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The logo for the 'Editorial' section, featuring the word 'Editorial' in a stylized, cursive font on a yellow, ribbon-like background.

LIBERALIZATION OF BANKING LICENSES

One of the major recommendations of Narasimham Committee was to open up the banking to the Private Sector through liberal licensing policy in the early 1990's. Thanks to the struggles launched by the workforce in the Banking Industry the major catastrophe which was to take place in the initial stages of the financial reforms at the instance of the recommendations of Narasimham Committee was averted. The idea of Local Area banks when mooted by the Government supported by Narasimham and others was stoutly opposed by the trade unions in the Banking Industry and the idea was to be shelved by the Government. However, the sinister design of the Government in the name of creating a competitive environment and providing a level playing field to the Public Sector as well as old generation Private Sector Banks continued its efforts to encourage the new Generation Private Sector Banks and provided all support and encouragement for the emergence of a large number of Private Sector Banks in the 1990's. It also resulted in its extinction within a short period of time while few could survive in the speculative market and make their mark in the Private Sector Banks.

The Corporate lobby is not satisfied with casual approach of the Government and they wanted that there has to be aggressive support to the new outfits in the banking industry through liberalization of the norms that have been laid down for the establishment of the Private Banks by the different players irrespective of their core business. Thus to-day, we have a large number of business houses coming into the field for playing with the resources they have at their command in the name of competitive environment. The United Forum of Bank Unions launched a strong

campaign against the amendments to the Banking Regulation Act providing open field for the new players and also removing the restrictions in regard to the holding and the voting rights as well. Various other changes were also incorporated keeping in view the Governments' encouragement for the merger and acquisition in the name of the consolidation amongst the existing banks in particular the Public Sector as well as the Old Generation Private Sector Banks. The Unions could effectively stall the passage of these amendments for more than 7 to 8 years through sustained struggle. Unfortunately, the Government which yielded to the pressures of the corporate lobby managed to put through the amendments to the Banking Regulation Act in the last session of the Parliament.

Thus the recent amendments to the Banking Regulation are yet another great opening for the new players to enter the banking industry. The relaxation in regard to the voting rights and other liberal approach for the purpose of granting new licenses is now bound to bring new players in the field. Though may not be in large number but definitely effective numbers who will have no accountability for the resources mobilized from the savings of the society and the depositors throughout the country and would be indulging in speculative marketing of these resources mobilized by them. The threat of pouching in respect of well established and renowned private sector banks who are akin to the Public Sector Banks in respect of the business operations and the branch net work still haunts the trade union fraternity. The efforts of the unions will have to continue in protecting our long standing Private Sector Banks who had made very substantial contribution to the economic prosperity of

the interior parts of the country. The Reserve Bank of India which has seen in the recent past their intrinsic strength of regulatory mechanism getting diluted will have a tough time in overseeing the operations of the large number of financial institutions which would have the nomenclature of banks to begin with. There is a need to establish an independent licensing authority for the banks and other financial institutions, may be under control of the Reserve Bank of India

rather handing over this as an additional task to the Reserve Bank of India. The Reserve Bank should remain purely a regulatory authority utilizing the entire resources, manpower and expertise available with them to ensure an effective functioning of the financial institutions so that the hard earned savings of the people of this country is not squandered away by greedy corporate houses. ■

WELCOME THE NEW YEAR 2013

We bid adieu to a great year 2012 and we are on the threshold of yet another New Year which holds exciting promises. As the New Year dawns on us, all we need to achieve is there in the beginning, ready to be rediscovered. The deepest secrets, the greatest opportunities and challenges await us, spurring us to brace up to these evolving trends which will have far reaching impact on our movement, struggles and our well being.

2. Banking Industry is passing through the hardest phase of its existence in the background of mounting NPAs which have been increasing by leaps and bounds. With a gloomy prospect of improvement in the GDP and the agrarian crisis coupled with dwindling industrial output, the Banking Industry will be passing through a patchy period. With the passage of the amendments to Banking Regulation Act, the opening of the Banking Sector to Foreign Investors has been facilitated and thereby the Industrial houses, Corporates will be emboldened to play a major role in the affairs of the Public Sector Banks.

3. These imminent trends in the Banking Industry will impact the Trade Union Movement in the Banking Industry. Every effort will be made to implement the Khandelwal Committee Recommendations, with which our efforts to achieve a good salary revision for the industry as a whole will be impeded. The mounting NPAs will cast their spell on our efforts to bargain for a decent salary revision. Hence, we have to intensify our struggle to achieve a fair salary revision. As the coming days will be replete with many challenges from various quarters, we have to be in preparedness for meeting the challenges squarely.

4. Concerted efforts are being made to break the unity

among the Officers' Community, through a reign of terror and intimidation. The forces inimical to our movement have been making all out efforts to disrupt our unity and solidarity. During this year of 10th Bipartite Settlement, we should be ever vigilant to guard the movement from the onslaught of the brute forces.

