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NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT
ORISSA REGIONAL OFFICE

2/1 NAYAPALLI CIVIC CENTRE P.B.NO.179
Bhubaneswar-751015

NABARD

Ref.No.NB(ORI)/DCRR/ DCRR-1/2008-09

19 June 2008

The R.C.S.(O)BBSR.

Dear Sir;

Implementation of Revival Package for STCCS-Fit & proper Criteria for Directors/CEOs of the State Cooperative Banks (StCBs)and District Central Coop.Banks(DCCBs)Modified Guidelines.

We forward herewith the modified guidelines on fit and proper criteria for Directors and CEOs of StCCB and DCCBs as revised on 18 June 2008 by the Reserve Bank of India for information and necessary action at your end.You are requested to advise Secretary of all the DCCBs and the OSCB to follow the modified guidelines scrupulously.

Yoursfaithfully,

Sd/- S.Pattanaik

Deputy General Manager

Encl.As above

Endt.No.NB(ORI/DCRR/2843/DCRR-1/2008-09 of date

Copy forwarded for information and necessary action to

1. The principal Secretary,Cooperation,Govt.of Orissa,Secretariate Bhubaneswar/

ii. The Auditor General of C.S.Govt.of Orissa,5th floor,Orissa, Coop.Housing Corporation Building Complex,Unit-III, Janapath,Bhubaneswar.

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Sd/-D.Padhi
Asst.General Manager
Encl-As above

(PTO)

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Directorate of Cooperative Audit, Orissa, Bhubaneswar.

Memo No.VI(i)13/05(p-vi) 5004 (16) A-8/Dt. 7.7.08.

Copy alongwith copy of enclosures forwarded to the Asst. Auditor General of C.S. of circles for information and necessary action in continuation of this office memo No.4006 dt.27.5.08. They are requested to circulate the modified guidelines on fit and proper criteria prescribed by RBI for Directors and CEOs of SCB and CCBs on dt.16.6.2008 amongst the auditors under their administrative control for their guidance.

5.07.08

Sub-Asst.AuditorGeneralC.S.(Office)

Memo No 5005 (11) Dt. 7.7.08.

Copy forwarded to the concurrent auditors of OSCB ltd. Bhubaneswar for information and guidance.

5/07/08

Sub.Asst.AuditorGeneral of C.S.(O)

5 s.c.

R/S
5/7/08

Fit and Proper Criteria prescribed by the Reserve Bank for Directors and CEOs of State Cooperative Banks and Central Cooperative Banks.

(as revised on 18 June 2008)

Position	Criteria
Director (Elected Members)	1. The provisions of the bye-laws of the bank, in question, and the concerned State Cooperative Societies' Act shall be adhered to by the Election Authority in the matter. 2. A declaration as in Annex I shall be obtained from each elected director. A special Board-level committee shall be set up by the elected Board to satisfy itself about the information provided by the directors in the declaration.
Professional Director	1. There shall be at least three directors on the Board with a minimum of five years work experience in any of the following fields. i. Accountancy (Qualified Chartered/Cost Accountant.) ii) Agriculture (Agricultural Graduate/Post-graduate/Agricultural Engineer) iii) Banking (At senior management level, being a graduate.) iv. Finace/Economics/Commerce/Business Administration (CFA/Post-grduate in Economics/Commerce/Finance/Management/MBA). v. Law (Law Graduate/Post-graduate) 2. In case elected members do not posses prescribed qualifications/experience as above, the Board shall Co-opt requisite number of professionals with such prescribed qualifications/experience as directors to ensure that there are at least three directors with the prescribed qualifications/experience, Such co-opt directors shall have full voting rights.

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3. Any person who has had a business relationship with the bank, in question, during the last 3 preceding years will not be eligible.

4. The co-opted director will undertake that he/she will not take up any professional work(statutory audit, concurrent audit, leagal retainership or empanelment as a lawer etc.) in any bank other than State Cooperative Banks/Central Cooperative Banks/Urban Cooperative Banks during his/her term as director of the bank and in the same bank till two years after demitting office of the director of that bank.

5. Further, a declaration as in Annex I shall be obtained from a co-opted director at the time of his/her appointment. The Board level committee, as mentioned above, shall undertake a process of due diligence in respect of each co-opted director relying on information given in the declaration .

Chief Executive Officer(CEO)	1. The person may preferably not be above 55 years of age at the time of appointment. 2. The person to be appointed as CEO shall have minimum educational qualification in any of the following fields. 1. A Graduate with CAIIB/DBF/Diploma in Cooperative Business Management or equivalent qualification. ii. Accountancy(Chartered/Cost Accountant) iii. Agriculture(Agricultural Graduate/ Post-graduate). iv. Finance/Economics/Business Administration (CFA/Post-graduate in Economics/MBA)

(Contd-p-3)

v. Law (Law Graduate/Post-graduate)
vi. Engineering (B.E. or qquivalent)

3. The person shall have at least eight years' work experience at the middle/senior level in the backing soctor.

4. The Board of the bank, in question/Selection Committee should also undertake a process of due diligence in respect of the person, relying on information to be obtained from him/her as in Annex I, before appointment.

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Annex-I

Details

1 Persional details of the candidates . . . . .

a Full name

b. Date of birth

c. Educational Qualifications

d. Relevant Background and Experience including details of current/previous occuption.

e Permanent Address.

f E-mail address/Telephone number

g. Present address

h. Permanent Account number under the income Tax Act and name and address of income Tax Circle.

i. Record of relevant professional achievements.

j. Relevant knowledge and experience.

k. Any other information relevant for the purpose.

II. Relevant relationships.

a List of relatives if any who are connected with the bank.

b. List of entities if any which he/she is considered as interested.

c. Fund and non-fund facilities if any, presently availed by him/her and or by entities listed in 'b' above from bank.

d. Cases, if any, where the candidate or entities listed in 'b' above are in default or have been in default in the last five years in respect of credit facilities obtained from the bank or any other bank.

(Contd-p-5)

III. Proceedings, if any, against the candidate.

a. If the candidate is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the pst against him/her or whether he/she has been banned from entry into any profession/occupation at any time.

b. Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the candidate and/or against any of the entities listed in II(b) for violation of economic laws and regulations.

c. Details of criminal prosecution, if any pending or commenced or resulting in conviction in the last five years against the candidate.

d. Has the candidate or any of the entities at II(b) above been subject to any investigation at the instance of Government department or agency ?.

e. Has the candidate at any time been found guilty of violation of rules/regulations/legislative requirements by customs/excise/income tax/foreign exchange/other revenue authorities if so give particulars.

IV. Any other explanation/information considered relevant for judging fit and proper.

Under taking.

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the bank fully informed as soon as possible of all events, which take place subsequent to my appointment, which are relevant to the information provided above.

Place

Date

Signature