



NAFCUB



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Co-operatives surge ahead in India : PM Modi



The Prime Minister, Shri Narendra Modi addressed the post-budget webinar on 'Agriculture and Cooperatives' on Friday and revealed that a revolution is sweeping through the cooperative sector in the country. Modi was speaking at the second of a series of 12 post-budget webinars

organized by the government to seek ideas and suggestions for the effective implementation of the initiatives announced in the Union Budget 2023.

“A new revolution is taking place in the cooperative sector of India”, the Prime Minister remarked as he pointed out that it is not limited to some states and some regions of the country anymore. He informed that tax-related reliefs have

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Co-operatives are new 'Sanjeevani' to poor and marginalized : Amit Shah



Union Home Minister and Minister of Cooperation Shri Amit Shah laid foundation stones and inaugurated various projects of the Haryana Cooperation Department in Karnal on Tuesday in the presence of Chief Minister Manohar Lal, among others. In his address Shah said that co-ops can prove to be 'Sanjeevani' for the poorest of the poor.

Inaugurating the Hafed Export House, a co-operative milk plant, Internet Radio 'Sahakaritha Vani' and offering NCDC's loan amounting to Rs 10,000 crore to the farmers of the state, Union Cooperation Minister thanked the Prime Minister for forming a separate Ministry of Cooperation. Shah said that in about one-and-a-half years, the Ministry has made new

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Strengthening Urban Cooperative Banking Sector is top priority of NAFCUB : Jyotindra Mehta



Shri Jyotindra Mehta, President, NAFCUB while addressing the delegates of BANCO Annual Summit 2023 said Urban Cooperative Banks are strong entities to meet the credit requirements of the under privilege section of the Society which are not entertained by the Commercial

Banks for giving loans and other facilities. He said NAFCUB being spokesperson of the sector is strongly opposing the RBI Directions which are hampering the growth and development of the Sector. During

recently held Standing Advisory Meeting of RBI on Urban Cooperative Banks which was held on 6th January 2023, the Federation has strongly opposed the Master Directions issued by the RBI on Exposure norms on Priority Sector Lending which Sector feels is a major hurdle in the growth of the Sector. The targets prescribed are totally unrealistic to be achieved in short span of 4 years. He said that he has suggested fixing the PSL targets of 40 percent as applicable to Commercial Banks. He further added that RBI should not act as fault finding agency and desists from imposing exorbitant penalty on Urban cooperative Banks.

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RBI should treat UCBs on par with SFBs for PSL targets : Jyotindra Mehta



President Jyotindra Mehta wrote a letter to Union Cooperation Minister Amit Shah in connection with the issue of imposing Small Finance Bank lending norms on Urban Cooperative Banks of RBI. In his letter Mehta wrote, “In 2020 RBI

issued a circular to all UCBs detailing guidelines for voluntary conversion of UCBs to SFBs. It had perhaps envisaged that all the large banks, which were eligible, would apply for conversion. However, only two UCBs came forward and were accorded permission to become SFBs”.

“RBI was perhaps surprised that notwithstanding the obvious benefits of prospects of conversion like having the entire country as area of operation, opening branches anywhere any time and becoming a part of the mainstream banking system with greater visibility, UCBs were not coming forward for conversion”, Mehta added.

Nafcub President further added, “Disappointed that urban banks are not converting to SFBs, RBI decided to introduce the SFB loan norms to UCBs also.

NAFCUB has been submitting to RBI from 2020 itself that the all the running UCBs will face great difficulty in complying with steep increase in PSL from 40% to 75% within 3 years and also to change loan profile to have 50% of loan amount in accounts with not more than Rs 25 lacs in size”.

“Such a thing could only be prescribed for new banks. As stated above, this issue was discussed at length in the SAC meeting and RBI agreed to review it. We all presumed that at least till such time the final decision was taken after review, which we felt would definitely be on the lines of our submission, there would be no action”, he asserted.

“It is our earnest request that RBI be kindly prevailed upon to disband its obsession to equate UCBs with SFBs and not prescribe norms that are alright for new banks and not those banks which have been in existence for a number of decades and have settled the profile of borrowers. It is amounting to punishing them for no fault of theirs” Mehta said.

“We look forward to the Ministry of Cooperation under your guidance to take up the matter with RBI and help the urban banks that are distressed by RBI's insistence on prescribing norms for them and forcing them to invest in SIDBI bonds”, Mehta's letter concludes.

