THE VIRUTCHAM

The Agricultural Co-operative Staff Training Institute, Chennai.

Sponsored by : The Tamil Nadu State Apex Co-operative Bank Ltd., Chennai

2022-2023

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We have done.

TNSC BANK

Quarterly Magazine
March 2023.

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ACSTI
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Suggestions and paper presentations are welcome. Please write to :

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https://www.acstitnsc.in

QUARTERLY MAGAZINE

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SCHEDULED PROGRAMME FOR 2022-2023

Total scheduled programmes - 300 Programmes

Programme statistics :

TARGET ACHIEVED ✓

ACSTI glad to place on records that the scheduled number of programmes for the year 2022-2023 were sucessfully completed as detailed below:

PACCS	- 175	Programmes	- 3794	Trainees
SCB /DCCBs	- 129	Programmes	- 3661	Trainees
Total	- 304	Programmes	- 7455	Trainees

Regionwise participation statistics - PACCS :

Top 5 Regions :

S. No.	NAME	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	TOTAL
1	Cuddalore	19	17	15	10	16	21	16	11	25	12	21	7	190
2	Vellore	7	19	18	20	28	12	13	27	23	8	8	0	183
3	Kanchi	16	19	19	18	18	23	22	16	18	0	6	2	177
4	Salem	12	15	11	10	19	19	12	20	20	8	18	11	175
5	Dharmapuri	20	16	17	5	19	36	17	8	8	19	5	2	172

Bottom 5 Regions :

S. No.	NAME	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	TOTAL
1	Tiruppur	0	9	0	0	0	0	0	0	0	0	16	0	9
2	Thiruvarur	6	10	9	6	6	1	0	0	0	1	6	0	45
3	Nilgiris	3	3	15	8	5	5	0	0	3	5	4	0	51
4	Nagapatinam	8	8	2	7	5	4	0	5	4	6	7	0	56
5	Thanjavur	5	7	7	5	4	0	3	2	0	12	12	3	60

On analysis of regionwise participation of trainees Cuddalore , Vellore, kancheepuram, Salem and Dharmapuri top the 5 regions which deputed more participants for the training. We sincerely appreciate the gesture of the above five Regional Joint Registrars.

ACSTI hopes that the other regions also understand the importance of training and respond positively by deputing more number of trainees for the programmes scheduled for the year 2023-2024.

The Standing / Training advisory committee has approved 300 Programmes for the year 2023-2024 out of which 88 programmes for SCBs/ DCCBs and 212 Programmes for PACCS. Out of 88 Programmes planned for SCBs / DCCBs 24 programmes have been planned as onsite programmes covering all the DCCBs and Puducherry SCB.

ACSTI requests all the DCCBs and Puducherry SCB to send the tentative schedule for onsite programmes to ACSTI at the earliest.

NATIONAL SEMINAR ON VISION FOR AMRIT KAL (2022-2047)

conducted by NAFSCOB at Chennai on 28.04.2023

Tamil Nadu Cooperation Minister Hon'ble Thiru. KR. Periakaruppan had inaugurated the National Seminar on Vision for Amrit Kal (2023-2047) on 28.04.2023. The apex body of State Cooperative Banks-NAFSCOB, had organized the event. More than 150 representatives from StCBs, DCCBs and PACCs had participated in the national seminar at chennai.

The seminar was organised to formulate a vision paper for AMRIT KAL- Redefine role & responsibilities of NAFSCOB and to work out the strategies to address the issues of STCCS at all the 3 levels. On this occasion, the meeting passed a resolution to make steady progress in cooperatives by involving youth in the country.

Speaking on the occasion, NAFSCOB chairman Shri Konduru Ravinder Rao said that the cooperative banks were functioning on par with any commercial banks by providing all services to the customers including UPI services, subsidy loans to the farmers and other entrepreneurs. Stating that the Telangana state emerged as a role model in the computerization of PACS in the country, he said that the cooperative societies would be benefitted from the constitution of the first-of-its-kind Ministry of Cooperation by the Union government.

