in nature (for example, if a loan is sanctioned to landlord, advance payment of rent or deposit of rent in the same case is not permitted).
 - 4) TDS to be deducted while making payment of the rent.
 - 5) Branch authorities are empowered to review loans sanctioned to landlords, up-to any amount if the repayment installments are forthcoming regularly. In case there are any overdue installments in the account, review proposals are to be referred to next higher authority. At the time of such review, the Regional Authority should examine compliance of the terms of the lease with particular reference to exercising the option period.

Terms of sanction:

Quantum

Maximum loan to be 75% of cost of construction/renovation or 60 months rent or the rent for initial period whichever is less may be given.

At Metro Centre like Mumbai, where there is a practice of loan not related to cost of construction etc., if necessary, such loan may be considered. The quantum of this loan should not exceed 75% of 60 months rent (Rent means rent net of TDS) or period of lease whichever is less.

Loan quantum to be considered in such a way that the monthly rent payable covers the Equated Monthly installment and interest charged thereon on monthly rests.

Repayment of Advances by landlord:

Within lease period or earlier as stipulated.

Sanctioning authority may fix repayment schedule comprising of equated monthly installments by charging and recovering interest at monthly rest.

The loan may be recovered within the lease period or maximum 5 years, whichever is less.

Rate of Interest on Loan to landlord:

BPLR at the time of sanction + 2% + Interest Tax, if any for rural and semi-urban centers with monthly rest.

BPLR at the time of sanction + 3% + Interest Tax, if any for urban and metropolitan centers with monthly rest.

ICOE (P) is however authorized to allow concession in above interest rates to landlords on case-to-case basis.

The premises loans granted to landlords as above will be treated as term loan and charge interest as applicable at the time of sanction of premises proposal. As such, periodical revision of interest rates should not be made applicable to premises loans and the rate of interest fixed at the time of sanction should remain unchanged.

Interest Free Deposit (IFD):

Up-to 03 months rent, (Rent means rent net of TDS) in special case up-to 06 months rent.

(To be adjusted from last -3/6- months Rent or before surrender of premises)

Either interest free deposit or loan can be considered. Both cannot be considered.

3.3. Shifting of existing branches / offices to new premises or taking up additional space:

- 1) Branches have been given freedom to shift a branch to any location within the centre without seeking prior approval from RBI. However, bank should ensure that the new address is communicated to the concerned Regional Office of RBI after the branch starts functioning from the new address/location. No amendment in license would be required in such cases. The Regional Office concerned of RBI will confirm in writing of having taken on record the new address/location. As such these cases need not be included in the annual branch expansion plan for RBI approval.

The above guidelines are applicable for shifting of branches which are opened after 1st July 2006 i.e. introduction of revised RBI policy. For branches opened earlier to that date, Zone should continue to approach concerned Regional Office of Reserve Bank of India for getting amendment/noting in the original license of the branch before shifting.

- 2) Approval of General Manager (Estate Management), Corporate Office, Mumbai for shifting of a branch / office to new premises is necessary, if the surrender of premises to be vacated involves pecuniary loss to the Bank.
- 3) Norms mentioned under item 3.1 apply *mutatis mutandis* to shifting of existing branches / offices to new premises or taking up additional space. In cases where additional space is taken, the total carpet area and total rent (existing plus additional) shall not exceed the respective limits mentioned in item 3.1.

- 4) Approval of Management Committee of Board is a must in respect of opening, shifting, merger, conversion and up-gradation of extension counter etc. The proposal for opening, shifting and merger should cover the following:
 - a. The correct population group of the centre
(Reserve Bank of India has recently revised population group classification, which can be down loaded from RBI site www.rbi.org.in). It is suggested that the categorization of all the branches in the zone be verified and changes if any, be intimated to Branch Expansion Department, Jogeshwari, Mumbai immediately for correct updating of records and initiating further course of action.
 - b. Major activities of the command area in brief along with justification for opening the branch at that centre. The actual financial performance for three years, projections for next three years, profitability and recovery of capital cost of the new premises upon shifting or opening.
 - c. Approval from the Zonal Committee (P) in respect of premises matters, wherever necessary.
 - d. All proposals should be routed through the zones with the recommendation of the Zonal Head.
 - e. The flexibility ingrained in Branch Expansion Policy should be deftly exploited to optimize banks business. It is reiterated that the provisions of Section 23 of Banking Regulations Act, 1949 should be meticulously observed from corporate governance angle.
- 5) The Branch Expansion guidelines contained in circular No.BCC:GM.PLN.BR.98/968 dated 10.10.2006 are to be followed.

3.4. Termination of subsisting lease / rental agreement by mutual consent with landlords:

- 1) When a branch/office is shifted to new premises, the Corporate Office, Mumbai may authorize retention of vacated premises in the possession of the Bank, if it is required for any other purpose.
- 2) The Zonal Committee (P) is also authorized to surrender the existing premises after shifting to new premises fixed as per delegated powers for business consideration and after following laid down procedure.
- 3) Zonal Committee (P) is also authorized as per delegated powers to surrender the residential premises provided the alternate residential premises is available and finalized within the entitlement of the Manager concerned and Rent Control Act/Tenancy Rights are not available to the Bank. For quarters / residential accommodations, the existing guidelines issued from time to time will apply *mutatis mutandis*.
- 4) Surrendering of any other lease premises should be referred to Corporate Office, Mumbai, with cogent reasons.

3.5 Surrender of branch / office / other premises at various centers

Due to various reasons such as dispute with landlords, dilapidated condition of premises, inadequate space etc. Regional / Zonal Authorities are required to identify alternate premises either during currency or upon expiry of existing lease for branch / Administrative Offices.

The ZC (P) has been authorized to consider and approve the proposals for surrender of premises at rural, semi-urban and urban centers after incorporating the reasons of such surrender in the proposal.

For surrender of premises at Metro Centers, MCB will continue to approve the same hitherto.

Compensation for surrendering premises:

Since a commercial property has great site value, the bank should explore the possibilities of availing compensation from landlord as per market trend.

Acquiring Premises from Trusts:

In addition to the normal procedure followed while acquiring premises on lease, it shall be ensured that the Trust has / will obtain the necessary permission from the Charity Commissioner for entering into a lease, if the period is more than -33- months. Alternatively, negotiation with trust shall be on Leave and License basis for a period of -33- months, to be renewed further for another 3 or 4 equal terms till expiry of our normal lease period.

Lease Expenses:

As a policy the bank has been insisting on registered lease deed and landlords are expected to share the expenses on equal basis. There are several instances in all zones where landlords have refused to share their expenses resulting in non-execution of lease deeds.

ICOE (P) to consider up-to 100% lease expenses by bank on the merits of each case.

MCB is delegated powers to consider all proposals, which are beyond the power of ICOE (P). In urgent cases, ICOE (P) may consider such proposals and to be put up-to MCB for ratification.

Proposal for taking on lease the properties belonging to the staff members and /or their relatives should be referred to the General Manager (Estate Management), Corporate Office, Mumbai.

3.6 Residential accommodation for eligible Executives / Officers:

The following extant norms are to be taken into consideration while securing residential accommodation for eligible Executives/Officers:

Sr. No.	Rank/Designation of Executives	Limit of Area in Sq.ft.	Monthly Rental Ceiling (Rate in Rs. per sq.ft. per month indicated in bracket)				
			Mumbai, Delhi Excl. Taxes	Other Metros Incl. Taxes	Urban Incl. Taxes	Semi-Urban Incl. Taxes	Rural Incl. Taxes
1.	General Manager	1600	12000 (7.5)	10000 (6.25)	8000 (5)	6400 (4)	4800 (3)
2.	Dy.Gen.Manager	1600	12000 (7.5)	10000 (6.25)	8000 (5)	6400 (4)	4800 (3)
3.	Asst.Gen.Manager	1200	9000 (7.5)	7500 (6.25)	6000 (5)	4800 (4)	3600 (3)
4.	Chief Manager/ Regional Manager	1000	7500 (7.5)	6250 (6.25)	5000 (5)	4000 (4)	3000 (3)

Any deviation to be referred to General Manager (Estate Management) for seeking approval of ICOE (P).