Cosmos Bank receives ‘Banco Best Technology Award’



The Cosmos Cooperative Bank Ltd., has received the prestigious ‘Banco Blue Ribbon Best Technology Award’ for the year 2022. This award is received in the category of Urban Cooperative Bank’s having deposits of more than Rs. 15000 Crore. The award was received by Anand Chalke, Deputy Chief General Manager, Retail Business, on behalf of Cosmos Bank.

The Award was presented by Jitendrabhai Mehta, President of NAFCUB. Present on this occasion were Chief Editor of Banco – Avinash Shintre and Director of Galaxy INMA- Ashok Naik.

Saraswat Bank acquires cutting edge technology from Tagit; Mehta claps



To implement omni channel digital banking solutions for its retail and corporate customers, the largest urban cooperative bank of India-Saraswat Cooperative Bank has partnered with Singapore based Tagit, a leading digital banking solutions provider. Adoption of this cutting edge technology will propel Saraswat Bank into the top league.

The bank will use Tagit's Mobeix Digital Banking platform to enhance customer experience by offering a comprehensive set of digital services securely, anytime, anywhere.

A proud Nafcub President Jyotindra Mehta reacted by saying “ Well done Saraswat Bank! ” Nafcub is the apex body of urban cooperative banks and credit co-op societies in the country with a membership base of more than 1514 UCBs.

Commenting on the partnership Saraswat Bank Chairman Gautam Thakur said, “Saraswat Bank has always been at the vanguard in adopting new-age technologies and implementing various technology-powered initiatives”.

“Our association with Tagit is one such initiative to provide an omnichannel facility to our customers through new Mobile Banking and Internet Banking applications. This will provide enhanced accessibility and enriched user experience through seamless user journey”, he further added.

The saraswat bank press release reads, “The Mobeix Digital Banking platform will accelerate the



Bank's ability to launch new digital services allowing the Bank to constantly innovate and scale as its customer base grows. The new digital offerings will accelerate adoption of the usage of digital channels by the bank customers, thus enabling the Bank to compete and grow in the market”.

“Using the Mobeix platform, the Bank will be able to enhance the customer experience by offering a comprehensive set of digital services securely, anytime, anywhere. The bank chose Tagit based on its best-in-class products built on a robust digital banking platform and successful record in the Indian market”, it further reads.

Saraswat Cooperative Bank with its spread across six states – Maharashtra, Goa, Gujarat, Delhi, Madhya Pradesh and Karnataka, has total business of over Rs 71,000 crore as on March 2022 with a Net Profit of Rs. 275.02 crore. It also kept its NPAs at a low level of 0.65%, thus demonstrating a strong business position.

The bank has been recognized amongst the World's Best Banks by the prestigious Forbes survey for three years in a row. It has also bagged the “Best Technology Bank” Award for the 6th consecutive year at Indian Banks' Association (IBA) Technology Awards 2021 in the co-operative banking sector and featured in the “Fortune India 500 list” for 5 consecutive years.

Tagit is an award-winning digital banking solutions provider headquartered in Singapore, with a strong track record in designing, developing, and deploying digital solutions for leading banks across Asia, the Middle East, and Africa.

Vishweshwar Sahakari Bank : Gadve's team is all set to discover new heights



Anil Gadve, under whose leadership his panel won the recent elections of Pune based Vishweshwar Sahakari Bank (Multi State Co-op Bank), has an ambitious plan to take the bank to newer heights.

“We are looking forward to taking our business to more than Rs 5k crore in a span of three years and we are sure that we will achieve this target. At present our business mix is around Rs 2600 crore”, said Gadve while talking to this correspondent soon after the elections.

Gadve further added, “We also received the permission from Reserve Bank of India for net banking, it will be live for our customers in a couple of months. Besides, we have submitted the application before the RBI for giving us permission to open three branches but the reply is still awaited”.

“We will also focus on lowering down the NPA

levels to Zero percent. At present the net and gross NPAs are 3 and 5 percent respectively. We will make a strategy to reduce the NPAs soon”, Gadve asserted.

It bears recalling that the panel led by Anil Gadve and the outgoing Chairman Sunil Rukari made a clean sweep of the elections held last week. Candidates from the opposition panel forfeited their security deposits.

