



Editorial

LIFE IS IN THE STREET

The first month of the new decade is over. This is the time when we should take a hard look to our expectations and how we propose to propel the impending challenges. The second quarter of this New Year will possibly see the mega merger in the banking industry. This will naturally be followed by rationalization in branch network, identity problems within the merged entity and even negotiation of inter-organisational issues. These challenges will definitely dominate a large part of the proceedings in the AIBOC General Council when it meets sometime in the middle of this year.

At the time of writing of this editorial, no tangible progress has taken place in the discussion on wage revision. Naturally, AIBOC have been left with no other option but to strike back. Such a hit back is primarily for ensuring a decent wage revision. But there are broader issues. The issue of 5 days a week. This issue is intimately linked with the demand for restoring work-life balance for the bank officers. Bank officers require an extra hour for thought. They require an extra day to feel the sunshine and smell the flowers. Bank officers' deserve 5 days a week. We are summoning our forces from the nook and corner of the country for achieving this just demand.

This is only the beginning of the struggle. The movement has to travel a long path to reclaim the lost ground. We have to keep in mind that either we will have to win our battle or else they will implement their design of privatisation and finally destroying the very structure of Indian banking. The blue print of such attack is being drawn at a time when the retail inflation

as measured by increase in food prices has gone up by 7.5 per cent the highest since 2014. The recent research paper of SBI published as late as on 13th January, 2020 pointed out a decelerating trend in job creation. There is no tangible credit off take and bankers are possibly preparing themselves for bracing another year of increase in NPA. All these will have telling impact on the financials of the banks. Even after we succeed, and succeed we must, we have to be on the street for ensuring survival of the institution itself. If the institution does not survive and reel under the impact of macro-crisis of the economy. It will take no time for the benefits of the wage settlement to wane away.

Hence the issues pertaining to the economy can no longer be an external issue for the movement. Today or tomorrow we have to align with the larger social issues to ensure our own survival. Addressing a symposium in Kolkata, Prof. Richard H. Thaler, Nobel Laureate, observed that widespread protest around the world are threatening economies. He referred to the ongoing protest in France, other European countries and Latin America against the onslaught on system of social securities, pension and trade union rights. He also referred to the ongoing protest in India particularly the involvement of civil society which he feels may pose further problems in the revival process of the economy. Prof. Thaler, who is considered the father of the 'NUDGE THEORY' in economics talked for the need of the citizen to nudge their government to act responsibly. Citizen should always be nudging their country and their government to act responsible and it is the responsibility of the government and

FACTS ARE MANY BUT THE TRUTH IS ONE

protesters to do this peacefully.

One of the most endearing aspects of the current worldwide wave of protest is the exemplary quality of leadership displayed by younger generation and large participation of women. What we salute is the spirit of questioning, repression notwithstanding in all the movements organised for carrying forward the society towards a more equitable social and economic distribution of wealth and power. In the above backdrop, what is required is a meaningful and strategic alignment with such protest action to ensure that our rights are upheld.

We must understand that this cannot be achieved through social media campaign only. In today's world, social media has an important role. But what is more important is to build organic connections amongst the membership. This can only be achieved if we replace the routine monolog in our interactive meetings with the purposeful dialogue. It is important to identify the aspirations of the membership as well as to appreciate the constraint before the leadership. It is also absolutely important for the membership to remain a good follower till such time they mature themselves to be a good leader. There is an old saying that it is difficult to find a good disciple though masters may be available in numbers. A major task before the movement is to develop a band of dedicated disciples all along

the spectrum who will carry the movement forward towards a logical end.

Now blueprint and execution of all these tasks cannot be made in a cozy room detached from the pains and agonies of daily life. We have to be in the street. After all the poetry of life is made only in the street. Poetry is confrontation. It not only echoes the joys of living but also embodies its despairs and agonies. If so much of our living experience and reality is a constant encounter with despair, how can our poetry of protest desist from showcasing the same? Perhaps, our future victory will emerge from our continuous protest action and some day we will be able to write a new verse portraying our victory overcoming all the onslaughts.