Officers in the Grade of Scale I, II & III

(Rent per month)

Sr.No.	Centres	JMG/S I	MMG/S II	MMG/S III
1.	Mumbai & Delhi	4300/-	4450/-	4800/-
2.	Major "A" Class cities (except Mumbai & Delhi)	3600/-	3700/-	4000/-
3.	Area - I	2900/-	3100/-	3200/-
4.	Area - II	2200/-	2400/-	2600/-
5.	Area - III	1800/-	2000/-	2300/-

Note:

- i. The above ceilings should not be treated as entitlements but only as permissible upper limits.
- ii. The above ceilings are exclusive of taxes, which shall be borne by the Bank.

CHAPTER-IV

4.0 DISPOSAL OF OLD AND UNSERVICEABLE ASSETS AND OBSOLETE STATIONERY

(Figure in Rupees)

Sr.No.	NATURE OF ISSUE	ICOE (P) * CMD, ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
4.1	Disposal by sale or auction of old and unserviceable furniture, office equipment, vehicles etc.								
	(a) Written down value of each asset to be disposed of at any one time not to exceed.	ICOE (P), CMD, ED - Full powers	Full powers	5 lacs	3 lacs	1 lac	50,000/-	25,000/-	10,000/-
	(b) Write off on account of loss on sale at any one time not to exceed.	ICOE (P) & CMD Full powers ED 10 lacs	5 lacs	2 lacs	1 lac	20,000/-	10,000/-	5,000/-	2,000/-
4.2	(a) Authorizing adjustment entries in respect of obsolete items of Stationery	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	20,000/-	10,000/-	5,000/-
	(b) Authorizing adjustment entries in respect of obsolete items of Security Forms	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	No Powers	No Powers	No Powers
4.3	Authorizing adjustment entries in respect of written down value of Bank's own articles destroyed by fire, stolen, un-saleable / un-disposable assets. Amount of write off in any case not to exceed.	ICOE (P) & CMD Full powers ED 5 lacs	3.75 lacs	2 lacs	1 lac	25,000/-	10,000/-	No powers	No powers
		----- Subject to reporting to next higher authority -----							

*** As per EMC resolution dated 11.07.07, the powers earlier vested with the EMC will now vest with ICOE (P).**

4.0 DISPOSAL OF OLD UNSERVICEABLE ASSETS AND OBSOLETE STATIONERY:

4.1 Disposal by sale or auction of old and unserviceable furniture, office equipment, vehicles, computers etc.

- 1) In case certain old articles of furniture, office equipment or vehicles have become unserviceable and any expenditure on their repairs is considered uneconomical, they may be disposed off, by sale or auction, in terms of the powers mentioned in the chart. Record of such disposals should be maintained by the respective branch/office.
- 2) Prior permission of Zonal Head is necessary in case the loss arising out of disposal of assets, if any, exceeds the prescribed amounts of the written down value.
- 3) Sale of old and unserviceable assets to staff members at preferential or concession terms is not permitted.

- 4) In case of disposal by sale, sealed quotations must be invited from the interested parties and they must be opened after the time limit for submission of quotations has expired. The quotation, which offers most favorable terms, may be accepted, if it is otherwise in order.
- 5) In case of disposal of assets is by auction, the 'Floor price' or 'reserve price' must be fixed in such a manner that maximum amount is received vis-à-vis the written down value of the asset offered for sale. In case of disposal of old computers, buy back arrangement may be considered.
- 6) In case written down value of assets to be disposed of is not ascertainable for any reason, such case should be referred to Zonal Head with full details.
- 7) Following norms are to be taken into consideration for disposal of old vehicles:
 - It is more than 6 years old and / or it has run more than 1 lac kilometers.
 - The cost of repairs of such vehicles during the last 2/3 years has gone high and hence would justify disposal instead of repairing and incurring recurrent repair charges.
- 8) The delegates should exercise due care while considering proposals for disposal of vehicles and also consider the cost benefits of running old vehicles with repairs vis-à-vis purchase of new vehicles (including benefit of depreciation on new cars).
- 9) Full particulars about such vehicles disposed off and purchase of new vehicles in replacement thereof should be reported to Insurance Department, Head Office, Baroda.
- 10) The branches may refer page No.11 of Book of Instructions, Volume -III for detailed guidelines.

4.2 Authorizing adjustment entries in respect of obsolete items of stationery/security forms:

- 1) Stationery forms, which are obsolete and outdated, may be removed from stock and value thereof may be debited to Profit & Loss Stationery A/c.
- 2) At the end of every half year, an officer of the branch / office may carry out physical verification of stationery/security forms to ensure that no obsolete items are held in stock.

4.3 Authorizing adjustment entries in respect of the written down value of Bank's articles destroyed by fire, stolen articles, un-saleable and un-disposable assets.

- 1). Zonal / Regional Heads are empowered to authorize branches / offices in their zones to pass necessary adjustment entries for the written down value of articles destroyed by fire, stolen articles such as cycles etc., and un-saleable / un-disposable assets after appropriating the amount of insurance claim recovered, if any, and provided the loss in any one case does not exceed the amount mentioned in the chart. Full details of each case should be reported to Premises & Equipment Department. Baroda Corporate Centre, Mumbai.
- 2). Before writing off the amount the authorities concerned must satisfy themselves that all precautionary measures as stipulated by Corporate Office / Head Office from time to time, were taken by the staff concerned to avoid the loss or theft.
- 3). In the case of write off of articles which are un-saleable / un-disposable, it should be ensured that timely and adequate steps had been taken for disposal of the articles and they could not be disposed off in spite of such steps.

CHAPTER-V

5.0 CAPITAL EXPENDITURE (as per norms and within approved budget)

(Figure in Rupees)

Sr.No.	NATURE OF ISSUE	EMC CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
5.1	To acquire on ownership basis land / premises and authorize construction of building (both office and residential premises)- (Inclusive of stamp duty, other legal and incidental expenses). (a) Cost of each property not to exceed. (i) For metropolitan and urban centers	EMC 10 crores CMD 4 crores ED 3 crores	1 crore	No powers	No powers	No powers	No powers	No powers	No powers
	(ii) For other centers	EMC 2 crores CMD 1 crore ED 75 lacs	20 lacs	No powers	No powers	No powers	No powers	No powers	No powers
	(b) Aggregate value of all properties acquired in each financial year.	Within the sanctioned budget		No powers	No powers	No powers	No powers	No powers	No powers
5.2	Structural additions and alterations of capital nature (including construction of safe deposit vault etc.) to the premises owned by / leased to the Bank – - Limit per year per premises (exclusive of taxes)	EMC 60 lacs CMD 40 lacs ED 30 lacs	20 lacs	10 lacs	3 lacs	1 lac	No powers	No powers	No powers
5.3	Additions and replacements of furniture and fixtures, office equipments, vehicles/UPS & Multimedia projector etc., at existing branches (including currency chests) and offices - Cost at any one time not to exceed (exclusive of taxes). NOTE: For purchase of additional car or jeep prior approval of Chairman & Managing Director should be obtained.	Full Powers	20 lacs GM (EM) 30 lacs	15 lacs	10 lacs	2 lacs	50,000/-	20,000/-	10,000/-

Sr.No.	NATURE OF ISSUE	EMC CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
5.4	Purchase of furniture and fixtures, office equipment etc., for new branches / offices or for shifting existing branches / offices to new premises. Cost at any time not to exceed (exclusive of taxes). - For Metropolitan and Urban branches	Full Powers	20 lacs 30 lacs for G.M. (EM) Only.	15 lacs	10 lacs	3 lacs	No powers	No powers	No powers
	- For Semi-urban and Rural branches	Full Powers	10 lacs 20 lacs for G.M. (EM) Only.	8 lacs	5 lacs	3 lacs	No powers	No powers	No powers
5.5	Furnishing / replacement of furniture of residential accommodation provided to eligible staff members (as per norms)	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	No powers	No powers	No powers
5.6	Deposits with local authorities such as Post and Telegraphs, Municipality, Electricity Boards etc.	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers
5.7	Purchase of security gadgets, fire extinguishers etc.	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers
							(For purchase of fire extinguishers only)		
5.8	Purchase of PCs, Printers, Encoders, Sorters, Pass Book printers and other hardware items as per the standard configuration, vendor, prices guidelines communicated by the Department of Information Technology, Corporate Office, Mumbai. (Within the allocated budget) - subject to reporting to next higher authorities.	Full Powers	25 lacs	15 lacs	2 lacs RMs only	No Powers	No powers	No powers	No powers