5. With the opening of the Banking Industry to foreign investors, corporate house in the guise of giving a boost to the capital base of the Banks, the Government of India is already on course to merge and consolidate the Banks into four or five big banks in the country. We have not learnt lessons from the illusion of "too big to fail" in the USA and Europe, where big banks failed in the wake of the great recession of 2008. With economic slowdown, our Banking Industry will also be affected adversely. The RBI which played a stellar role in insulating our Banking system from the avalanche of global recession of 2008 is expected to play a very crucial role in safeguarding our Banking system and put it on the performance trajectory.

6. The government of India, has to restrict the fiscal deficit to a very low level and initiate concrete steps to curb inflation, to manage the demand-supply mechanism for food grains, edible oils and essential commodities. The neo-liberal policies of the government of India, have lead to jobless growth, widening disparities between the rich and the poor, the haves and have not's, increase in the number of the people below the poverty line, suicide by the farmers etc., The government's efforts should be focused on generating more and more employment opportunities for the rural poor and educated youth.

7. The bygone year was marked by scams of colossal nature and the movements launched by Sri. Anna

WORK IS WORSHIP, DO YOUR DUTY

Hazare and Yoga Guru Baba Ramdev, need to be sustained and supported by all of us, to see that our country emerges as a strong corruption free society. We hope the Government will pass the Lokpal Bill covering the high and the mighty, with teeth to punish the corrupt with punitive action. Similarly, the Government should also make an honest effort to bring back the black money siphoned off to foreign banks, by the big corporate houses, politicians, bureaucrats etc.,

8. The time has come for all of us to strengthen the moral fabric of our society which has been torn asunder, by assault on the women folk, innocent children, the daliths, adivasis etc., The recent brutal gang rape of a paramedical student at Delhi has stirred our conscience and the entire country stood up against such atrocities. We hope the great battle waged by the brave girl will not go in vain. The perpetrators will be given exemplary punishment; which should act as a deterrent. The social evils such as discrimination on the basis of caste, colour, creed need to be curbed. The panacea for all this is to impart quality education among our children who remain the only hope of this great country.

9. We hope there will be peace amity among the nations of the world and the heinous acts of terrorism, invasion will disappear and all the nations and peoples of this globe will enjoy the fruits of peaceful co-existence. The UNO has a very important role to play in this process.

10. With all bright hopes for a globe which will be pervaded by peaceful co-existence, universal brotherhood, we will move on to achieve our dreams for yet another great year 2013, during which our hopes and aspirations for a comprehensively good salary package for all our officers, are squarely met, making 10th Bipartite Settlement yet another golden chapter in the history of our movement, struggles.

11. Year's end is neither an end nor a beginning but a going on, with all the wisdom that experience can instill in us.

12. "**Common Bond**" takes this opportunity to convey their Good Wishes for a Happy, Prosperous, Healthy and Wealthy New Year to all Members and their Families all over the country during the Year 2013. ■

GOODBYE TO AN EVENTFUL YEAR 2012

We are on the threshold of bidding adieu to another eventful year which was a witness to many scams frauds of gigantic proportions within our country and terrorist attacks, movement for democracy which toppled many dictators and despots in the north African and Arab Nations. The Coalgate, the fraud in allotment of 2G spectrum etc. shock the nation and the totally insensitive approach of the govt. establishment to all these scams, shook the conscience of the nation. The campaign launched by the Gandhian Anna Hazare under the aegis of India Against Corruption and Sri Baba Ramadev, the Yoga Guru to bring a comprehensive Lokpal Bill covering all the highly placed politicians within the ambit of the Act, to bring back black money stashed away in Swiss Banks and many other banks abroad. The movement launched by these stalwarts stirred the whole nation and the peoples anger against corruption in all hues and colours was expressed through massive demonstrations sit-in dharna and hunger strike. This movement galvanized the youth of the country who were waiting for an opportunity to express their disenchantment with the governments inaction on the

issue of corruption which has engulfed all walks of life making the life of the common man miserable.

2. The government as well as the opposition parties played villainous role in stalling passage of the Lokpal bill in the parliament. The parliament was subjected to logjam due to uproarious scenes in the parliament and no transaction took place in the parliament because of the abjurate stand of the government on some of the issues.

3. The government hiked the prices of diesel and petrol there by fuelling the inflationary pressure. The government was a mute spectator to the spiraling inflation under essential commodities. The number of people below the poverty line increased. Opening our doors to FDI in multi-brand retail, insurance and Pension Fund exhibited governments eagerness to push forward the liberalisation agenda. This is done notwithstanding the very unpleasant developments that have taken place in other countries. The exercise of liberalisation has led to jobless growth. The GDP has

SELF HELP IS BEST HELP

slumped to a precariously low level. The Governments optimism on the GDP has been shattered. The RBI initiated many remedial measures to keep inflation under check. But the measures were inadequate, and the aam admi continued to suffer. This situation was further aggravated on account of virtual draught condition across the country.