The new board comprises 11 elected directors, out of which 4 are new, the rest are old hands. In the elections only one director got elected unopposed and the elections were held for 10 seats.

Readers would recall that the bank has completed 50 years of its existence and organized scores of events to mark the celebrations.

Vishweshwar Sahakari Bank has a network of 28 branches across the states of Maharashtra and Karnataka. In the last financial year, the bank earned a net profit of Rs 14 crore.

The Bank was established by Late Namdeorao Rukari, Bharatsheth Gadve & Baburao Harpale with the noble aim of taking the Bank and banking services to the common people by adopting the principle of cooperation.



e-Coop Banking is a fortnightly publication of NAFCUB with a circulation of more than 2000 copies across the country. The list includes RBI offices, ICMs, RICMs, Select Ministries of Government of India, Board Members of Urban Cooperative Banks, Bankers, Ex-Bankers, etc.

Advertisements are invited for publication in e-Coop Banking for half – page (excluding first and last page). Advertisement matter may kindly be sent in an open CDR file, PDF (only in CMYK) for better printing quality through email at – nafcub.publications@gmail.com. For any query on the above, you can contact Sh. Vivek Gupta, +91-9868735253

NAFCUB organizes Leadership Development Programme for Urban Cooperative Credit Societies



The National Federation of Urban Cooperative Banks and Credit Societies Ltd. (NAFCUB) organized an exclusive 3 days Leadership Development Programme for Cooperative Credit Societies in collaboration with National Centre for Cooperative Education (NCUI) from February 20-22, 2023 at New Delhi.

The programme was well attended by 39 participants from 7 states of Gujarat, Kerala, Madhya Pradesh, Maharashtra, Punjab, Uttar Pradesh and West Bengal.

While welcoming the participants of the programme Sh. Yogesh Sharma, Chief Executive briefed about the NAFCUB activities and its role in the development of urban Cooperative Credit movement.

The Chief Executive also informed about the amenities being provided delegates during the programme by the NCUI for its participating delegates. He stressed for following the proper discipline in the programme and expressed confidence that the programme will be beneficial for the participating delegates. He advised the participants to work hard for the progress of their institutions.

The institutions should be transparent in their working and open to new business opportunities available to them. He informed about recent Ministry of Cooperation expectations from the cooperative institutions.

During the first session Chief Executive, NAFCUB

discussed about the role of NAFCUB in development of Cooperative Credit Societies and challenges before the cooperative credit societies in the presently changing environment.

Ms. Nikunj Agnihotri, Ex. Banker Axis Bank, took session on Conflict Resolution Skills in Cooperative institutions and role of Team Management, The other sessions on Effective Leadership, Effective Communications & HRM was taken by Col. Hari Varma, Principles of Cooperation, Ethics & Values and Recovery Management in Cooperative Credit Societies was discussed by Sh. Rajeev Sharma, Director, NCUI, the session on Management of Urban Cooperative Credit Societies was taken by Sh. Subhash Gupta, Advisor, NAFCUB, Use of Information Technology (IT) in different areas of Urban Cooperative Credit Societies was taken by Sh. S. C. Pradhan, Principal,



DSCTC, Sh. Anurag AD (F), NCUI discussed about Financial Management & Accounting in Urban Cooperative Credit Societies.

The participants actively took part in the discussions and shared their experiences with other participants. During the concluding session they also discussed with the experts/consultants the issues which they are confronting in their societies especially relating to recovery, documentation, Loan & Advances and Income Tax matters.

During the valedictory session participants shared their feedback about the programme. The programme was Coordinated by Shri Anil Chauhan and Mrs. Rajini Sharma, NAFCUB and NCUI respectively.

NAFCUB organises Workshop on Priority Sector Lending



NAFCUB organised a Workshop on the topic “Priority Sector Lending at LINAC (NCDC) training Institute at Gurgaon on 21st February 2023.

The Chief Executive NAFCUB Shri Yogesh

Sharma while giving his welcome address thanked the NCDC and LINAC for accepting the request of NAFCUB and provided the support in organising the Workshop. He informed about the NAFCUB functioning and objective of organising the Workshop. During his address he informed about the NAFCUB role in resolving various issues being faced by the Urban Cooperative Banking Sector.

Earlier LINAC Chief Director Lt. Col. Baljeet Singh welcomed all the participants and briefed about the activities of NCDC and Training programmes of LINAC. He also thanked NAFCUB President for giving opportunity to the LINAC for organising the programme. He desired more collaborations for organisations of the training programmes with NAFCUB in future.