President of Bihar State Cooperative Marketing Union and MLC Thiru Dr Sunil Kumar Singh, National Cooperative Union of India (NCUI) president Thiru Dileep Singhani, NAFSCOB MD Thiru Bhima Subraymanyam, TSCAB MD Thiru N Muralidhar, Karimnagar DCCB CEO Thiru N Satyanarayana Rao and others were also present.

Onsite Programmes

Onsite Programmes

In line with 15 onsite programmes approved in the standing advisory committee, ACSTI had finished conducting 15 onsite programmes. before December 2022. As per the advice of the Managing Director, ACSTI requested the standing advisory committee for permission to conduct 9 more onsite programmes so as to cover all the DCCBs and Puducherry SCB. After getting approval of NABARD , ACSTI conducted 6 more onsite programmes thereby covering 20 DCCBs and Puducherry SCB as per thier convinence before March 2023.

1. KANCHEEPURAM
2. VELLORE
3. CHENNAI
4. ERODE
5. DHARMAPURI
6. KUMBAKONAM
7. DINDIGUL
8. COIMBATORE
9. KANYAKUMARI
10. TIRUCHIRAPPALLI
11. TIRUVANNAMALAI
12. THOOTHUKUDI
13. RAMANATHAPURAM
14. MADURAI
15. NILGIRIS
16. SIVAGANGAI
17. SALEM
18. VIRUDHUNAGAR
19. TIRUNELVELI
20. PUDUKOTTAI
21. PUDUCHERRY

Field Visits

Field trips are organized for participants as part of the training schedule.

The participants are taken to the newly constructed warehouse at Madhavaram and had the exposure of having knowledge about functioning of the warehouse and maintenance of records, instruments and other procedures.

In the Programme on SHG / JLG exposure vist orgraniesd at Noombul Urban Credit Society , Mangadu 7 SHG groups participated in the meeting . The trainees had exposure to interact directly with these SHG members. The meeting was organised in the near by temple. The trainees able to understand the functioning of the SHG group and the records maintained by them and also had a fruitful interaction with these groups.

ACSTI has taken the participants of SHG /JLG exposure programme to Perumaneri PACCS in Chengalpattu District. The participants intracted with Kuberan women SHG representatives and observed the performance of the group. The SHG functioning well and it is maintaining all the registers prescribed for the purpose. 12 members have taken internal loan of Rs.30000 each and utilised the same for tailoring, Tea shops, small provision stores, doll shops. They expressed their sincere thanks to the PACCS for the support provided for their livelihood.

Syllabus Committee Meeting :

The syllabus committee meeting was held on 20.03.2023 at TNSC Bank Head office. The meeting presided over by Thiru Antony samy John Peter, Managing Director, TNSC Bank.

The Managing Director, TNSC Bank felilcited Ms. Neeraja for being promoted as Chief General Manager of NABARD.

The following committee members attended the meeting.

1. Thiru M.Antonysamy John Peter, Managing Director, TNSC Bank.
2. Ms. N.Neeraja, Chief General Manager, NABARD.
3. Thiru G.Suresh, Director, NICM, Chennai.
4. Thiru M.Murugan, Managing Director, Kancheepuram CCB.
5. Tmt. S.Senthamil Selvi, Managing Director, Erode DCCB.
6. Thiru V.Periyasamy , Managing Director, Kumbakonam DCCB.
7. Thiru V.Nandakumar, Joint Registrar, Cuddalore Region.
8. Thiru K.S.Muhammed Kassali, General Manager(i/c) / Principal, ACSTI.
9. Tmt. V.P. Chandrika, Deputy General Manager, TNSC Bank.

ACSTI placed the draft calendar of training programme in the committee for approval. A presentation was made by ACSTI about the new topics included for SCBs / DCCBs and PACCS.

For the year 2023-2024, 300 programmes has been approved for ACSTI with 100 topics . 88 Programmes for SCBs/ DCCBs and 212 programmes for PACCS. The Chief General Manager , NABARD insisted more number of training programmes to be conducted to the board members of PACCS and approved the calendar of training programme for the year 2023-2024.