4. The Government has been successful in getting the amendments to the Banking Regulation Act in both the houses of Parliament, paving the way for hike in the voting rights, foreign direct investment etc., despite stiff resistance from all trade unions and left parties. The Finance Minister is making all out efforts to see through is reforms agenda including merger/consolidation of Public Sector Banks

5. Our country for the first time in the history of Olympic Games came out with flying colours in Medals haul. Our sports persons in athletics, boxing, wrestling, shuttle badminton brought glory to our country. Our cricketer Sri Sachin Tendulkar reached Himalayan heights by scoring one hundred centuries in Tests and ODIs.

6. The banking Industry continued to be in the pink of its health amidst clouds of gloom all around. The increasing level of NPAs continued to be a matter of concern.

7. The world was shook by the environmental vagaries in the form of Sandy which ravaged the eastern parts of USA, Tsunami in the eastern coast of Japan, Hurricane Sania in the Eastern part of India etc., Time has come for all of us to take the environmental issues seriously.

8. The American voters gave President Barrack Obama another term to rule the country for a further period of 4 years. The French voters opted for a change by ousting the incumbent President Nicolus Sarkozy and electing Hollande as the new president. China has gone for sweeping changes in the hierarchy of the ruling party, the Communist Party of China. In India there were changes in the political spectrum with Samajawadi Party grabbing power in U.P. Sri Narendra Modi continued to be in the saddle with a repeat performance in Dec. 2012. The Central Government was pushed to the brink by Ms. Mamatha Banerjee's TMC withdrawing support to the Govt. at the Centre.

9. The country's moral fiber is torn with assault, rape, murder, intimidation of women all over the country. These developments have shaken the conscience of the society. What has happened to our people who are steeped in moral and ethical values? Is it degeneration of moral values or the faulty education system which has become a machine to produce graduates without any sense of responsibility to the society and to the country?

10. The mission to Mars was a feather in the cap for the scientists whose scientific pursuits have lead to the exploration of amazing facts about the planet.

11. There are number of issues before us, we need to concentrate our struggle on salary revision . We have to avert the threat of Merger and Acquisition amongst the Banks. The Confederation is seized of all these development and will march forward to take care of all the problems. While bidding adieu to the year 2012, we are confident that the rank and file will rally round the Confederation and carry their movement forward to greater heights in the days to come. ■



R .K. DUBEY IS CANARA BANK CMD

Sri. R.K. Dubey has been appointed the Chairman and Managing Director of Canara Bank. He assumed charge on 11th January 2013.

Sri. Dubey joined Punjab National Bank in 1977 as Management trainee and moved up to the level of General Manager in the year 2008 and became Executive Director of Central Bank of India in 2010. A post graduate in English he has also a degree in

Law and Management in HR practices . He is well versed in planning and budgeting, resources mobilization, credit risk management, human recourses, IT and Marketing.

"Common Bond" congratulates Shri. R.K. Dubey for having appointed the CMD of Canara Bank and wish him all success in all his future assignments. ■

BE TRUTHFUL, BE FEARLESS

S.S. MUNDRA IS NEW CMD OF BANK OF BARODA

Shri S.S. Mundra has been appointed as Chairman and Managing Director of Bank of Baroda. Prior to this he was Executive Director of Union Bank of India. He will continue to be the CMD till

31st July 2014. "**Common Bond**" congratulates Shri Mundra for having elevated to the post of CMD and wish him all success in his future assignments.■

ASHWANI KUMAR IS NEW CMD OF DENA BANK

Shri. Ashwani Kumar has been appointed as Chairman and Managing Director of Dena Bank for five years from the date of taking over charge on or after 1st Jan, 2013 according to a government notification. Shri. Ashwani Kumar earlier was the

Executive Director of Corporation Bank. "**Common Bond**" congratulates Shri Ashwani Kumar for having appointed as CMD of Dena Bank and wish him all success in all his future assignments.■

COM.MOHAN LAL GUPTA NOMINATED AS OFFICER - DIRECTOR ON THE BOARD OF DENA BANK

We have pleasure in advising that Com.Mohan Lal Gupta, General Secretary, Dena Bank Officers' Federation our affiliate and Senior Manager of Dena Bank has been nominated as Officer-Director on the Board of Dena Bank for a period of

three years from 1st January, 2013; the date of notification. "**Common Bond**" congratulates Com.Mohan Lal Gupta on his induction into the Board of Dena Bank and wish him all the best in his new assignment.■

Articles

NEW BANKING LICENSE - A DEVIATION FROM SOCIALISM

Central Government, as part of their financial inclusion programme as announced in the Union Budget for 2010-11 by the then Finance Minister, Shri. Pranab Mukherjee, pushed hard for granting licenses to Corporates and Industrial houses. The proposal was against the basic principle of nationalization of private sector banks in India carried out by the former Prime Minister (Smt) Indira Gandhi, a great visionary during the year 1969. Nationalization was prompted to fulfill various social obligations, which saw India surging ahead with economic growth that also resulted in unprecedented expansion of banking facilities taken to every nook and corner of the country.