5.0 CAPITAL EXPENDITURE:

5.1 To acquire on ownership basis land / premises and authorize construction of building:

- 1) In respect of acquisition of properties by the Bank, the following may be kept in view:
 - i) Strategic location or otherwise of the properties.
 - ii) Fair market value of comparable properties (keeping in view the year of construction)
 - iii) Rate of return vis-à-vis pay back period.
 - iv) Valuation report by an approved Government valuer.
 - v) Capital Budget.
 - vi) Permissible FSI as per rules.
 - vii) Whether the building is constructed as per plans approved by competent authorities as also whether statutory requirements in regard to fire fighting equipments / escape ladder etc., have been adhered to.
 - viii) Maintenance liability and its expenses including tax liabilities.
 - ix) General conditions and expected life of the building (This is normally reflected in valuation report).
 - x) Whether it would meet future space requirements and if need be by carrying out additional construction. In other words, whether unutilized FSI is available and if so it would be an added advantage.
 - xi) It be ensured that space being occupied is not included in any development scheme of Local authorities.
- 2) All purchases of properties/buildings and negotiated agreements with landlords for hiring premises involving rentals/interest free deposits exceeding Rs.25 lacs will continue to be reported in prescribed format to CBI as per extant Government guidelines.

5.2 Structural additions and alterations of capital nature (including construction of safe deposit vault / currency chest etc.) to the premises owned by / leased to the bank.

- 1) Expenditure may be incurred only for items included in the approved annual budget. Sanction for urgent requirements, which could not be foreseen at the time of budget formulation, may be released from the amount provided in the approved capital expenditure budget under the head 'contingencies'.
- 2) Consent of local authorities should be obtained for the proposed additions and alterations wherever necessary.
- 3) Structural alterations and additions to premises leased to the Bank are normally to be carried out by the landlord. If the landlord rejects request, particularly when he is keen to get vacant possession of the premises whereas the Bank does not want to surrender the premises, because of its excellent location and it is decided to carry out the alterations / additions at Bank's cost following are to be verified:
 - That the lease deed empowers the Bank to make alterations / additions to the building.
 - That the consent of the landlord, in writing is obtained for proposed alterations / additions.
 - That the expenditure proposed is warranted considering the unexpired period of lease.
- 4) Plans showing existing and revised layout, along with estimates, are to be obtained and verified.

- 5) a. In view of the difficulties experienced in obtaining multiple quotations for **small contracts**, work orders up to a value of Rs.1,00,000/- may be given to any of the approved contractors after ensuring that the rates quoted by him are reasonable. In case, the value of work order exceeds Rs.1,00,000/-, sealed quotations from at least -3- contractors on the approved list are to be invited giving complete specifications of the work.
- b. Other Jobs – The upper limits (As per Board Resolution No.56 of 14.09.2006) are as under:

Limit	
Minor Value (Rs.)	Cut-off limits (Rs.)
Civil works – Rs.5 lacs	Civil work & Other works – Rs.10 lacs
Other works – Rs.2 lacs	Furnishing work – Rs.20 lacs
	Landscape – Rs. 1 lac

- c. Civil work will include repair, addition/alteration/strengthening including painting, plumbing etc.
- d. Furnishing work includes repair/replacement/purchase of loose & fixed furniture/tapestry items etc.
- e. Other works will include electrical / AC work and all other items including payment of consultancy charges for empanelled agencies.

Note:

- i. Small jobs: To be carried out by any of the empanelled contractors after ensuring that rates quoted are reasonable. Competitive quotations/tenders may not be required for these jobs.
- ii. Minor Value work: Value of work which may be carried out by empanelled contractors without displaying on website.
- iii. Cut-off limit: Limited Tender value of work more than minor work, where tender notification shall be displayed on Bank's website only without going in for newspaper advertisement.
- iv. Open tender: Work more than cut off limit are required to be displayed on website as well as in newspaper.

Exceptions:

- This, however, does not arise in case where the Bank has approved exclusively a single agency for certain types of work such as construction of safe deposit vault, etc.
 - In emergent cases or when the interest of the Bank demands, the competent authority may award work without call of tenders up to his powers in this respect. The precise nature of emergency involved should be recorded in writing by competent authority before dispensing with calling of tenders for work costing more than Rs.1 lac and minimum -3- quotations to be invited for the purpose from the existing empanelled vendors.
- 6) While inviting quotations, adequate precautions are to be taken to avoid the possibility of syndication or common understanding amongst the contractors.
 - 7) Sealed quotations are to be acknowledged and opened at one time, after the time limit for submission thereof has expired. All correspondence in this regard is to be carefully preserved for scrutiny by auditors / inspecting officers.
 - 8) Quotation, which offers most favorable terms to the Bank, is to be accepted, if it is otherwise in order.

- 9) Contractor's bills may be passed for payment by an authority not below the level of Regional / Chief Manager after verifying the following:
- Sanction to award work.
 - Layout and value of work order.
 - Date of commencement of work.
 - Progress of work as per schedule.
 - Value of work done till date.
 - Certificate from architects / engineering-in-charge that the work covered by the bill has been done as per specifications and the workmanship conforms to the stipulations of work order.
 - Recommendations of branch authority, wherever applicable.

5.3 Additions and replacements of furniture and fixtures, office equipments, vehicles/UPS/Multi Media Projector etc., at existing branch / offices (including Currency Chest).

- 1) Purchases to be made in accordance with the provisions made in **approved annual budget only.**
- 2) Purchase of standard items of furniture and equipments are to be made only from authorized retail outlets of the manufacturers / dealers. Schedule of rates at which these items are to be purchased are communicated / specified by the Corporate Office / Head Office / Zonal Office from time to time.
- 3) For purchase of articles other than standard items:
 - Sealed quotations from at least three well-known manufacturers / dealers in the area are to be invited.
 - All sealed quotations to be opened at one time, after the time limit for submission of quotation has expired.
 - Quotation, which offers the most favorable terms to the Bank to be accepted. All correspondence in this regard to be maintained for scrutiny by auditors / inspectors.
- 4) Transfer of furniture and equipment from one branch to another requires prior permission of an authority not below the level of Regional Managers.
- 5) If the furniture / equipment sought to be purchased is included in the budget, but the cost thereof exceeds the amount provided, authorities in the level of Regional / Chief Managers and above may sanction the additional cost from the provision made in capital expenditure budget under the head 'contingencies'.
- 6) For purchase of urgent requirements, which could not be foreseen at the time of formulation of budget, Zonal Head may accord sanction from provision made in capital expenditure budget under the head 'contingencies'.
- 7) Zonal heads are empowered to purchase new vehicles in replacement of old vehicles for use at existing branches / offices subject to prevailing guidelines issued by the Bank. However, for purchase of additional vehicle i.e. car or jeep; at existing branches / offices, prior approval of Chairman & Managing Director should be obtained through P&E Dept., at Baroda Corporate Centre, Mumbai. For disposal of old vehicles, guidelines given under item 4.1.7 should be strictly adhered to.
- 8) Expenses in respect of necessary electrical fittings / installation charges for the equipments purchased may be made over and above the powers as per chart if needed.

5.4 Purchase of furniture & fixtures, office equipments etc., for new branches/offices or for shifting of existing branches/offices to new premises:

- 1) Maximum limits for purchase of furniture & fixtures, equipments etc., for new branches/offices are mentioned in the chart.
- 2) For shifting of existing branches/offices to new premises, the aforesaid limits would apply even if the entire furniture and equipments are to be replaced.

- 3) If a part of the existing furniture & equipments is to be used in the new premises, its purchase price has to be deducted from the abovementioned limits to determine the limit available for additions and replacements.
- 4) Cost of safe deposit vault is not included in the limits prescribed above. Zonal Manager may sanction this item under the powers specified in item 5.1 and 5.2. The sanction for purchase of new Safe Deposit Lockers / additional Lockers would be obtained from Estate Management Department, BCC, Mumbai. While giving orders for the purchase of Safe Deposit Lockers, it should be ensured that the manufacturer embosses the BSR Code Part –I of the concerned branch on each key of lockers.
- 5) Norms mentioned under the item 5.2 would apply *mutatis mutandis* in this case also.