Standing / Training Advisory Committee Meeting :

The Standing / Training Advisory Committee Meeting to review the programmes conducted during 2022-2023 and to finalise the calendar of programme for the year 2023-2024 was held on 20.03.2023 at 11.30 A.M. at TNSC Bank Ltd., Head Office, Chennai. The following Members participated in the Meeting:-

1. The Managing Director, TNSC Bank, Chennai.
2. The Chief General Manager, NABARD, Chennai.
3. The Director, NICM, Chennai.
4. The Assistant General Manager, NABARD, RO, Chennai.
5. The General Manager(i/c.) /Principal, ACSTI, Chennai.
6. The D. G. M. (Admn.), TNSC Bank, Head Office
7. The D. G. M. (Advances), TNSC Bank, Head Office.

ACSTI made a Power point presentation outlining the no. of programmes conducted, the participation level of trainees and the financial assistance given by NABARD for the year 2022-2023.

The Chief General Manager NABARD appreciated ACSTI for achieving the target of 300 Programmes during the year 2022-23 benefiting 7455 participants from SCBs / DCCBs and PACCS. She has also appreciated the technological developments done by ACSTI like Online entry / exit test, e-library, installation of 75" QLED tv in all the classrooms for better PPT presentations, launching of dedicated website for ACSTI, publishing a quarterly magazine "The Virutcham".

The Chief General Manager, NABARD advised ACSTI to focus on giving more training programmes to the Board Members of PACCS. and approved the calendar of Programme for the year 2023-2024.

Technology stack to aid revival of Co-operatives says Nabard chief

A mandate for 40 per cent of rural income to flow through co-operatives has turned the spotlight on this movement, that predates independence. A tech stack will act as the backbone and spur the computerisation of the eight lakh co-operatives in the country, a top Nabard official said on Wednesday.

Recently, the Centre had approved the setting up of two lakh Primary Agriculture Credit Societies (PACS) and dairy-fishery cooperatives in uncovered villages and panchayats over the next five years. At present, there are around 63,000 functional PACS in the country. The Cabinet had cleared steps to strengthen the cooperative movement in the country and deepen its reach up to the grassroots.

Speaking to the media on the sidelines of the 'South India conference on financial inclusion,' here, KV Shaji, chairman, Nabard, said it is high time the members of the co-operatives came together so that the objective of re-looking to revive them is achieved. "Individually people are doing things and co-operatives are not that active. They are just focusing on lending," he said, seeking to highlight the need for such entities to transform from a consumption to an enterprise approach.

To make this paradigm shift, the co-operatives have to become micro enterprises, which would be activity based like marketing and dairy farming. "As the economy grows, the percentage of co-operatives also must grow so that whatever additional profits that are accruing will also be ploughed back," he said, adding that otherwise, the entry of private enterprises would lead to erosion of profits and impacting the welfare of the region too.

In this context, the data capture of the abysmally low rural income (in single digit) gains precedence and therefore the Central government, along with the states, is working on building a tech stack that would aid the hand-holding process.

"The co-operatives would have to manage for few years and till then, the hand-holding will be done by the government through Nabard," Shaji said, adding that it is tying up with multiple partners and vendors including Intellect Design of Chennai so that all the aspects of the functional framework (ERP, audit, payment software, cyber security) can be operationalised.

Typically, through audits, the entities are assessed but "their actual cash flow needs to be available on a near real-time basis. We can then be sure of taking more credit risk exposure," he sought to point out, adding that such a visibility was possible only using technology. The pilots in this direction will begin within two to three months as Nabard is still evaluating the right partner.

The Nabard chief also threw light on the charge flow and dynamic creation of charge so that the credit availed is used for the purpose it has been taken, thereby preventing diversion. For this, it is looking at multilateral partners, so that the balance sheet is not merely a financial one but an impact record.

Earlier, Uma Sankar, CGM, RBI, spoke about the 38 per cent share of credit garnered by non-banking financial corporations (NBFCs) and micro finance institutions (MFIs) while the rest held by banks, small finance banks and others. The removal of interest ceiling by the Reserve Bank of India, in lending, has enabled competition to play out, thereby creating a level-playing field in the credit ecosystem. While MFIs are significantly different from other financial institutions, the structure and product portfolio opens up an opportunity to put in place a co-lending model.