The present proposal of the government in granting license to the industrial houses will only make the government to take "U" turn from their original policy, forgetting their social obligations thereby allowing the private sector banks to flourish. RBI has already expressed their apprehension on granting license to the Corporates and industrial houses in view of conflict of interests as corporates could misuse

the banks for their own needs. Having financial license with industrial activity implies that there could be connected lending that will also exacerbate the concentration of economic power with political influence in few hands. The large capital buffer that would be available to banks by these industrial houses would create an uneven playing ground.

While our neo-reformers advocates for privatization of banking system, in US authorities are trying to bring the banking system under state control as a solution for solving crisis especially when any bailout package was there it was out of tax payers money.

According to Mr. Joseph Stiglitz, Nobel Laureate and Economics Professor, Columbia University, it would be very risky to allow companies to own banks. It was not allowed in US. The conflict of interest that would open up were great and regulators would not be able to circumscribe them easily or at all. He further added that it is a myth that influence the banks, bigger you are larger your asset base, more inter connected your portfolio, the more infallible

SUCCESS COMES ONLY TO THOSE, WHO DARE AND ACT

you become, the more difficult to fall and so government will do every thing to make sure they do not go bust. This sort of implied guarantee provide a strong and unspoken incentive to take excessive risk. So long as the gamble pays off they walk off with profit. If they lose the public picks up the loss. In case of Lehman Brothers, fourth largest bank in US, there was severe pressure over the government and other banks to bailout this bank which was objected by the Treasury Secretary, that bank cannot be bailed out, out of tax payers money. It was a clear message that it is unethical to save institutions that collapse due to mismanagement.

International Monetary Fund (IMF) has already cautioned India against licensing Corporate entities to step in to the business of commercial banking, saying the risk associated with such a more potentially outweigh the benefits of creating more banks.

Apart from RBI there was a general objection from various right thinking people against the proposal for allowing large business conglomeration to set up bank. By awarding license to industrial houses the requirement of more large Banks world sized and world class bank will not be achieved for which only PSBs are the right choice. It also has to be remembered that the banks promoted under private sector in the past either failed or merged with other banks or have a muted growth. When the existing PSBs are capable of meeting the financial inclusion programme of the Government of India with the availability of more net work of rural branches, man power, infrastructure and know how they should be asked to meet the requirement of financial inclusion instead of bringing corporate and industrial houses in the field. IMF also pointed out that the government needs to look for ways to manage its ownership so that public banks can meet the growing economy. ■

SHOULD INDUSTRIAL HOUSES BE GIVEN BANK LICENCES?

The issue of granting bank licences to large corporate houses has put the Reserve Bank of India (RBI) in an unenviable damned if you do, "**damned if you don't**" predicament. We would do well to remember that the context of this discussion is the post-2008 policy impetus to create a strong domestic (indigenous) banking system. In this context, then, RBI must choose the best applicants—those who will bring in domestic capital, set up technology-savvy banks with wide distribution networks for the financially excluded, subject themselves to open-ended regulatory oversight, generously divest ownership down to 15 percent within 12 years and, most importantly, not look at the bank that they set up with greedy eyes to fund their group businesses.

Do such applicants exist? Apparently, plenty of them do more than RBI can eliminate through entry barriers set out in the guidelines. On the other hand, there are formidable opinions, including those of C Rangarajan and Joseph Stiglitz, against granting bank licences to corporations owing to the conflict of interest inherent in the basic proposition. Indeed, there is something to be said for concentration of economic power and wealth in India.

Banking is a highly competitive business today and the conclusion in the discussion Paper is unambiguous. Only those banks that had adequate experience in broad

financial sector, financial resources, trustworthy people, strong and competent managerial support could withstand the rigorous demands of promoting and managing a bank, it notes. It is very difficult to locate who would fit this bill outside of the corporate world and stand-alone financial houses, many of whom are proposed to be blocked out owing to exposure to broking and real estate businesses. With the voting rights amendment, there was perhaps an opportunity to use foreign banks in partnerships but that option has already been shut out. So we are back to considering not the question of 'whether' but the question of "how" to tackle this dilemma of domestic capital and smart business models versus conflict of interest and concentration.