Ms. Franky Arora Programme Coordinator, NAFCUB briefed about the NAFCUB activities, Workshop Objectives and welcomed the dignitaries and speakers in the Workshop. Mrs. Sunil Malik from LINAC briefed about the topic of the workshop.

The first session was taken up by Sh. JV Shah who is the CEO of Gujarat Federation of Urban Cooperative Banks. He explained various issues regarding RBI Circular on Priority Sector Lending. He also explained that the targets for priority sector lending are based on Adjusted Net Bank Credit (ANBC) and how to



compute it. He talked about the importance of MSMEs and how Priority Sector Lending is related to it. Also, how non-achievement of targets under PSL affects the banks.

Sh. G.P Mistri, Reserve Bank of India Former DGM took session on various challenges being faced in compliances of Priority Sector Lending Targets. He explained the importance of Udyam Registration. He also explained about various Loans and Advances covered under priority sector lending including Farm Credit (Agriculture and Allied Activities, lending for Agriculture Infrastructure, Regulated Warehouses, Khadi and Village Industries Sector etc.



Post Lunch, the third session was taken up by Sh. S. K. Joon, AGM and Faculty in State Bank Academy. His session covered various aspects on Financing for MSMEs.

The workshop was concluded with a Vote of thanks by Ms. Franky Arora . She

thanked Shri P. K. Bansal, Managing Director NCDC for giving opportunity to organize the Workshop. She expressed her gratitude to the Chief Director Lt. Col. Baljeet Singh and his entire team for all support provided for smooth conducting of the Workshop. She also thanked the speakers and the participants for their precious presence. The Workshop was attended by 36 officials of various urban cooperative banks from all over India.

Nayak is re-elected as President of Odisha UCBs & Credit Co-op. Societies Federation



The well-known face in cooperative circles Mahendra Kumar Nayak has been re-elected unopposed as the President of Odisha Urban Cooperative Banks and Credit Societies Federation, in an election held on Thursday.

The election in the federation has been held after a gap of over three years because the last election was organized in 2015 and after the completion of the five years term of the board of directors in 2022, the state government had appointed the Registrar of Cooperative Societies to oversee its activities.

It is gathered that in Odisha, the elections of Chairman and Vice-Chairman are not held together as the Act does not permit it. It means the Vice-Chairman's election will be held in 15 days.

In the election of Chairman, Guruprasad from Kendrapara Urban Cooperative Bank and Pramod Kumar Sahu from Kendrapara Credit Cooperative

Society filed their nomination papers but later on withdrew their names.

Cooperative, Nayak said, “I have been re-elected as the Chairman Odisha UCBs and Credit Societies Federation. We will work together to take the federation to greater heights”.

“I was also on the board of Nafed and Anand based National Cooperative Dairy Federation of India (NCDFI). I was the Director of Odisha State Co-op. Bank for three terms. I have been associated with the cooperative movement for more than 45 years”, said Nayak who by profession is an advocate.

Later on, Nayak met Odisha Food Supplies and Consumer Welfare Minister Atanu Sabyasachi Nayak and took his blessings.

It is worth mentioning that he had been awarded the Sahakarita Siromani Award presented by KRIBHCO, New Delhi.

It bears recalling that the federation board consists of 21 directors and only one seat is vacant, the remaining 20 directors were elected unopposed. In the newly elected board 15 are new ones and the rest are old hands.

There are nine urban cooperative banks and more than 30 credit cooperative societies in Odisha.

Our Publications



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been given to the cooperative sector in this year's budget which will benefit new cooperative societies engaged in manufacturing. He further added that TDS will not be levied on cash withdrawals up to Rs 3 crore by cooperative societies.

The Prime Minister also mentioned the important decision of tax exemption given to the payment made by the sugar cooperative before 2016-17 and said that it will benefit the sugar cooperative to the tune of Rs 10,000 crore.

The Prime Minister emphasized that sectors such as dairy and fisheries which did not have cooperatives earlier will greatly benefit the farmers today.

Throwing light on the huge opportunities for our farmers in fisheries, the Prime Minister informed that fish production in the country has increased by about 70 lakh metric tonnes in the last 8-9 years. He also touched upon a new sub-component that has been announced under the PM Matsya Sampada Yojana at a cost of 6000 crores which will give a boost to the fisheries value chain as well as the market.