Calling for collaboration between the commercial banks and the MFIs with respect to cost of funds being cheaper in the former's case, she suggested that a revenue sharing arrangement would make the credit dispensation robust leading to holistic lending.

COOPERATIVE BANKS VS. FINTECH FIRMS – A SUSTAINABLE AUGUMENTATION

K N JAKANATHAN, ASST. MANAGER, TNSC BANK

Born in response to economic needs, the field of finance has been driven by an inherent impetus to absorb valuable elements including technological innovation, to benefit inclusive growth of the society. We can see India's financial sector has been accompanied by continuous technology advances, particularly the Banks, acting as an intermediate continuously adapting to the technologies which are all suggested/approved by its regulators. In this age of technological advancements, it is vital for banking sector to acclimate to the digital advancements and to the instantaneous needs of the customers.

COOPERATIVE SECTOR

Cooperative sector which is an autonomous association of persons voluntarily united to meet their common economic, social and cultural needs and aspiration through a jointly-owned and democratically controlled enterprise.

A sector was born from the cooperative movement having its own values and ethics. The Cooperative values in which banks has been built to overcome the market imperfection and to serve the cooperative society members financially. Cooperative Banks is one among the cooperative societies whose operation is to grant loans to its members and accepting deposits.

FINTECH

The word FinTech is a neologism originated from the words "Finance" and "Technology". It refers to the technology start-ups that are emerging to challenge traditional banking and financial players.1
Financial Stability Board (FSB) of the Bank for International Settlement (BIS) defines FinTech as "Technology enabled financial innovation that could result in new business models, applications, processes or products with an associated material effect on financial markets and institutions and the provision of financial services".

FinTech may be understood as innovative use of information and automation technology in financial services. Some of the major FinTech products and services used in the market place are Peer-to-Peer (P2P) lending platforms, Crowd Funding, Distributed Ledger, Big Data with Artificial Intelligence (AI), Smart Contracts, Robotic Advisers, Payment wallets, Internet of Things (IOT), Machine Learning, Clouds, etc., Emerging AI are chatGPT, Doll-E-2.

IMPACT OF FINTECH

The influence of FinTech firms has started to cast its impression over the banking sector. FinTech firms provide the same services as Banks, more efficiently by appropriately employing technologies. The segments where FinTech firms started to impinge their presence began to experience potentially lower cost of intermediation and increased financial inclusion.

The major cause of FinTech firms' enhancement is that it has the potential to help overcome information asymmetry. FinTech competitors are already encroaching on the business of the traditional Banks, despite the fact that banks are adapting to new technologies as approved by the RBI – NPCI

STRENGTH

TRANSMUTING ASSET - LIABILITY

Incumbent functionality of the cooperative bank is to provide financial services to their fellow members, transmuting financial asset into liability and vice versa in particular through maturity transformation The Cooperative Banks manage the Credit Risk and Liquidity Risk by promptly following the instructions of the RBI.
FinTech firms can also raise the funds by crowd funding and may involve in Peer-to-Peer lending. RBI initiated a regulatory sandbox area which allows FinTechs, especially startups, to test their innovative financial products or services before rolling out for public customers at no or nominal charges.

PAYMENT SERVICES

Cooperative Banks are under the control of Regulator cum settlement handler – RBI, Payment service integrator – National Payment Corporation of India (NPCI), Technology provider – IDRBT, Legal Regulation through PSS Act providing payment services to the customers. Cooperative Banks are using centralized ledger of book keeping.

Apex Cooperative Banks are handling payment services not only with the end customers; it also handles transactions of Banks and societies as per the hierarchy. FinTech firms started to incubate in distributed ledgers, a most secured way as on date. RBI is also in verge of releasing CBDC – e-Rupee with Distributed Ledger Technology. Non - Financial firms providing telecommunication as a service or Search engine as a service are who possess huge database that aids in turning into a FinTech.

Technology can easily connect the Payment service with any kind of electronic commerce through which we are all in new E-conomics. Nowadays Cooperative banks started to provide payment services through India's Unified Payment Interface-UPI. FinTech firms efficiently utilize such payment platforms also.