Common Bond strongly believes that time has come for overcoming the challenges through going on the streets under the guidance and direction of our matured leadership. Our present position is comparable to the situation faced by the epic character of Mahabharat, the great warrior Avimanyu, who on being surrounded by seven great warriors of the other side could not come out of the circle. We need to know when to penetrate the circle and when to come out. In our own sphere, the time is demanding that we play that epic role with the age old conviction "Many a battle we have fought, but not a single one we have lost". ■

MEMOIRES

Common Bond in its January 2020 shared with its readership about the superannuation of Comrade Debasis Ghosh, ex-President AIBOC and ex-General Secretary of All India Union Bank Officers' Federation (AIUBOF). The editorial board requested him to share the tale of his journey from

an young officer who joined the bank in April 1985 to a towering leader of the movement over the period. We are glad to publish his story of transformation for particular benefit of the officers of this generation. ■

TRANSFORMATIONAL JOURNEY FROM "I" TO WE"

While joining this esteemed Union Bank of India as a direct Recruited Officer on 25th April, 1985 at Aurai, Varanasi, UP, I must candidly confess that I wished to be the CMD of this Bank as was fashionable at that time with many DROS. I never felt shy to dream big or to do things differently to achieve the best. So my journey of life in Union Bank started from "I". To

become selfless or selfish, realization of self is very much required. Next is the choice. I was little bit aggressive and innovative in my procedures in working but tried to be polite with the outcome. This approach gave me a wider acceptability with my peers. I was very much involved with the student movement in my university days with having a left

THERE IS NOTHING PERMANENT EXCEPT CHANGE

leaning in my ideologies. Since my school days, I was greatly influenced by the impact of the Naxalbari peasant uprising and the movement that followed in the tumultuous decade of the '70s. At the same breath I was an ardent admirer of late Smt. Indira Gandhi and her style of leadership and social commitment.

I was lucky to have comparatively better exposures and orientation in banking in an environment away from my parent state. I got promotions from 1-2 and 2-3 shortly. My bank has ensured variety of exposures to me from Rural Banking, Recovery, Merchant Banking Relationship Banking, Foreign Exchange, Risk Management and ARB exposures etc. Despite all these I was attracted to accept the challenging role of Trade Union Leadership in Bank due to two compelling reasons :-

1. Urge to improve the service conditions and reduce the aberrations in accountability exercise in Banking.
2. To eradicate the negative image of trade union in the sphere of Officers class despite the facts that only in distress, officers come for help to the Union.

Accepting challenge or doing a difficult job is in my blood. May be, I have inherited the same from my late Father. I always love to live beyond me. May be this very passion imbibed the basic ingredients required for putting service before self. Generally in the initial days of my trade Union initiation, it was very challenging. But since 1982 to 2019, my journey was uphill, challenging, meteoric and boisterous also.

I have enjoyed both Fair and Foul weather in Trade Union movement very passionately. So best and worst in both the scenarios helped me to compose my emotions in discharging my duties as a leader. In 1992 I was elected as a Deputy General Secretary of erstwhile North Zone Unit of Union Bank of India. In 1996 I was elected as Vice-President of the Federation at a very early age. On 22nd October, 2005, I was nominated as Director of the Board of Union Bank of India. At the age of 43, I got this coveted post and sealed my name as the youngest officer director in the industry. I always feel Trade Unionism is all about connecting with the people. It

is not about only snatching the rights! Rather it is enjoying the duties too.

Motivating the membership to work for institutional prosperity is a major function of any Trade Union leader, in my perception. I strongly feel Profitability has direct correlation with productivity. Higher profitability guarantees more bargaining power to Trade Union in context of today's banking. Officers are the real profit earners in PSU Banks.

On this philosophy, I tried to work on. Trade Unionism per say in Officers grade in banks is a very challenging job because of a huge gap in between expectations and Delivery. Non Involvement of Officers in team building process, gradual erosion in the habit of deep learning due to the advent of social media, change in social system from joint family to nuclear family and growth of consumerisms in the society have robbed the charms of trade union movement. Mobile culture has highly contaminated the imagination process of this generation. All these facts are the contributing factors in not bringing the new generation actively in trade union activities in Banks.

It is also worthwhile to mention that quick promotion processes and failure of the movement to throw new path to attract the present generation are also the major contributing factors in building value based trade union movement. If we introspect, another reason is also the failure of the leadership to spot and groom the new generation of leadership properly through Handholding. I strongly feel that the trade union movement must reinvent itself and develop strategies and value system to ensemble the challenging needs of the members.

In my Bank the ambit of trade union was a little bit demarcated. There was a "Demi God "syndrome in the cult of Top Leadership. I thought it fit that when we are for the people, of the people and by the people then why such cult worshipping will be encouraged. My entire endeavour was to meet the people and remain a commoner. At the end of my journey in trade unionism, I have experienced that connecting with people develop ethical values within oneself and ensures a simplicity which lasts really long. Tomorrow trade union movement in banking industry particularly in the arena of officers'

movement will be much more knowledge oriented, much more transparent and needs much more connectivity by way of issue based interactions between top leadership and members. With the advent of social media coupled with metamorphosis in individualistic approach of life, instead of collective approach in society, trade union movement must ascend the holistic version of togetherness which is certainly an uphill task but not an impossible one.