Addressing the gathering, the Prime Minister highlighted the importance given to the agricultural sector in this year's budget as well as budgets of the past 8-9 years. He informed that the agricultural budget which was less than 25 thousand crores in 2014 has been increased to more than 1 lakh 25 thousand crores today. "Every Budget in recent years has been called a budget for Gaon, Gareeb and Kisan", Shri Modi said.

"Today India is exporting many types of agricultural products", the Prime Minister said as he



shed light on the efforts of the government to make domestic and international markets accessible to the farmers.

Highlighting the imports in the agricultural sector, he said that the sum of all agricultural imports was about Rs 2 lakh crores. Modi informed about new initiatives of the government such as increase in MSP, promotion of pulse production, increase in the number of food processing parks, and work in mission mode to become completely self-sufficient in terms of edible oil.

The PM observed that private innovation and investment are keeping a distance from this sector which leads to low participation of India's youth in the agricultural sector compared to the other sectors which witness active participation and growth.

Drawing an analogy to the open platform of UPI, the Prime Minister noted the immense possibilities of investment and innovation in Agri-Tech domains. Modi listed out the opportunities such as improving logistics, making large markets more accessible, promoting drip irrigation through technology, installation of soil testing labs along the lines of medical labs.

The Prime Minister informed about the introduction of accelerator funds for agri-tech startups and said that the government is not only creating digital infrastructure but also preparing funding avenues. He urged the youth and young entrepreneurs to move forward and achieve their goals. The Prime Minister pointed out that India is home to more than 3000 agri-startups today compared to next to nothing 9 years ago.



beginnings in many fields. He said that first of all the work of strengthening Primary Agricultural Credit Societies (PACS) was started.

Referring to the national Cooperative Export House being set up by the Centre, Shah appealed that states should also set up their own export houses and those export houses should become members of the Government of India's export house. He said that the Haryana government has made a very good start by beginning this work so soon.

Shah said the cooperative export house built with state-of-the-art facilities in Haryana's Karnal has all features— testing, branding, bank linkage, letter of credit, etc. He said that till now HAFED has accomplished exports worth Rs. 650 crores.

Lauding Haryana Dairy Development Cooperative Federation for launching many enterprises like animal feed, veterinary medicine and vaccination etc, he said that not only the poor would be associated with animal husbandry, there would also be a clean environment in the entire village and Gobar gas could also be produced.

Amit Shah inaugurated a co-operative milk plant at the cost of around Rs 200 crore. The plant has the capacity to process 5 lakh liters of milk per day and it will benefit many cattle farmers.

Apart from this, he inaugurated an ethanol plant at a cost of Rs 150 crore and with a capacity of 90,000 liters per day. He said ethanol blending had increased to 10% from less than 1% and would be further increased to 20% by 2025. He said that this would increase the



income of sugar mills, APMC's waste & waste paddy would be used and the country's import bill would also be cut drastically.

Shah also launched Internet Radio 'Sahakaritha Vani' through which scientific information related to farming, animal breeding and improvement in the quality of milk etc. would be available to the farmers from time to time.

Shri Shah said that the NCDC, running under the aegis of the Government of India, has today released Rs 10,000 crore to Haryana for various works of Cooperatives, which will be provided to farmers' cooperatives on a low interest.

The Union Home Minister and Minister of Cooperation said that we have started a campaign to make the District Cooperative Bank NPA free. He said that in this year's budget, Prime Minister Shri Narendra Modi has set a target of a big scheme for the country's cooperatives.

Under this scheme before 2025 PACS will be established in every Panchayat of the country and 2 lakh new PACS will be made. He said that since independence 65 thousand PACS have been made, and now we have set a target of creating 2 lakh PACS in the next 3 years.

This shows how big the scale of cooperatives is going to be. He said that the government has also brought in a new Cooperative Policy, and apart from this, 3 cooperative societies have also been formed by the Government of India.



Considering the crucial role in meeting Credit needs of the large section of downtrodden people, he urged that there is a need to form Appellant authority to hear the grievances and resolve the issues of Urban Cooperative Banks which are penalised by the RBI.