CUSTOMER SERVICES

Cooperative Banks are running their business by prioritizing the motive to serve their customers rather earning profits. This approach is because the customers are themselves the investors in the cooperative institutions. Banks tend to have very strong existing relationships that have been in place for years. And if possession is nine-tenths of the law, established Banks still retain the lion's share of consumer accounts across the spectrum of financial services.

FinTech collects Big Data from various sources empowered by Artificial Intelligence. Predictive analytics and Behavior analytics can be done, it analyses the financial risk of the person and his/her characters combined, it helps to take major decisions immediately. Big Data handles petabyte of data with ease for this purpose.

Cooperative Banks micro manages each and every customer manually and our employees spend a considerable amount of time to interact with the customers. The customer's needs and requirements are empathized in detail and suitable Banking products are suggested accordingly. (Human Brains is the real Big Data storage and analyzer).

COLLABORATION

Traditionally Cooperative Banks are not designed to think and behave like a modern tech company given their legacy processes, red tape, and regulatory compliances. They have been used to a business model where customers have always come to them for their financial needs. However, in today's digital age, it is important for a bank or in fact any business to go to the customer. This is where FinTechs with their innovative offerings come in. They can leverage the hordes of legacy data that banks have to gain deep insights into customer behavior and come up with offerings that are relevant and customizable on a need basis. Going forward, FinTechs can also help banks harness the powers of AI and big data analysis to decrease risks.

It is interesting to note that it won't be just the Cooperative banks that will reap the benefits of collaboration. One of the key assets that Cooperative banks have is trust; something they have earned over decades in the most traditional way. If we combine that advantage with FinTechs that are able to identify gaps, innovate quickly, and bring new products to markets quickly - you have a winning combination.

Collaboration/Cooperation is the way forward for banks to stay relevant and for FinTechs to flourish. Today, more and more Cooperative banks are willing to incorporate technology and innovation as a part of their business models that will make them more competitive in a digitally driven economy. Hence, the goal is to find the right mix of FinTech solutions and new age digital banking.

FINALLY...

The future may witness the amalgamation of FinTech firms and the Banking institutions to cater to the requirements of the Traditional people on the digital platform. It paves the way to sustainable augmentation.

A NEW AVENUE FOR AUGMENTATION OF CAPITAL FUNDS OF SCB AND DCCBS

J.Arullalan, Faculty, ACSTI

1. INTRODUCTION

Capital is an indispensable part of any businesses including Banking Business. It is essential for the smooth working of the business. Different entities employ several capital structures like Equity Share Capital, Preference Share Capital and Debt Instruments etc.,Besides, they also employ working capital for their day-to-day operations. Further, the Net worth of any business entity depends on its capital and capital assets.

In the Banking Sector, Rural Cooperative Banks (RCBs) viz., the State Cooperative Banks (SCBs) and District Central Cooperative Banks (DCCBs) can augment their Capital Funds and thereby increase the percentage of Capital to Risk-weighted Assets Ratio (CRAR), on account of the amendments made to the Banking Regulation (Amendment) Act, 2020, (No.39 of 2020) which came into effect on April, 01, 2021.

Reserve Bank of India (RBI) reviewed the provisions of Section 12 read with Section 56 of the amended Banking Regulation Act, 1949 and issued revised instructions on issue and regulation of Capital Funds by the SCBs and DCCBs vide its Circular RBI/2022-23/31(DOR.CAP.REC.22/09.18201/2022-23 dated April, 19, 2022.

2. AUGMENTATION OF CAPITAL FUNDS – NEW INSTRUMENTS

As per the April 2022 Circular of RBI, RCBs are eligible to issue the following types of instruments by adhering to the regulations and conditions of RBI.