5.5 Furnishing residential accommodation provided to eligible staff members:

- 1) The norms as to the nature, quality etc., of furniture / furnishings to be provided at residences of eligible staff members, prescribed from time to time by Bank should be complied with.
- 2) Only the approved items of furniture articles are to be purchased.
- 3) Norms mentioned under the item 5.3 would apply *mutatis mutandis* in this case also.

5.6 Deposits with local authorities such as Posts & Telegraphs, Municipality, Electricity Boards, etc :

- 1) Deposits are to be made for securing services / facilities from the concerned local authorities.
- 2) Official receipts for the deposits to be kept in a separate file for audit / inspection.
- 3) Every year, confirmation certificates from the concerned authorities are to be obtained and kept on record for audit / inspection.
- 4) Applications for new telephone connections are to be made only after obtaining prior permission of authorities specified below:

	Telephone Connections	Sanctioning Authority
Branch/Office	First telephone connection at a branch/office with or without Extension lines	Regional Manager
	Up-to -3- connections at large Branches/offices with or Without extension lines	Zonal Manager
	Intercom lines at large branches/offices	Zonal Manager
	In any other case	GM (Estate Management)
Residence	For providing telephone/mobile connection at residence of employees / executives, the guidelines issued by H.R.M. Department from time to time should be followed.	

- 5) While deposits in certain cases are to be held in G/L Refundable Deposit A/c. in certain other case, they may be charged directly to revenue expenses accounts. The instructions issued in this regard by the Bank, in half yearly closing returns /circulars should be complied with.

5.7 Purchase of security gadgets, fire extinguishers etc.

- 1) Security gadgets approved by Security Dept., Corporate Office., from time to time, are to be purchased from the dealers approved by the Dept., or from reputed dealers.
- 2) The requirement is to be finalized in consultation with the Regional Authority.
- 3) Purchase of other security gadgets is not permitted except against prior clearance by Corporate Office. Purchase of fire extinguishers and such other protective equipments needed by the offices / branches may be authorized on the basis of requirement.

5.8 Purchase of PCs/Printers etc.

- 1) At Head Office & Corporate Office, the powers for Capital Expenditure are to be exercised by the Executives **subject to availability of budgetary allocations.** In case the amount is out of the budgetary provisions proposed by the concerned Dept., the sanction should be obtained out of overall budget for office equipments sanctioned for the Head Office / Corporate Office, as a whole, from the functionary not below the rank of a DGM and looking after General Administration functions at Head Office / Corporate Office.
- 2) The vendor, configuration, rates, payment terms, warranty clause, post warranty AMC charges and other terms and conditions for purchase of standard hardware items would be periodically communicated by Dept. of Information Technology at Corporate Office, Mumbai.
- 3) Any item of hardware which is not as per the standard configuration and individually costing more **than Rs.10,000/-** can be purchased only after obtaining prior technical approval from the General Manager looking after I.T. functions at Corporate Office (subject to budgetary allocation).

CHAPTER-VI

6.0 REVENUE EXPENDITURE

Sr.No.	NATURE OF ISSUE	(Figure in Rupees)							
		EMC CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
6.1	Payment of salaries and allowances to staff including leave encashment and advance salary (as per rules). NOTE: Staff includes security police, guards at currency chest.	----- Full Powers -----		Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full powers
6.2	Payment of conveyance charges, traveling expenses, godown inspection charges, leave fare concession and medical expenses claim (as per rules).	----- Full Powers -----		Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full powers
6.3	Payment of rent, taxes, electricity and water bills, postage and telegram charges, telephones and telex machines charges, maintenance and running expenses for vehicles owned by the Bank.	----- Full Powers -----		Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full powers
6.4	(a) Enter into annual contracts for:								
	i. Overhauling and servicing of A.C. units, water coolers, water filters etc.	----- Full Powers -----		Full Powers	Full Powers	Full Powers	10,000/-	5,000/-	2,000/-
	ii. Pest Control Services for branch / office premises	----- Full Powers -----		Full Powers	Full Powers	Full Powers	10,000/-	5,000/-	2,000/-
	iii. Servicing of office equipment such as typewriters, accounting machines and other equipments.	----- Full Powers -----		Full Powers	Full Powers	Full Powers	10,000/-	5,000/-	2,000/-
	iv. AMC for software application (Terms & conditions should preferably approved at the time of purchase of hardware/software)	EMC, CMD, ED and GM (E.M. & I.T.) – Full Powers		No Powers	No Powers	No Powers	No Power	No Power	No Power
	(b) Enter into renewal of annual contracts as per 6.4 (a)	----- Full Powers -----		Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full powers

Sr.No.	NATURE OF ISSUE	BRANCH MANAGER							
		EMC CMD ED	GM	DGM	AGM	CM	MM-III	MM-II	JM-I
6.5	Painting / white washing of premises owned by or leased to the Bank.	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	15,000/-	10,000/-	5,000/-
6.6	(a) Reimbursement of entrance fees / annual subscriptions paid by the executives / officers to clubs and associations (as per rules)	Full powers	Full powers	Full powers	Full powers	Full powers	Full powers	Full powers	Full powers
	(b) Reimbursement of entertainment expenses to officers/executives (as per rules)	Full powers	Full powers	Full powers	Full powers	Full powers	Full powers	Full powers	Full powers
6.7	Subscription for newspapers / periodicals (as per rules)	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full powers
6.8	(a) Comprehensive policies to cover various risks of Bank's properties, equipment etc.	Full Powers	Premium Amt. not to exceed Rs.2 lacs per policy (functional heads at BCC/ Head Office)	Premium Amt. not to exceed Rs.1 lac per policy DGM (Ops&Ser) DGM (EM)	No powers	No powers	No powers	No powers	No powers
	(b) Insurance cover for risks on Bank's property not covered by comprehensive policies taken by Head Office.	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers
6.9	Provision of amenities to staff and supply of liveries, umbrellas, raincoats etc., to award staff /security staff (as per rules)	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full powers
6.10	Purchase of reference books limit per annum.	Full Powers	50,000/-	25,000/-	10,000/-	5,000/-	2,000/-	2,000/-	1,000/-
6.11	Membership / entrance / subscription fees of the Bank in								
	- Clearing House	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full powers
	- Management Associations etc.	Full Powers	Full Powers	Full Powers	Full Powers	No powers	No powers	No powers	No powers
	- Corporate Membership	Only EMC & CMD Full Powers	No powers	No powers	No powers	No powers	No powers	No powers	No powers
6.12	To authorize expenditure on publicity and advertisements within the approved annual budget.	Full Powers	Full Powers	Full Powers	Full Powers	10,000/-	No powers	No powers	No powers
		----- Subject to overall budget & Government guidelines -----							

Sr.No.	NATURE OF ISSUE	BRANCH MANAGER							
		EMC CMD ED	GM	DGM	AGM	CM	MM-III	MM-II	JM-I
6.13	(a) Printing of stationery forms, ledgers and registers.	Full Powers	20 lacs	10 lacs	3 lacs	50,000/- (2 lacs for CM, Stn. & SF) at H.O.	10,000/-	5,000/-	2,000/-
	(b) Photostat / Xerox copying etc.	Full Powers	Full Powers	Full Powers	Full Powers	2,500/-	1,500/-	1,000/-	500/-
	(c) Table stationery etc.	Full Powers	Full Powers	Full Powers	Full Powers	5,000/-	2,000/-	1,000/-	1,000/-
	(d) Purchase of computer stationery viz., floppies, tapes, pen drive, CD etc. (Cost at any one time not to exceed (exclusive of taxes)	Full Powers	10 lacs	7 lacs	2 lacs	75,000/-	10,000/-	5,000/-	2,000/-
6.14	Entertainment expenses on special occasions – Limit per occasion.	EMC & CMD Full Powers ED 1 lac	50,000/-	20,000/-	15,000/-	10,000/-	5,000/-	2,000/-	1,000/-
		(Subject to reporting to next higher authority)							
6.15	Repairs to premises, furniture / electrical wiring, office equipment, computer hardware and vehicles. Cost at any one time not to exceed (exclusive of taxes). (Annual cap not to exceed 3 times of the limit)	Full Powers	5 lacs 20 lacs for G.M. (EM) only	2 lacs	50,000/-	15,000/-	10,000/-	5,000/-	2,000/-
6.16	(a) To authorize hiring of Unit Recording Machine, Micro filming equipment and such other electronic, data processing equipment and entering into contracts for the purpose.	Full Powers	Full Powers	Full Powers	No Powers	No Powers	No Powers	No Powers	No Powers
	(b) Payment of hire charges in respect of electronic data processing equipment and micro filming equipment.	-----Full Powers ----- (Provided the hiring of the equipment is approved by the Executives not below Zonal Head)							
	(c) Entering into / renewal of contract for computer job work such as data entry / data processing.	Full Powers	2 lacs p.a per job	75,000/- p.a per job	No powers	No powers	No powers	No powers	No powers
6.17	Payment of legal charges (a) In respect of suit filed against the borrowers.	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers	Full Powers
		----- (Provided filing of suit was authorized by appropriate authority) -----							
	(b) In other cases.	Full Powers	Full Powers	Full Powers	Full Powers	(Powers restricted to obtaining legal opinion on various operational matters and issuance of legal notice)			