He applauded the role of Separate Ministry of



Cooperation under the leadership and guidance of Shri Amit Shah. He said the Ministry of Cooperation is very prompt in taking issues of Multistate Cooperative Banks and Credit Societies and always try to resolve the issues with various authorities. He said separate Minister of Cooperation was long outstanding demand of NAFCUB which was fulfilled by the present Government. He further added that after the



formation of New Ministry he met Shri Amit Shah on several occasions and appraised him regularly about the developments in the Urban Cooperative Banking Sector.

While speaking about the future role of Urban cooperative Banks, he said Urban Cooperative Banks



should adopt latest technology for all its Banking operations for better and efficient Customer Services and also to pace with other Banking Industry. Technology may be costly affairs for smaller banks but they may join National Umbrella organising and use the latest Technology on sharing basis, he emphasised. He urged the participating delegates to join Umbrella organisation so as to strengthen it as it has been formed for the growth and development of the Sector.

As Chief Guest of the function Shri Jyotindra Mehta was privilege to present Blue Ribbon Awards to the outstanding Star performers Urban Cooperative Banks in the categories of Zero percent Net NPAs, Highest Profit earning Bank, Highest employees productivity, Best performer Mahila Bank etc.,

GLIMPSES OF BANCO EVENTS



Legal Column

A person cannot be deemed to be in service when his first dismissal order is in force: Supreme Court

Calling in question the legality, regularity and propriety of the order of the Division Bench of the Patna High Court, confirming the order of the learned single Judge wherein and whereby the Courts have set aside the order of dismissal passed by the appellant bank against the respondent, the appellant bank has filed the Civil Appeal in the Supreme Court in *State Bank of India and others vs. Kamal Kishore Prasad*, C.A. No. 175 of 2023 dated 9.1.2023: 2023 LiveLaw (SC) 42.

Short recital of the case

Before embarking upon the legal issues debated by the contesting parties, it shall be apposite to refer the factual contours of the current controversy in concise. The respondent was found to have committed various lapses when he was posted as a Branch Manager at Marufganj Branch and at various other branches. Hence, he was suspended under Rule 50(i)(a) of SBIOSR, 1992. The Inquiry Authority submitted a report on the departmental proceedings where some of the allegations were found to be proved whereas some were found to be partly proved. The Disciplinary Authority agreed on some of the findings which were recorded by the Inquiry Authority and the respondent was called upon to make his submissions on the same. Thereafter the matter was sent to the Appointing Authority which imposed the penalty of 'dismissal from service'. Castigating the order, the respondent filed a writ petition in the High Court which was allowed by the learned single Judge. The appellant bank thereafter filed an LPA. The Division Bench stayed the above order but ultimately dismissed the LPA. The respondent attained the age of superannuation in the meantime. The appellant bank filed an SLP (C) calling in question the order passed by the Division Bench. This was allowed by the Apex Court.

In view of the order passed by the Apex Court, the Appointing Authority issued a show-cause notice to the respondent, to which the respondent submitted his response. The Appointing Authority after granting personal hearing to the respondent again passed the order of dismissal from service against the respondent in terms of Rule 67(J) of SBISOR and treating his period of suspension as not on duty. Being aggrieved by the said order passed by the Appointing Authority, the respondent filed departmental appeal which came to be dismissed. The respondent had then approached the High Court. The learned single Judge allowed the said petition and quashed the order of dismissal and ordered for payment of all arrears and benefits. Questing the correctness of the order, the appellant-bank filed an LPA, which suffered the fate of dismissal by the Division Bench vide the impugned order. Therefore the present Civil Appeal was instituted by the appellant bank.

Competing Arguments

Impugning and inveighing the judgment of the Division Bench of the High Court, the appellant bank vehemently submitted that the High Court had committed gross error in confirming the order passed by the learned single Judge, and in misinterpreting the Rule 19(1) and 19(3) of the SBIOSR, 1992. The Apex Court in the first round of litigation had allowed the appeal filed by the appellant-bank and set aside the order passed by the Division Bench, and while observing that the person who hears the matter requires to pass an order, had directed the Appointing Authority to take appropriate decision, keeping all the contentions of the parties open. The Appointing Authority, therefore had issued a show-causenotice to the respondent and after giving him an opportunity of hearing had passed the order of dismissal, which was wrongly set aside by the learned single Judge and by the Division Bench.