I.Preference Share &

II.Debt Instruments

2.1 PREFERENCE SHARES

In addition to the existing issue of shares to persons within the area of operation, in accordance with the Bylaws, henceforth, the SCBs and DCCBs are permitted to issue the following types of preference shares, which can be reckoned for CRAR Calculation:-

Sl. No.	Type of Preference Share	Category of Capital Funds
1	Perpetual Non-Cumulative Preference Shares (PNCPs)	**Tier I Capital**
2	Perpetual Cumulative Preference Shares (PCPs)	**Tier II Capital**
3	Redeemable Non-Cumulative Preference Shares (RNCPs)	
4	Redeemable Cumulative Preference Shares (RCPs)	

2.2 DEBT INSTRUMENTS

As per the RBI circular, the SCBs and DCCBs can also issue the following Debt instruments, which can be taken for Capital Funds calculation under respective category, as detailed below:

Sl. No.	Type of Debt Instruments	Category of Capital Funds
1	Perpetual Debt Instruments (PDIs)	**Tier I Capital**
2	Long Term Subordinated Bonds (LTSB)	**Tier II Capital**

3. TIER I CAPITAL & TIER II CAPITAL

- Generally, the Tier I Capital is the primary funding source of any bank. Tier I capital consists of shareholders' equity and retained earnings.
- Tier II Capital includes revaluation reserves, hybrid capital instruments and subordinated term debt, general loan-loss reserves, and undisclosed reserves.

4. NORMS FOR ISSUE OF PREFERENCE SHARES & DEBT INSTRUMENTS

While issuing the regulatory capital instruments viz., PNCPs/PCPs/RNCPs /RCPs/PDIs and LTSBs, the SCBs and DCCBs shall adhere to the following conditions:

- For Floating instrument, RCBs should not use their Fixed Deposit Rate as benchmark.
- Regulatory capital instruments viz., PNCPs/PCPs/RNCPs/RCPs/PDIs are different from the Fixed Deposits.
- These instruments are not covered under Deposit Insurance
- Procedure for transfer to legal heirs in the event of death of the subscriber of the instrument should be specified.
- Refund of share capital by the SCBs/DCCBs is subject to the provisions of Section 12 (2) (ii) read with Section 56 of BR Act, 1949.
- RCBs can refund share capital to their members or nominees/ heirs of deceased members on demand subject to the following conditions:
- Bank's CRAR is above 9% (As per Bank' latest Audited Balance Sheet and NABARD's Statutory Inspection Report)
- Such refund does not result in the CRAR fall below the regulatory requirement of 9 percent.

5. CRAR COMPLIANCE – PRESENT SCENARIO OF RCBs IN TAMIL NADU

So far as the RCBs in Tamil Nadu are concerned, the SCBs and all the 23 CCBs had complied with the minimum 9 percent CRAR requirement as on 31.03.2022. Provisional figures as on 31.03.2023 (subject to audit) relating to SCB and CCBs, also has indicated that they have complied with the CRAR stipulation.

6. IMPACT OF AMENDMENTS TO BR ACT

In this context, the amendment (No.39 of 2020) to the Banking Regulation Act, 1949, had

- Definitely paved yet another way for the RCBs, for Capital Funds augmentation
- Shown a clear new avenue for the SCBs and DCCBs to increase CRAR percentage, by issuing preference shares and debt instruments.

7. CONCLUSION

With the amended provisions of the BR Act, 1949 and as a corollary, the issuance of revised directions of RBI would enable the RCBs, to achieve (or) continue to maintain the present CRAR requirement of 9 percent. It would also send clear message to the RCBs to do banking business with confidence and hope to raise their Capital Funds, even if the regulator viz. RBI enhances the percentage of minimum CRAR to a still higher percentage in future.

M.Parthasarathy, AGM(Retd.), IOB

Counterfeit Notes :
Impounding and Reporting - Operational Guidelines

The excepts below is to create an awareness among field level functionaries of Bank branches/ back offices on impounding of counterfeit notes and reporting formalities.

The field level Bank staff may come across instance of counterfeit notes getting deposited across Bank counters for acceptance without even tenderer knowing they are depositing counterfeit notes. In such cases RBI guidelines clearly indicate impounding and proper reporting procedure need to be complied with to trace the source of such counterfeit notes and to take proper action.

In such situations the field level functionaries, in most of the cases having no clear idea as to what to do and where to report and getting in to a panic situation as how to proceed further.. But the extant guidelines does not warrant any investigation/ enquiry of the customer or banker and demands prompt reporting only . For this purpose the banker need not visit any police station for reporting.

