**Circular No.30/14** **Date: -24/11/2014**

Please Circulate To All Members

**TIME LIMIT FOR INITIATION OF DISC. PROCEEDINGS**

We reproduce here below the text of AISBOF’s Circular No.130/14 dt.20/11/2014 on the

above subject for information of our members.

2. All our affiliates/members are requested to await further developments in the matter.

**With greetings,**

**(Shankerbhai Patel)**

General Secretary

**No.7151/85/14 Date: 19.11.2014**

To,

**The Deputy Managing Director & CDO,**

State Bank of India,

Corporate Centre,

Madame Cama Road,

**MUMBAI - 400 021.**

Dear Sir,

**TIME LIMIT FOR INITIATION OF DISC. PROCEEDINGS**

Every Bank has evolved a system of Credit audit / inspection for non-borrowal/ borrowal accounts under which they are subjected to close scrutiny. This audit/ inspection would scrutinize pre-sanction appraisal, documentation and disbursement of loans/advances and post sanction follow-of. If any irregularity is missed out by auditors/ inspectors in the first audit/ inspection, it is reasonable to expect that the remaining undetected irregularities will be detected in the second audit/ inspection and necessary disciplinary proceeding initiated against the concerned officials in the follow up action. Normally the second audit/ inspection would be completed within 3-4 years. The Central Vigilance Commission has accordingly approved the proposal that no disciplinary proceeding will ordinarily lie against any official for any lapse not detected within two successive internal regular audits/ inspections of the same account or 4 years from the date of event; whichever is later. This time limit will not apply to cases of (i) fraud (ii) other criminal offences or (iii) cases where malafides are inferable.”

**2.** It appears that the authorities concerned in the Circles have not been interpreting the instructions quoted above, correctly. A careful reading of the instructions as also the spirit of the instructions would make it amply clear that disciplinary proceedings can be initiated against officials after the stipulated period of 4 years only if fraud, malafides or criminal offences are

discernible on their part. It would not, accordingly, be in order to initiate disciplinary proceedings against officials after the stipulated period of 4 years in the normal course. It may also please be noted that incorrect interpretation of the instructions as detailed above can result in initiation of disciplinary proceedings against officials any time before they retire from the service of the Bank, and may also lead to bracketing the officials under rule 19(3), when they are on the verge of retirement, There have been many cases, where such small procedural lapses are ignored for years together and dug up when the official is about to retire creating mental agony to the officer and his family..

**3.** We therefore request you to please instruct the circles to follow the instructions underlined in the vigilance manual and ensure proper implementation of the same.

With regards,

 Yours sincerely,

**(Y.SUDARSHAN)**

**GENERAL SECRETARY**