In support of the impugned order the respondent submitted that an affirmative action was expected to be taken by the appellant-bank in view of the order passed by the Supreme Court in the earlier round, as the respondent had already attained the age of superannuation pending the proceeding before the High Court. Under the circumstances, theAppointing Authority was required to take steps either to extendthe service of the respondent in terms of Rule 19(1), or to continue the disciplinary proceedings, even after the superannuation of the respondent under Rule 19(3) of the Rules, however the appellant-bank did not take recourse to any of the said rules. He further submitted that the discretion to continue with the disciplinary

proceedings had to be exercised as an affirmative action by taking a conscious decision, which the Appointing Authority of the appellant-bank had failed to take, and on the contrary passed the order of dismissal with retrospective effect which was not legally permissible.

Exploration and Evaluation

In essence, Rule 19(1) of the Rules allows an officer to retire from the bank on attaining the age of 58 years or upon the completion of 30 years' service or 30 years' of pensionable service, whichever occurs first. As per the Rule 19(3), in case the disciplinary proceedings under the relevant rules of service have been initiated against an officer before he ceases to be in the bank's service by operation of, or by virtue of any of the rules, the disciplinary proceedings may at the discretion of Managing Director be continued and concluded, as if the officer had continued to be in service. The officer will only be deemed to be in service for the purpose of the continuance and conclusion of the proceedings. In this case, the respondent's reliance on Rule 19(3) of the Rules was misplaced because the disciplinary proceedings against the respondent had already been concluded with his dismissal by the Appointing Authority. The dismissal was later set aside by the learned single Judge and the order remained stayed pending an appeal filed by the bank, which was eventually dismissed by the Division Bench. However, the order was later set aside by the Supreme Court, observing that the person who hears the matter has to decide it. Therefore, Rule 19(3) was not applicable in this case. The Appointing Authority was directed by the Court to hear the respondent and pass an appropriate order. After hearing the respondent, the Appointing Authority imposed the penalty of dismissal from service. The Court had kept all the contentions of all parties open, so no further action was expected from the bank. However, in the instant case, there was no question of Managing Director exercising such discretion under Rule 19(3) as the disciplinary proceedings initiated against the respondent had already culminated into his dismissal order passed by the Appointing Authority.

Since all the contentions were kept open by the Court while allowing the appeal filed by the appellant-bank, as such no affirmative action was expected from the appellant-bank, as sought to be submitted by the respondent. The said order of Appointing Authority dismissing the respondent from service after granting opportunity of hearing to the respondent was in consonance with the direction given by the Court and could not be said to be arbitrary illegal or in violation of Rule 19(3) of the said Rules. The impugned order of the High Court setting aside the said order of dismissal being under misconception of facts and law deserves to be quashed and set aside.

The Effect

In the afore circumstances, it is incontestable that the bank has acted well within its jurisdiction and in the manner it was expected to do, under the orders/directions of the Supreme Court. In the forensic scenario as above and in a conspectus of the above observations afore, the Court is compelled to find that the order impugned in this appeal is contrary to the settled proposition of law and therefore liable to be set aside. The present appeal stood allowed.

**Compiled by : R. MURALIDHARAN, Puducherry Civil Service Officer (Retired),
Director, Catalyst [The Training People]**



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

RBI/2022-23/181

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February 20, 2023

DOR.ACC.REC.No.103/21.04.018/2022-23

Madam / Dear Sir,

**Reserve Bank of India (Financial Statements - Presentation and Disclosures)
Directions, 2021 – Disclosures for State Co-operative Banks and Central Cooperative Banks**

The Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 ('Master Direction') are applicable to Commercial Banks and Primary Urban Co-operative Banks (UCBs). They harmonize the regulatory instructions on presentation and disclosure in financial statements across the banking sector.

2. In consultation with the National Bank for Agriculture and Rural Development (NABARD), it has now been decided to make this Master Direction also applicable to State Cooperative Banks and Central Cooperative Banks (also referred to as 'District Central Co-operative Banks').
3. The Master Direction shall apply to State and Central Cooperative Banks (together referred to as 'Rural Co-operative Banks' or 'RCBs') mutatis mutandis, unless explicitly specified otherwise, from the financial year ending March 31, 2023. Certain disclosure requirements specified in Annex III-A shall be applicable, to RCBs, from the financial year ending March 31, 2024.
4. The Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 stands updated to reflect these changes.

Yours faithfully,

(Usha Janakiraman)
Chief General Manager

Circular can be downloaded from:

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/RCBSDISCLOSURE1D84ED21F5E74893B2E1B83EBE915996.PDF>

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