RBI periodically issues Master circular on Counterfeit notes detection and impounding. The brief of RBI master circular dated 01.04.2022 on operational guidelines on detection, impounding and reporting of counterfeit notes read as under

All Bank branches and back offices are authorised to impound counterfeit notes on deposit when detected and confirmed

For the purpose of detection of counterfeit notes bank offices are to be equipped with Ultra-Violet lamps / other appropriate banknote sorting/detection machine. In addition, all currency chest branches shall be equipped with verification, processing and sorting machine

Notes detected and confirmed as Counterfeit notes
1) Should not be Returned back to tenderer on any circumstances
2) Should not to be Destroyed by Bank themselves(burning/ tearing)
3) Should not give credit to the tenderer account

Failure of banks to impound counterfeit notes detected at their end will be construed as wilful involvement of bank in circulating counterfeit notes and penalty will be imposed

Procedure to be followed at Branch

Impounded counterfeit note to be stamped as under :

Counterfeit Banknote Stamp

Each banknote, which on examination of various security features / parameters, is determined as a counterfeit one, shall be branded with a stamp "COUNTERFEIT BANKNOTE". For this purpose, a stamp with a uniform size of 5 cm x 5 cm with the following inscription may be used.

COUNTERFEIT BANKNOTE IMPOUNDED
BANK
BRANCH / CURRENCY CHEST
NAME OF THE BANK
SIGNATURE
DATE

Details of impounded counterfeit note and tenderer with date and time to be recorded in a separate register maintained for the purpose

Receipt and acknowledgement to be issued by the branch for impounding of counterfeit note with counter sign of tenderer. Even if the tenderer refuses to sign, acknowledge to be issued as per form as under

Acknowledgement Receipt to be Issued to the Tenderer of Counterfeit Notes

Name of the Bank :
Address :
Serial Number of the Receipt : ________
Date : __________

The note (s) described below received from............................. (Name and Address of the tenderer) is/are counterfeit and has/have therefore been impounded and stamped accordingly.

Serial number of the note deemed as counterfeit	Denomination	Parameters on which the note is deemed as counterfeit

Total number of Counterfeit Notes: **(Signature of the Counter Staff)**
(Signature of the Tenderer) **(Official Seal)**

- The details of counterfeit notes impounded should be displaced in the Branch notice Board.
- Each Bank has a designated nodal officer in the district and all transactions involving counterfeit notes impounded in branches of the district are routed thro nodal officer only. So each branch should know who is the nodal officer and beach to which he is attached.
- Impounded counterfeit notes by the branch should be handed over to nodal officer on the same day and get acknowledgement and keep safely for their record purpose. Thereafter the nodal officer will initiate action.
- In case of detection of counterfeit notes upto 4 pieces, in a single transaction, a consolidated report should be sent by the Nodal officer to the police station or nodal police station along with Suspect notes at the end of the month and their acknowledge to obtained.
- In case of detection of counterfeit notes of 5 or more, in a single transaction, a consolidated report should be sent immediately by the nodal bank officer to the local police station or nodal police station for investigation by filling FIR and acknowledge to be obtained.
- Nodal bank will send the copy of monthly consolidated report/ report on detection of counterfeit notes to the vigilance cell of the concerned Bank head office.
- Hence all field level functionaries are to be familiarised with reporting formalities and to act in accordance with extant guidelines of RBI.
- The detailed other procedural formalities , banks are to be guided by RBI master circular issued in this regard.

118 ஆண்டுகளாக வங்கி சேவையில்

Azadi Ka Amrit Mahotsav

Interest Rate 7%*

Upto Rs.12 Lakh

Loan for Self help group

Eligibility	: Self Help Groups approved by the Tamil Nadu Women Development Corporation
Loan Amount	: Based on Savings in the Bank account (one to four times)
Interest	: Upto 3 lakh - 7% Above 3 lakh upto 12 lakh - 11%
Security	: No additional security needed
Repayment	: Upto 36 months

*Terms and Conditions Apply

TNSC BANK

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NAFSCOB MEETING

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