Sr.No.	NATURE OF ISSUE	EMC CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
6.18	Revenue expenditure of any other nature (not specified in item 6.1 to 6.17) limit for any one item at any one time. (Subject to reporting to next higher authorities)	Full Powers	2 lacs 3 lacs for GM (EM) only	1 lac	50,000/-	10,000/-	5,000/-	2,000/-	1,000/-
6.19	Powers to purchase standard software (excluding un-approved application software) as per the approval and guidelines provided by Department of Information Technology, C.O., Mumbai.	Full Powers	4 lacs	2 lacs	No powers	No powers	No powers	No powers	No powers

6.0 Revenue Expenditure

6.1 Payment of salaries and allowances to staff (including Security Police / guards posted at Currency Chests) including leave encashment and advance against salary.

- 1) Payment of salary is to be made as per instructions from Head Office / Corporate Office.
- 2) Advance against salary to staff may be paid in accordance with the provisions of Officers' Service Regulations or Bipartite Settlement, as the case may be.
- 3) Overtime work from award staff should be taken only after obtaining prior permission from the Regional / Zonal Authorities.
- 4) Provisions of Shops & Establishments Act, wherever applicable to Banks, are to be complied with while taking work from staff members outside normal working hours. Calling the staff members for work on holidays is to be discouraged as a matter of policy.
- 5) Leave Encashment Salary for award staff and officers may be paid in terms of Bipartite Settlement / Officers' Service Regulations. Closing allowance may be paid to officers in terms of Officers' Service Regulations or as per instructions from HO/CO.
- 6) When an award staff member is required to perform duties carrying special allowance for a temporary period, payment of pro-rata special allowance for such period in terms of Bipartite Settlement may be made. Payment may also be made in the case of an officer who is required to officiate in a higher grade / scale for a temporary period, as per instructions of higher authorities in terms of Officers' Service Regulations.
- 7) The provisions in this item also apply to reimbursement claims made to the State Govt. / Central Govt./ other Banks against Salaries and allowances payable to guards posted at the Bank's Currency Chests.

6.2 Reimbursement of conveyance charges, traveling expenses, godown inspection charges, leave fare concession bills and medical expenses claims:

- 1) All payments are to be made in accordance with the provisions of the Officers' Service Regulations / Bipartite Settlement. Powers are not applicable for payment of ex-gratia medical aid to staff.
- 2) Sanction to undertake outstation journey in connection with office work is to be given by the Competent Authority only.
- 3) Expenses incurred on behalf of constituents are to be promptly recovered from them.

- 4) Powers are not to be exercised by an Executive / Officer in his own case. Reference to next higher authority is necessary in such cases. Exceptions are:
- Reimbursement of godown inspection charges as per rules.
 - Local conveyance expenses up to specified limits allowed on self- reimbursement basis to Executives, Branch Managers etc.
 - Traveling Expenses bills of Zonal Managers, which may be passed on self-reimbursement basis (A copy of the bill is to be sent to the higher authorities subsequently for scrutiny and record).

6.3 Payment of rent, taxes, electricity and water bills, postage and telegram charges, telephones charges, maintenance and running expenses for vehicles owned by the Bank.

- 1) Premises leased or rented to the Bank:
- Payment of rent to be made in accordance with rental lease agreements.
 - Payment of taxes and other charges to be made only after verifying whether the Bank has undertaken to pay them in terms of lease / rental agreements.
 - Tax at source to be deducted and remitted wherever applicable.
- 2) Charges incurred on behalf of constituents are to be recovered from them promptly.
- 3) Utmost economy is to be observed while incurring expenditure on telephones, telegrams, courier, postages etc. Bills in respect of these items as also the electricity and water bills must be carefully scrutinized before the payment is made.
- 4) Branch Authorities may apply for Postbag / box and telegram code under these powers.
- 5) Maintenance and running expenses for vehicles include taxes, insurance premium, cost of petrol, oil etc., but not repairing charges. (Powers to incur repair charges are included in item 6.15).
- 6) Log books to be properly maintained in the prescribed form for Bank's vehicles meant for office use.

6.4 Annual contracts and Renewal thereof:

- (a) To enter into annual contracts for:
- Overhauling and servicing of A.C. units, water coolers etc.
 - Pest control service for branch / office premises.
 - Servicing of office equipment such as typewriters, accounting machines, computers and other equipments.
 - AMC for software application.
- 1) Annual contracts for overhauling / servicing of A.C. units, water coolers, accounting machines, computers etc., are to be entered into only after the expiry of their guarantee period.
- 2) Contracts to be normally awarded to servicing agencies approved by the concerned manufacturers. Names of such approved servicing agencies are communicated by the Corporate Office from time to time.
- 3) In case services of such approved agencies are not locally available, contracts may be awarded to any other competent agency approved by the Regional Authority.
- 4) Contracts for Pest Control Services are to be awarded to private firms only if such services are not available from local municipal authorities.
- 5) At places where the services of two or more agencies are available, sealed quotations should be invited and the contract awarded to the agency, which offers the most favorable terms to the Bank.

- 6) Reference to next higher authority is necessary, if the rates quoted by the approved servicing agencies are substantially higher than those of the others.
- (b) The terms and conditions remaining the same, contracts can be renewed for a further period by Branch Managers, provided the original contract is approved by the Regional Manager.

6.5 Painting / color washing of premises owned by or leased to the Bank:

- 1) Expenses are to be borne by the Bank, only if so provided in the rental / lease agreement.
- 2) Premises to be either color washed or painted at intervals not less than -3- years.
- 3) Branch authorities have discretion to arrange for painting or color washing at longer intervals in cases where the cost is to be borne by the Bank.
- 4) Sealed quotations to be invited from at least -3- competent contractors and work to be entrusted to the contractor, who offers the most favorable terms.

6.6 Reimbursement of Entertainment Expenses & Club Membership Fees

Reimbursement of Entertainment Expenses & Club Membership Fees to officers may be made in terms of the Scheme framed by the Bank under Regulations 29 of Bank of Baroda Officers' Service Regulations 1979. (Please refer to Volume-13 of Book of Instructions).

6.7 Subscription for newspapers / periodicals:

- i) The branches are empowered to subscribe one general and one financial daily.
- ii) The Regional Offices may subscribe for one general, one financial daily newspaper and three periodicals.
- iii) The Zonal Offices may subscribe for one general, one financial daily newspaper and three periodicals. The Zonal Manager and Regional Manager may decide the number of copies of such newspapers/periodicals to be subscribed.
- iv) Corporate Office and Head Office – The Executives at the level of Chief Manager, Assistant General Manager and Deputy General Manager heading the department may subscribe for one general and one financial daily newspaper and one periodical. The General Manager may subscribe for two general, two financial daily and two periodicals. The Chairman & Managing Director & Executive Director may subscribe for newspapers and periodicals as per their requirements.
- v) Officers/Executives are entitled to subscribe for newspapers & periodicals for their residence as under:

<u>SUBSTANTITIVE RANK</u>	<u>DAILY NEWSPAPERS</u>	<u>PERIODICALS</u>
Officers in JM 1 to MM-III	01	Nil
Chief Managers	03	03
AGMs/DGMs	03	03
GMs	03	03

- vi) Subscription for imported periodicals is not permitted.
- vii) Sale proceeds of old newspapers; periodicals purchased for offices, realized from time to time are to be credited to the relative Profit & Loss A/c.