The benefit of hindsight provided by the financial crisis affirms the Hobbesian conclusion that unwavering oversight is a necessity and no a **priori** assumptions should be made about any individual or group when it comes to trusting them with public money. Indeed, in the US, which is often cited as a virtuous jurisdiction for not giving bank licences to corporate houses, bankers found a way to plunder banks.

Good governance is a matter of values and unflinching institutional commitment. Admittedly, such commitment and culture is scarce across the world and more so in India, but it can be present in corporate groups as well as in

NEVER BEND BEFORE THE INSOLENT MIGHT

others. Herein lies the real fear in giving bank licences to corporate houses. First quantifying selection criteria that must necessarily be qualitative and then, ensuring that there is ongoing compliance. The concept of consolidated supervision is still new in India. The West was supposed to have developed an effective framework.

This financial crisis has exposed the chinks and shattered our confidence. If it is so complicated to regulate financial groups, how incredibly complicated will it be to regulate and supervise financial groups that are part of large corporate groups with their spaghetti web of entities, vendors, suppliers, related parties and

domain of influence? One of the ways to tackle this is to ring fence the deposit institution from the rest through appropriate holding structure. At this point, we do not have enough clarity on how the ring fencing is proposed and what firewalls will be in place. On the other hand, the draft guidelines propose wide powers of consolidated oversight, which will be challenging to implement. If these issues are not sorted out upfront, both the regulators and the regulated group will find the aftermath of licensing to be painful. ■

*Shinjini Kumar, Director, Price water house coopers
Source: B.S. 16.01.2013*

“NIRBHAYA” THE SYMBOL OF COURAGE AND HUMILIATION

The freedom of the country that ushered at the stroke of midnight way back in on 15th August, 1947 looks like freedom not earned with the horrific incidence that took place in New Delhi on the 16th December, 2012 at night. It was a cry in the wilderness while the perpetrators were tearing the chastity of that young girl who was fiercely trying to resist in vain. In her death bed she whispered to her mother ‘I want to live’, that itself is sufficient to spoil the sleep of every peace loving Indian.

This incident shows that even after 65 years of the freedom we achieved, millions of women in India are open to insult, subject to ambush, vulnerable to attacks, distained for demonization. With her departure she had only escaped from the midst of vultures roaming to hunt for their preys. The entire nation mourned her departure. The incident stirred up storm of anger all over the country.

A situation has come that there is no safety in train, in the bus, public place, school, even in one’s own home, where girls have become prey to such vultures. While we boast about achieving freedom, kids, girls, wives and mothers who have become prey of not only of the strangers but even by their own fathers, grand fathers, brothers making women the victims of their fulfillment of sadistic satiety. Even one’s own mother has started selling their daughter for money. Greed has made people to behave like devils. When the term of ‘women’ is the epitome of ‘mother’ the paradox is that in India girls are killed even before they are born.

Who will save these unfortunate victims? Whether the police, Govt. or Judiciary? If the society is getting mad, nobody can help the victims from such situation. The entire country in unison raised their voice to punish the perpetrators with death sentence or by castration and amend the law accordingly. Only question is whether those who make this assertion will have the same fate of women’s Reservation Bill or Lokapal Bill. If the people’s representatives are serious about the right of women, they should have quickly passed the bill providing 33 percent reservation in Parliament and State legislature when women constitute nearly 49% of the country’s population. They were not interested in passing Lokapal bill knowing fully well that it will be a death warrant for many representatives of the people. The civil society groups have circulated a list of elected politicians and party candidates who face criminal charges including rape and violence against women. Under the circumstances there is a general apprehension that the present bill will have the same fate of Women’s Reservation Bill and Lokapal bill. If the Act comes with retrospective affect many more representatives of the people and politicians may face the consequences of the amended provision of law. It is a paradox that those who are involved in such heinous crimes are Law makers, that may go against them in many cases, though many leaders made their rhetoric for a strong law to pacify the growing upheaval. There is also a strong demand that those representatives of the people or politicians, who are involved in such criminal cases, should not only be debarred from contesting the future elections but also should be stripped off their present

SAVE PUBLIC SECTOR, SAVE INDIA

membership and all the privileges they enjoy. It is gratifying to note that certain political leaders have expressed their solidarity with the Govt. and their intention not to allow people involved in sexual crime from contesting the elections in future. It is imperative to have the electoral reforms as recommended by the Election Commission and the Apex Court to cleanse the system.

According to National Crime Record Bureau in the year 2011, 549 cases of rape were registered in Delhi. It was 23,400 cases registered across the country. Many more would have gone without reporting. In the year 2012, 635 cases were registered in Delhi, out of which only one was convicted. This poor conviction will only make heaven for the perpetrators.