Reimbursement may be restricted to 85% of the cost of the newspaper.

6.8 Insurance cover on Bank's property including furniture, fixtures, vehicles etc.

AT HEAD OFFICE LEVEL:

- 1) Insurance cover against various specified risks for all the properties of the Bank at branches / offices all over India, barring lifts, air conditioning plants, and generators installed at various offices is obtained by H.O.
- 2) The following risks are also covered under various Policies taken at Head Office such as Banker's indemnity insurance policy (money in transit), air travel and world wide baggage insurance policy:

Sr. No.	Policy	Coverage
1.	Bankers' Indemnity Policy	Cash/Securities on premises/transit, forgery and alteration, staff dishonesty etc.
2.	Master Policy for Moveable Assets against Fire & Burglar	All moveable assets of Bank (in India) including ATMs other than vehicles.
3.	Master Policy for Immoveable Assets of Bank against Fire & Burglary	All immovable assets of Bank (in India)
4.	Master Policy for Air Travel in India	CMD, Directors on Board, Executives, Employees and their dependent family members while traveling by air on official duty or LTC/LFC.
5.	Master Policy for Travelers Baggage for overseas travels	Baggage of Executives, Employees during overseas Air Travel.
6.	Special Contingency Policy for Shares & Bonds, Interest & Dividend Warrants	Physical loss in transit, fraudulent conversion, error & omission etc.
7.	Personal Accident Policy for Inspecting Officers	Death + Temporary Partial Disablement + Permanent Partial Disablement + Total Temporary Disablement.
8.	Personal Accident Policy for Security Officers	Death + Permanent Disablement
9.	Master Policy for Bank's liability to pay members of Public/Police personnel of watch & ward duties, Customer etc.	Death, total disability, partial disability.

- 3) The nature of assets / properties covered under Master Policy obtained by H.O. are given below:
 - a) Furniture at any branch, office, residence provided by Bank to Managers, Executives and at Bank's Guest Houses.
 - b) Fixtures such as electrical fittings, fans, tube lights, neon sign boards etc.
 - c) Office equipments, water coolers, air-conditioners, telephones, telex machines, typewriters etc.
 - d) Household articles supplied by the Bank at the residence of the Executives/Officers and Bank's Guest Houses.
 - e) Stationery, Security Forms.
 - f) Buildings belonging to Bank consisting of first class constructions situated at various places in India.
 - g) Motor vehicles.

NOTE: Properties are to be valued once in three years by Bank's Chief Engineers / Architects.

AT CORPORATE OFFICE:

- 1) Free personal accidental insurance cover to borrowers under Baroda loan to Pensioner and Baroda loan to Defence Pensioner Product for which group insurance policy from National Insurance Company, Limited is obtained by Corporate Office, Mumbai.
- 2) The Bank also provides free property and accidental insurance cover to housing loan borrowers. The premium is being paid at branch level to the debit of bank's Profit & Loss account.

OTHERS:

- Insurance Cover for vehicles is to be obtained at Zonal level.
- Insurance cover for lifts, air conditioning plants, and generators covering the necessary risks should be obtained by respective branch / office through any unit of the General Insurance Corporation of India/Reputed Private Insurance Companies.

6.9 Provision of amenities to staff and supply of liveries, rain coats, shoes etc., to award staff / security staff is to be made strictly in accordance with the provisions of Bipartite settlement and instructions issued by Bank as regards cost, standard color etc. (reference may be made to BOI, Vol.12).

- 1) At centers where staff sports clubs are not functioning expenses for providing recreation facilities to staff may be incurred as under:
 - Total cost of indoor games purchased not to exceed Rs.1,500/- at branches / offices, where the strength of staff does not exceed 7 and Rs.2,500/- in other branches / offices.
 - Purchase of playing cards is not permitted.
 - No demand for additional space by staff to be entertained.
 - Recreation facilities to be used only after office hours and no disturbance to the office work to be caused. Also no overtime payment to watchman or any other staff should be involved.
 - Replacement of items is permitted once in every 3 years.
- 2) At branches / offices where canteen facilities are not available, utensils and other articles required for preparation of tea may be provided to staff members.

Total cost of items purchased not to exceed limits mentioned below:

Strength of Staff	Limit (Rs.)
Up-to 10	800/-
Up-to 20	1500/-
Up-to 30	2000/-
Above 30	2500/-

- Bank's name to be engraved on metal articles purchased.
- Replacement of broken / obsolete articles and repairs to the articles are permitted provided the total cost thereof in each calendar year does not exceed 20% of limits mentioned above.

6.10 Purchase of reference Books:

- 1) Books relating to having bearing on banking, computer and CAIIB examination subjects alone to be purchased by branches.
- 2) Reference books register in the prescribed form to be maintained.
- 3) Zonal Offices may develop a library gradually. Books, which are useful to bankers to be purchased. Recommendations of the concerned departmental head / Regional Managers in this regard may be duly considered.
- 4) Care may be taken to avoid any overlapping in the purchases.
- 5) Regional Manager may exercise his powers only in case where a branch requires reference books in excess of the limit specified for it.
- 6) Reference books to be kept under the custody and responsibility of an officer to prevent loss or misplacement.

6.11 Membership of Bank in the Clearing House & Management Associations:

- 1) Branch Authorities may enroll new Bank's membership in clearing house and pay necessary entrance / subscription fees.
- 2) After the establishment of clearing house, advice to Head Office to be sent along with list of member banks.
- 3) At centers where there is more than one branch of our Bank, only the main branch is empowered to exercise the powers given under this item.
- 4) Zonal Authorities may authorize enrollment / renewal of Bank's membership in duly constituted and registered Management Associations (including Productivity Councils) provided membership in such professional bodies will be helpful to the Bank in increasing its professional competence.
- 5) Powers given under this item are not applicable for enrolment of Bank as 'donor member' or 'Life member' in the Management Associations.
- 6) In all cases, care may be taken to ensure avoidance of duplication of Bank's membership in the same organization. For membership in all India bodies, prior reference to Marketing Department, Corporate Office is necessary.
- 7) Zonal Authorities may consider renewal of the membership of Chamber of Commerce etc., provided it is ensured that Bank's representatives do not take part / associate themselves in representations made to the Govt., by the Chamber of Commerce, etc., on policy matters.
- 8) As per Board Resolution dated 29.07.1998, the Chairman & Managing Director has been authorized to allow Corporate membership of reputed clubs for different centres for the Executives in the rank of General Manager and Zonal Heads on the recommendation of General Manager (Operations & Services).

6.12 Expenditure on Publicity and Advertisements:

- Normally, the Marketing Department at Corporate Office takes care of advertisements etc., for Bank as a whole.
- As regard other publicity, the same should be as per the allocation, if any.

6.13 a) Printing of stationery forms / ledgers / registers and Xerox.

b) Purchase of computer stationery viz., floppies / C.D., tapes, pen drive etc.

- 1) Powers are not applicable for printing of security forms such as cheques, drafts etc. Forms, ledgers and registers, which are available for supply at Head Office/Corporate Office/Zonal Office, are also not to be printed at branches.
- 2) Orders for printing forms, letterheads / envelopes etc., are to be placed only with approved printers. In cases where the value of a print order exceeds Rs.5000/- following procedure is to be observed:
 - Invite sealed quotations from at least -3- approved printers giving complete specifications of work.

- Open all the quotations at one time, after the time limit for submission thereof expired.
 - Accept the quotation, which offers most favorable terms to the Bank, (if the rates offered in all the quotations are considered high & unreasonable, additional quotations from others may be invited).
- 3) Specimens of forms, ledgers and registers prescribed by Corporate Office / Head Office are not to be altered. If any improvements in the specimens are considered necessary, the suggestion may be forwarded to the concerned authority at Corporate Office/Head Office.
 - 4) Zonal Office may maintain adequate buffer stock of all forms, ledgers and registers at a central point to meet the urgent requirements of branches / offices. Proper record for supplies received and dispatches from time to time is to be maintained and physical verification of stock on hand is to be carried out by an officer at the Zonal Office at least once in every half year. With establishment of Zonal Stationery Cells, the Zonal Offices should be more vigilant about stocks of the stationery items at branches. The demand from the branches should be thoroughly accessed in advance.
 - 5) The Central Stationery and Security Forms Department, Head Office, Baroda should maintain specimen of all forms, registers, ledgers and publications in chronological order. All the Bank's publications with respective publications numbers be maintained and preserved on permanent basis.
 - 6) Powers of branches under this item are restricted for the following: -
 - Over printing of customers name, account number etc. on paying-in-slips and cheque forms (Please also refer to item No.1.11)
 - Printing of forms required by the branch but are not applicable commonly to all branches and hence not available for supply by Corporate Office/Head Office/Zonal Office

Order for printing may be placed with any of the competent printers locally whose charges are considered competitive and reasonable. Charges for over printing on paying-in-slips and Personalized cheque leaves may be borne by the branch. However, usual charges for issuance of cheque books is to be recovered from the party.

- 7) With regard to the entrusting any work to computer agency, authorities should follow the following guidelines:
 - i. A panel of reputed computer agencies on the basis of capabilities, standing, business reputation etc. should be maintained.
 - ii. Before entrusting the job, quotation from at-least -3- such agencies should be obtained.
 - iii. Time frame for completion of job should be determined.
 - iv. Periodical review meeting should be held to assess progress of the work vis-à-vis quality of work.
 - v. An undertaking from the agency for maintaining the secrecy/safe custody of records handed over, completing the work in stipulated time and to return data/records on completion of job as also indemnifying the Bank for any losses sustained by Bank due to omission/commission etc., should be obtained in the prescribed format.
 - vi. Banks records/vouchers may be entrusted to the Agency in installments keeping in view the progress of work. Acknowledgement must be obtained.
 - vii. It should also be ensured that all the records etc. handed over to the agency are received back by the concerned office/branch intact.

6.14 Entertainment Expenses on special occasions:

- 1) The Zonal and Regional Authorities may authorize branches/offices to incur entertainment expenses up to the limits specified, on the following occasions:
 - Meeting of constituents arranged at the time of visits of Bank's Directors or Senior Executives.

- Staff seminars and conferences
 - Visits of eminent persons (Central or State Ministers, Foreign Dignitaries etc.) to the branch.
 - Participation in local fairs and exhibitions special celebrations such as anniversary week. Ladies week, minors week etc. (expenditure other than for entertainment may be authorized by the Zonal/Regional Authorities under their powers in item 6.18)
- 2) Powers of Zonal and Regional Authorities are not to be exercised simultaneously in respect of the same occasion.
 - 3) Branch heads up to Senior Manager should report such expenses incurred within their powers as per chart to their Regional Authority for information.

6.15 Repairs to premises, furniture / electrical wiring, office equipment, computer Hardware and vehicles:

- 1) While incurring expenditure on repairs of premises, terms of lease/rental agreement are to be verified to ascertain whether the expenses are to be borne by the Bank or landlord. When the value of repair to be carried out is significant, quotations to be invited from the vendors as per usual procedure.
- 2) Powers are not to be exercised by an Executive/Officer for effecting improvements to the residential accommodation or vehicle provided to him by the Bank. References to next higher authority are necessary in such cases.
- 3) Polishing of furniture articles at branches/offices and residential quarters of Executives / officers may be arranged once in -3- years, preferably along with painting / color washing of the premises. The furniture provided to officers under Bank's furniture scheme would not be considered for the purpose.
- 4) Servicing and repair work for vehicles may be got done only through authorized agencies of manufacturers, where the services of such agencies are available, or the garages approved for the purpose.
- 5) While effecting payments for the same, it should be ensured that the work has been carried out as specified by the bank and the quality of work is acceptable.
- 6) Computer Hardware: Authority giving permission for repair should consider the life of the system. Normally AMC taken by us are with parts so before giving AMC, it should be ensured that same is not already covered under warranty/AMC.

In respect of Point No.1 to 6, annual cap not to exceed 3 times of the limit in a Financial Year.

6.16 Payment of hire charges in respect of electronic data processing equipment: -

- a. Issues relating to hiring equipments such as electronic data processing aids will be required to be referred to the respective Zonal Heads with full details who are authorized to approve such arrangement on a strictly cost benefit basis for the Bank. The Zonal Heads will be guided by instructions issued in this regard by the Bank from time to time. Branch Managers are authorized to pay hire charges in respect of such equipment/services strictly in terms of the sanction by Zonal Head for the approved period.
- b. The data creation/processing agencies will be required to keep security deposit in form of FDR with our Bank duly discharged in our favor. The amount of reasonable security deposit should be decided by the Zonal Authority in Zones and concerned functionary not below the rank of a Deputy General Manager looking after General Administration function at either Corporate Office or Head Office, as the case may be.

6.17 Payment of legal charges or expenses: -

- 1) Powers specified hereunder relate to payment of legal charges or related expenses for or towards the services rendered by the advocate/s or solicitor/s as the case may be.
- 2) Legal charges or expenses include court fee, stamp duty, advocate's fee and miscellaneous expenses like photocopying expenses, out of pocket expenses etc.
- 3) Legal service means service rendered by the advocate/solicitors for the Bank or to help Bank reach a conclusion or to decision on a particular issue or for legal opinion, litigation, documentation etc.
- 4) Legal service includes issuing of the legal notices, reply to the legal notices, obtaining legal opinion or its legal documentation with respect to the title of a property, preparation of plaints, reply, lease deeds, criminal complaints, applications, counter applications, preparation and filing of recovery applications, execution applications, company applications, civil petitions, representation before any court, tribunal and other quasi-judicial forum on behalf of the Bank.
- 5) Powers to pay advocate's fee and miscellaneous expenses shall normally be in consonance with the Bank's fee schedule in force in the Zone in addition to court fee, prevalent.
- 6) Fees payable to advocate for filing suits to be paid in suitable installments at different stages of the litigation process. (as per guidelines)
- 7) Executives at Zonal Office, Regional Office and branches are empowered to sanction payment of legal expenses (including advocate's fees) for filing suits provided the authority to file a suit is granted by appropriate authority.
- 8) Regional authorities should approve names of advocate for branches before entrusting the matter/case to the advocate while the Advocates so identified/approved must be from the panel approved by the Zonal Authority.
- 9) The instances, as regards to suits filed against Bank, should be referred to Zonal / Corporate Office and dealt with by them on case-to-case basis.
- 10) The branches may refer page No.155 of Book of Instructions, Volume -VIII for detailed guidelines.

6.18 Revenue Expenditure of any of other nature not classified in foregoing categories (i.e. item 6.1 to 6.17) :

- 1) Under the powers given in this item, expenses in connection with the following may be incurred:
 - Purchase of sundry items.
 - Payment of daily wages to sweepers and water boys.
 - Any other sundry expenditure of routine nature
 - Payment of consultancy charges, architect's fees, valuation charges etc.
- 2) While incurring expenditure, care is to be taken in all cases to ensure that the rates charged to the Bank are reasonable.
- 3) Splitting the amount of expenses on any one item into two or more bills/payments, so as to bring each payment within the limits mentioned in the chart, is not permitted.
- 4) Any revenue expenditure of the specified nature laid under serial No. 6.1 to 6.17 should be incurred under the respective item only up-to the delegated authority and not under this head.

6.19 Powers to purchase standard software (excluding unapproved application software)

The Department of Information Technology, Corporate Office, Mumbai would periodically furnish a list of standard software items, which can be purchased for the Bank along with its indicative rates available in Mumbai. However, the concerned authorities making a purchase decision within the powers should obtain -3- quotations from local vendors, compare their rates with those advised by the IT, Mumbai and take purchase decisions after satisfying that the rates are competitive and reasonable market rates.

The powers to purchase 'Application Software' vest with the Executive Director and above.

Permission to be obtained from GM (Project/CBS) for purchase of any software for branches/Offices connected to CBS.