In order to solve these recurring problems haunting the humanity, not only the police, the Govt., and judiciary but also the political parties, religious groups, social organisation should work with sincerity, dedication and determination. Problem of women begins at home with the way boys and girls are brought up and how values are taught and reinforced. Ill gotten children or children of parents who are not in good terms always behave in a most indisciplined manner not accountable to any one due to social stigma. Print, electronic and visual media also have a role to play in moulding a disciplined society. The vulgar, rape, drinking scene, fight, rape, murder, skimpy or semi – naked costumes all have direct or indirect influence on the society especially among the young mind.

The loop holes in our criminal jurisprudence that enable the lawyers to bail out their clients who are involved in criminal cases, the delay in our legal process, system of giving bail to those criminals are

all encouraging criminals to perpetuate their crime. Witnesses and evidences are getting eliminated with money and muscle power making the investigating authorities groping in darkness. Citizens with means and power buy their way out of criminal charges whether in rape, murder, or corruption especially with the support of their political masters. Those who do not have the means and power are often framed as wrongly convicted. Judicial activism is the need of the hour when the law enforcing authorities are in their slumber. Police and judiciary should be dedicated and determined to root out crimes from the society. Comforts provided in the jail makes the punishment less deterrent. When the life term prisoner is protected under human right, those unfortunate victims who become prey to such heinous crimes do not enjoy such human rights under our present system.

The Apex Court had already mandated police reforms with little progress. The reform is not to glorify the police but to ensure that the police uphold the rule of law. How intimidating and humiliating it is for the culprit in registering a complaint. There is abysmal shortage of police force in safeguarding the citizens. This has encouraged the criminals. In Delhi most of the police forces are deployed to take care of the VIPs. According to a report it is one police man for 761 ordinary citizens as against three police men for one VIP. The police force is not for VIPs alone as it is a fundamental human right for the laymen to live the life of dignity and self respect. Police are accountable not only to political class but to ordinary citizens as well.

The storm created over the gruesome incident looks like, that the nation is awakening, while we weep in silence with the sacrifice of Nirbhaya. Country looks forward that the authorities will act and prevent such human crime in future. ■

BARACK OBAMA – REKINDLE THE HOPE

Barack Obama is re elected as 45th President of United States of America in a closely contested election in recent times, that no political analyst or survey could predict. The Victory has rekindled the hope of improving the world economy especially in European countries.

Obama created history being the first African American elected as President of United States of America giving hope for a large number of black Americans as in the case of Abraham Lincoln, the former President of USA who sacrificed his life for the cause of black Americans. Obama could infuse

NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST

confidence among the female voters, youth and minority community; while regaining the confidence among the white labourers who were earlier with Republicans. His populist touch and sympathy towards common man, black and minorities saw him through the election. He was against rationalism and has seen the entire humanity as one, under the principle of unity equality and fraternity.

President Obama came to power during his earlier term when the people were disenchanted with the rule of his Predecessor George Bush II. As such his aim was for the rehabilitation of the war torn countries like Iraq and Afghanistan besides reviving US economy in the aftermath of the war. America had been reeling under economic crisis since the year 2008. He has admitted that the challenges ahead of him are real that cannot be met easily in a short span of time. He continued the same legacy even during his second term, as he could not revive the economy during his earlier term. He has got a greater role to play at home for securing greater social justice in domestic affairs to pilot the country to a comfortable position in a rapidly changing international order. The unemployment is alarming that forced him to stop outsourcing much to the concern of the corporates of third world countries like India, the main job providers.

The President has to concentrate on reducing budget deficit and public debt during the coming years. His earlier reforms had made little impact over the society or on the international community and hence he is bound to tighten the economy further. Though he had shown sympathy towards those who deserve it, he continued his rigid attitude towards foreign policy.

As far as India is concerned they welcomed a known devil rather than an unknown angel. When he took over as President of USA in the year 2008 he said that people of India should know that they have no better friend than America. Though there were sweet exchange of words between the two countries there is no visible improvement in the relationship between the two countries. He is an admirer of Mahatma Gandhi and his principles. But the policies and attitude towards India is yet to improve. He knows that India is a growing economy and the

biggest democracy in the world with their 120 crore population as against American democracy with 30 crores people.

It was during the period of George Bush II, the Indo-American relationship bloomed to its peak. The non aligned policies followed by Nehru and Indira Gandhi the former Prime Ministers had made the country to drift away from America during the cold war period between US and the then USSR. The relationship was improved during the period of John F. Kennedy the former President. It had gone into turmoil during the war of Independence in the then East Pakistan, improved once again after 2001 world Trade Centre attack during the regime of George Bush II, when India apposed international terrorism. This led George Bush to make certain concessions to India in the Indo - US nuclear treaty. He also found a sincere ally in India as compared to China and Pakistan which has become a breeding ground for terrorism. American policy towards Kashmir was very skeptical as far as India is concerned. In spite of terrorist activities Obama administration could not disown Pakistan in spite of the fact that they have sheltered Osama Bin Laden, the international terrorist and that Pakistan was misusing the aid given by US against India. Though Obama was the state guest of India during the year 2009 no tangible change was seen in their policy towards India as US could not improve the relationship with India at the cost of Pakistan. The relationship was strained when the US curtailed H-1B visa and outsourcing in the light of growing unemployment. At the same time there is a visible increase in the trade between the two countries which was reported to be three times more than the previous year and is expected to be increased further. India has also improved their defence purchase with US after Russia and Israel. However, the confidence Obama maintains with India is seen in his appointment of many Indians in his administration. India need no love and affection from USA but what India expects is more trade relationship and employment opportunities from USA.