CHAPTER-VII

7.0 RESTORATION/WRITE OFF/WAIVER/REFUND/PAYMENT OF INTEREST ETC.

Sr.No.	NATURE OF ISSUE	(Figure in Rupees)							
		BRANCH MANAGER							
		EMC CMD ED	GM	DGM	AGM	CM	MM-III	MM-II	JM-I
7.1	(a) Losses arising out of cash shortages mutilated / forged/fake notes not accepted by RBI, robberies / dacoities etc. (to the extent not covered / paid by insurance company). Subject to reporting to next higher authority for PSR.	EMC 8 lac CMD 6 lacs ED 4.5 lacs	1 lac	50,000/-	10,000/- (Regional Heads only)	No powers	No powers	No powers	No powers
	(b) Authorizing write-off/adjustment entries in respect of long outstanding items in inter branch / inter bank a/cs., reconciliation, sensitive a/cs., in balancing of books and accounts – per entry subject to reporting to next higher authority for PSR.	EMC 8 lacs CMD 6 lacs ED 4.5 lacs	1 lac 1.5 lacs for GM (IBO)	50,000/- (Zonal/ Regional Heads)	25,000/- (Regional Heads)	No powers	No powers	No powers	No powers
	(c) Waiver/ write off in respect of losses arising on account of wrong payment/excess payment (such as interest, TDS and Pension etc.) due to non-adherence of stipulated guidelines by the staff after examining staff accountability subject to reporting to next higher authority for PSR.	EMC- Full Powers CMD – 3 lacs ED - 2.25 lacs	50,000/-	25,000/-	No powers	No powers	No powers	No powers	No powers
	(d) Write off relating to Ex-employees - loans outstanding- after examining staff accountability subject to reporting to next higher authority for PSR.	EMC CMD ED Full Powers	1 lac GM (Recovery) only	No powers	No powers	No powers	No powers	No powers	No powers
	(e) Write off relating to Ex-employees – Excess payment made on account of Salary, allowances and terminal benefits- after examining staff accountability- subject to reporting to next higher authority for PSR	EMC CMD ED Full Powers	1 lac GM (HRM) only	No powers	No powers	No powers	No powers	No powers	No powers

Sr.No.	NATURE OF ISSUE	EMC CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
7.2	(a) Authorizing restoration in respect of losses arising out of frauds (including forgeries)/Misappropriation. Subject to PSR to next higher authority.	EMC 7 lacs CMD 5 lacs ED 3.75 lacs	1.5 lacs for Zonal Heads. 2 lacs for GM (Ops & Ser) & Other functional heads	1 lac for Zonal/Regional Heads only	50,000/- for Regional Heads only	No powers	No powers	No powers	No powers
	(b) Authorizing write-off in respect of losses arising out of frauds (including forgeries) /Misappropriation. Subject to PSR to next higher authority.	EMC 7 lacs CMD 5 lacs ED 3.75 lacs	1.5 lacs for Zonal Heads 2 lacs For GM (Ops& Ser) & Other functional heads	1 lac for Zonal/Regional Heads only	50,000/- for Regional Heads only	No powers	No powers	No powers	No powers
7.3	Approval of arrangements for payment of dividend / interest warrants of limited companies (including payment of refund orders on share / debenture application)	Full Powers	Full Powers GM (O&S) Only	No powers	No powers	No powers	No powers	No powers	No powers
7.4	Authorizing refund of service charges/commission, payment of interest, reimbursement of demurrage charges, penal interest etc., consequent upon delay in collection or presentation of bills or any other loss suffered by constituents due to fault of the Bank. (Payment in each case not to exceed).	Full Powers	Full Powers	1 lac Full powers for payment of interest for delayed collection as per Bank's guidelines from time to time	50,000/-	25,000/-	Powers restricted only for payment of interest for delayed collection as per Bank's guidelines from time to time		
SUBJECT TO REPORTING TO NEXT HIGHER AUTHORITIES									
7.5	Authorizing payment of interest, penalty and other levies payable to Govt., agencies, RBI and other institutions including Banks, consequent upon delay in transfer of funds to them or fault on the part of the Bank. (Includes cases subject to arbitration)	Full Powers	1 lac GM (O&S) Only	No Powers	No powers	No powers	No powers	No powers	No powers

Sr.No.	NATURE OF ISSUE	EMC CMD ED	GM	DGM	AGM	CM	BRANCH MANAGER		
							MM-III	MM-II	JM-I
7.6	Authorizing to pay interest for delay in making payment due to mutilation in transmission of messages sent over cables through CTO, RTGS, NEFT or due to an error or oversight on the part of the correspondent Bank or our overseas branch or due to errors in cipher, omission to provide cover etc.	EMC& CMD Full Powers ED 20 lacs	10 lacs	2 lacs	1 lac	25,000/-	10,000/-	No powers	No powers

7.0 RESTORATION/WRITE OFF/WAIVER/REFUND/PAYMENT OF INTEREST ETC.

7.1 Losses arising out of cash shortages/acceptance of mutilated notes

These powers will be utilized only in exceptional circumstances where losses arising out of cash shortages/acceptance of mutilated notes could not be determined or recovered and staff accountability is examined. All our efforts should be put in to balance books of accounts and these powers to be used very rarely as a last resort.

7.2 Restoration / Write Off of frauds/forges/misappropriations

The matter related to Restoration/Write Off of frauds pertaining to (i) Advances (ii) International Business (iii) Inter Branch Operations (iv) Premises (v) IT/ATM related matters (vi) Fraudulent payment of DD/MT/TT to be handled by the concerned functional heads. The remaining matters of Restoration/Write Off related to frauds to be handled by General Manager (Operations & Services). The Zonal authorities would report for PSR to the respective functional heads. The functional heads would report for PSR to the Executive Director.

The Zonal/Regional authorities should satisfy themselves about the situations leading to such write off/restoration. All our efforts should be made to find out the responsibility in the matter. The powers should be judiciously used.

Restoration:

The authorities should be satisfied particularly in respect of the following points:

- i. Investigation report should be on record and staff action should be initiated.
- ii. It should be ensured that there is no contributory negligence on the part of the claimant.
- iii. Lodgement of FIR with Police.
- iv. Handwriting/Thumb Impression experts' opinion should be obtained wherever applicable from the Government Agencies.

Write Off:

The authorities should be satisfied particularly in respect of the following points:

- i. Staff Accountability is completed
- ii. Police action and court case is completed
- iii. Conclusion of Insurance claim
- iv. All recovery measures exhausted

7.3 Approval of arrangements for payment of dividend / interest warrants of Ltd. Companies.

Branches are requested to obtain prior approval of General Manager (Operations & Services) heading the Committee of Executives for undertaking such business.

7.4 Authorizing refund of service charges/commission, payment of interest, reimbursement of demurrage charges, penal interest etc. consequent upon delay in collection or presentation of bills or any other loss suffered by constituents due to fault of the Bank:

- 1) Powers are not applicable for reimbursement of losses arising out of suspected frauds or misappropriations, which are to be dealt with as restoration proposals.
- 2) If a constituent claims for payment of interest or reimbursement of any loss suffered by him consequent upon negligence, fault or avoidable delay on the part of the Bank, a detailed investigation into the case must be ordered with a view to find out :
 - The circumstances in which the delay, negligence or fault occurred.
 - Staff members responsible, and
 - Remedial steps considered necessary for obviating recurrence of similar instances.
- 3) If the claim arises as a result of negligence, fault or dereliction of duty on the part of any staff member, instructions of a competent authority must be obtained for initiating necessary enquiry proceedings against him.
- 4) Claims for payment of interest or reimbursement of loss may not be sanctioned if there is **contributory negligence or delay on the part of the constituent.**
- 5) Amount payable to the constituent in settlement of his claim must be carefully assessed.
- 6) Full particulars of each case must be reported by all branches including branches headed by AGM and Chief Manager to ZM/RM and a record thereof should be maintained by the concerned authorities. If there are such repetitive instances at the branches the same should be looked into by Regional Authority for appropriate remedial action.

- 7.5** Authorizing payment of interest, penalty and levies payable to Government, Agencies, Reserve Bank of India and other institutions & including Banks consequent upon delay in transfer of funds to them or fault on the part of the Bank (including cases subject to **7.6** Arbitration) and Authorizing payment of interest for delay in payment due to mutilation in transmission of message etc.

Before settling the claims, the authorities concern should invariably satisfy themselves about the circumstances under which the delay / fault occurred.