India understood well that President Obama has many local pressures and constraints with the growing unemployment in USA, that made him to adopt a carrot and stick policy towards corporates in USA while restricting visa and outsourcing. ■

DUTY FIRST, RIGHT NEXT



EMPLOYER'S GRATUITY OFFER MUST BE ON A PAR WITH GRATUITY ACT'S

Section 4(5) of the Payment of Gratuity Act allows an employer to offer an employee a gratuity scheme better than the one enshrined in the Act. An employer can't in its scheme deny interest on gratuity, already assured by the Act, the Supreme Court ruled in **Y.K. Singla v. Punjab National Bank**.

The appellant was proceeded against for entering into a criminal conspiracy in granting loan in his capacity

as a bank employee. His gratuity was withheld pending completion of the proceedings. The gratuity he received on acquittal was without interest. The bank contended that according to its scheme, no interest was payable while the proceedings were on. The Supreme Court ordered payment of interest from the date of his retirement in 1996 till the payment of gratuity in 2010. ■

Source: Business Line, Date: 29/12/2012

**2012-IV-LLJ-269 (Pat)
IN THE HIGH COURT OF PATNA
(C.W.J.C No.7093/1997 dated May 11, 2012)**

PRESENT

MR.JUSTICE S.N.HUSSAIN

Between

Anil Kumar Sinha

And

**Regional Manager, Central Bank of India, Regional Office,
Patna (Bihar) and Others**

Dismissal-Of Bank employee from service-No evidence produced by Bank to prove employee acted with ulterior motive-Points not considered by appellate authority-direction to consider matter afresh, issued.

JUDGMENT

1. Heard learned counsel for the petitioner and learned counsel for the respondents and its authorities.

2. This writ petition has been filed by the petitioner for the following reliefs:-

(i) For issuance of a writ of certiorari for quashing the order issued from the Central Bank of India, Patna Regional Office under the signature of the Regional Manager vide PRO:ENQ:95-519 dated February 2, 1995 whereby and whereunder the petitioner has been dismissed from the service on the basis of the departmental enquiry held in pursuance of Bank charge-sheet no. PRO:ENQ: FRD:92-155 dated October 26, 1992 against the petitioner.

(ii) For quashing the final order of the appellate authority, i.e. the Assistant General Manager, Zonal Office, Patna, passed on May 30, 1995 in the matter of an appeal, preferred by the petitioner challenging the Patna High

Court order of the Regional Manager (the disciplinary authority) passed on February 2, 1995 in pursuance of Bank Charge Sheet No. PRO:ENQ: FRD: 92-155 dated October 26, 1992, whereby the Assistant General Manager, Zonal Officer, Patna (the Appellate Authority) has been pleased to dismiss the appeal of the petitioner and has confirmed the punishment of dismissal of the petitioner awarded by the disciplinary authority.

(iii) For issuance of a writ of mandamus for directing and commanding the respondent authorities to take back the petitioner in his service on the post he was working and allow him to discharge his duty.

(iv) For directing the respondent authorities to pay the entire consequential benefits to the petitioner for which the petitioner may be found entitled in accordance with the law, from February 2, 1995, i.e. from the date on which the petitioner was dismissed from the service.

(v) For directing the respondent authorities to pay 70% of the salary to the petitioner, which was not paid to

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him since July, 1994 upto January 1995.

(vi) For issuance of any other appropriate writ/writes, order/orders and direction/directions in the facts and circumstances of the case as stated hereinafter.

3. It is not in dispute that petitioner was appointed as an Assistant Cashier-cum-Godown Keeper in the Central Bank of India, Gaya Branch in the year 1972 whereafter he joined on July 31, 1972 and he was transferred from one place to another where he discharged his duties to the full satisfaction of the authorities. Subsequently he joined as Chief Cashier, Central Bank of India, Munger Branch on December 30, 1980 and from there he was transferred to Jhauganj Branch, Patna City and finally he was transferred to Frazer Road Branch as Chief Cashier, Currency Chest where he joined on March 13, 1985.

4. It is also not in dispute that on October 26, 1992 a memorandum was issued to the petitioner by the disciplinary authority informing him that the authorities have decided to hold a departmental inquiry against him for the following acts:-

(i) Shri Sinha neglected his duties by not maintaining laid down norms, rules and procedures and routine checking of note packets deposited in currency chest through remittances of other branches which unwarrantedly contained several thousand pieces of cut, burnt and defective notes and also mutilated notes in soiled notes packets. The Bank, consequently has been put to huge monetary loss.

(ii) Abusing his official position as the Chief Cashier, Currency Chest, Frazer Road Branch, Shri Sinha indulged with ulterior motive of deriving undue pecuniary gains in fraudulent exchange of a very large number of defective notes directly from public for par value, which has put the Bank to huge monetary loss.

5. Thereafter, the petitioner appeared before the Enquiry Officer and submitted his defence and evidences, whereafter Enquiry Officer submitted his report dated February 28, 1994 finding that both the charges stood proved against the petitioner.

6. It is also not in dispute that thereafter second show cause notice was issued to the petitioner, in response to

which he filed his show cause on March 12, 1994. Subsequently, the disciplinary authority vide its order dated February 2, 1995 passed orders of dismissal 'under the provisions of Regulation 4(h) of CBIOE (D &A) Regulations 1976 after holding the petitioner guilty of both the offences.

7. Against the said order, the petitioner filed an appeal on March 15, 1995 giving details of points challenging the order of the disciplinary authority. However, the said appeal was dismissed by the appellate authority vide order dated May 30, 1995 affirming the punishment of dismissal awarded to the petitioner by the disciplinary authority.

8. Learned counsel for the petitioner specifically argues that the disciplinary authority did not at all consider the points raised by the petitioner and the evidences adduced by him with respect to each of the charges and only comparing the points of the petitioner with the findings of the Enquiry Officer he has passed his order. He further states that petitioner had admitted before the authority only to the extent that notes were exchanged for non-issuable to issuable from one denomination to other denomination mainly with Fraser Road Branch of the same Bank to keep the minimum balance of the said Branch, but the disciplinary authority considered the said qualified admission to Patna High Court be a complete and absolute admission with respect to the allegations levelled against him with respect to exchange of notes with public at large.

9. Learned counsel for the petitioner further argues that from the memorandum of appeal dated March 15, 1995 it would be quite apparent that the petitioner had raised several very important legal and factual points against order of disciplinary authority, but the appellate authority did not at all consider the said points nor did it consider the evidence on which the petitioner had relied and passed a stereo type order affirming the order of petitioner's dismissal.

10. On the other hand, learned counsel for the respondents-Bank vehemently opposes the contentions of learned counsel for the petitioner and submits that there is no procedural defect in the steps taken by the authorities as full opportunities were given to him at every stage of the proceeding and after considering the

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defences and evidences, the impugned orders had been passed. He further submits that the acts committed by the petitioner had assumed a very large proportion due to huge loss to the Bank and hence punishment given to the petitioner is absolutely legal and proper. He further states that had the petitioner been in service regularly he would have retired much earlier in the year 2008. He also avers that there is no occasion for any interference in the impugned orders of the authorities.

11. From the arguments of learned counsel for the parties and the materials on record, it is quite apparent that the claim of the petitioner from the very beginning was that at the time the petitioner joined his post at Frazer Road Branch it was the practice of accepting such notes from the Branches and after his joining petitioner wrote several times to the higher authorities, but the said authorities ignored the matter and did not give instructions to the petitioner in that regard. It is also stated that no details of monetary loss had been mentioned by the respondents. Unless the Reserve Bank of India takes a decision regarding such notes sent by the respondents, the amount of loss, if any, cannot be properly ascertained.

12. Furthermore, the allegation against the petitioner is that he had indulged in the aforesaid acts with ulterior motive and also that the petitioner had accepted defective notes

directly from public for par value. These allegations had to be proved by the authorities failing which on the basis of mere allegations of these sorts, no punishment can be given to the person concerned, but from the impugned orders, it is quite apparent that no evidence with respect to such charges had been produced by the authorities concerned. If the disciplinary authority failed to consider the same, it was for the appellate authority to consider it in accordance with law, especially when the petitioner had raised all such points in the memorandum of appeal before the appellate authority.

13. In the said circumstances, this writ petition is allowed, order of the appellate authority dated May 30, 1995 (Annexure-I8) is hereby quashed and he is directed to consider the matter afresh in accordance with law as well as in accordance with the observations given above. If the petitioner produces a copy of this order along with 'a copy of his memorandum of appeal dated March 15, 1995 as well as the orders of the authority concerned dated February 2, 1995 and May 30, 1995, the appellate authority shall give an opportunity of hearing to the petitioner or any other present or ex-official of the Bank on his behalf as defence representative and shall decide the appeal afresh expeditiously by a speaking order, preferably within a period of three months from the date of receipt of a copy of this order.

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