I am confident that a better tomorrow will be

ORGANISATIONAL NEWS

Common Bond welcomes Comrade Sunil Kumar a member of its editorial board, General Secretary of Federation of Bank of India Officers' Association and Chairman of AIBOC till the other day as President of our organization. We are confident that the team of Comrade Sunil Kumar and Comrade Soumya Datta

unveiled and a new horizon in the sphere of officers movement in PSU banking in India will rise, where better productivity with togetherness, will translate into better service conditions for all the stake holders.

After all banking is a team Game. The earlier we realize it, the better will be the outcome.

**AIBOC Zindabad,
Officers' Unity Zindabad
Working Class Unity Zindabad.**

will steer clear of all the challenges that are being encountered by the movement and take it to a unfathomable height. It is our privilege to share the full text of AIBOC Circular No. 2020/02 dated 01.01.2020 for the benefit of our readers. ■

COMRADE SUNIL KUMAR TAKES OVER AS PRESIDENT OF AIBOC

We are delighted to inform you that in the 92nd Executive Committee Meeting of All India Bank Officers' Confederation (AIBOC) held in Delhi on 26th and 27th December 2019, Comrade Sunil Kumar, Chairman and General Secretary of FBOIOA was unanimously co-opted as President of the Confederation following superannuation in of Com Debasis Ghosh.



India, he got elected as Deputy General Secretary of the Bihar Unit of FBOIOA in 2002 and it's General Secretary from 01.02.2004. In recognition of his contribution to the Trade Union movement and unparalleled organisational skill, he was elected as Deputy General Secretary of the Federation in 2004. His vision, acumen, deep understanding of the issues and compassion for the membership ensured his election as Joint General

Comrade Sunil Kumar, a Masters in Geology, joined Bank of India as a DRO on 16.01.1984. He is also a Certified Associate of Indian Institute of Bankers. He was drawn to the mighty Federation of Bank of India Officers' Association ever since he joined the Bank and was co-opted as Executive Committee Member of erstwhile Muzzafarpur Regional Council of the Association in the year 1987. He served the organisation as an Executive Committee Member for 14 long years before assuming the charge of Regional Secretary of Muzzafarpur Region on 18.01.2001.

Secretary of FBOIOA in 2007, Vice President in 2010 and President in 2012. He became the General Secretary of FBOIOA after laying down of office by Comrade Harvinder Singh and has been leading the mighty Federation which has such a glorious and unmatched legacy of contribution in the movement of the Bank Officers' in the country. He has achieved significant benefits for the officers' fraternity in Bank of India through his exceptional negotiating skills. His oratory skills has made him one of the most sought after speakers in any meeting and seminar in the country.

After the amalgamation of Regional Offices, following organisational restructuring in Bank of

Comrade Sunil Kumar was elected in the Executive Committee of AIBOC in June 2004 and was elevated

THE JOURNEY OF A THOUSAND MILES BEGINS WITH ONE STEP

to Deputy General Secretary in January 2011, Vice President in 2012 and Sr. Vice President from the Jaipur Conference in March 2017 and Chairman from 28th November 2018. He was also the President of AIBOC Bihar State Unit from 2004 to 2012.

Comrade Sunil Kumar's co-option as President of the Confederation will definitely strengthen our resolute determination to carry on our ongoing struggle against merger, wage revision talks, ensuring proper work-life balance and meeting the challenges to continue the legacy of the movement. He played his role as Chairman of this premier organisation AIBOC with perfection and

coordinated with both President and the undersigned to form a formidable team that strengthened the Confederation. He will definitely be playing a significant role in the ongoing wage revision talks.

The undersigned is confident that AIBOC will emerge more militant, cohesive, and determined to serve the membership drawing from the rich repository of experience of Comrade Sunil Kumar.

With vibrant greetings,
Comradely yours,
Sd/-
Soumya Datta
General Secretary

NEW AFFILIATE

Common Bond welcomes Oriental Bank of Commerce Officers' Association Kolkata in the AIBOC family. The formation of this unit fulfills a long cherished dream of the organization to have its footprint in Oriental Bank of Commerce to complete the garland encircling the entire spectrum of public sector banks under one

umbrella. The organization will be led by a committee formed with Comrade Joy Gopal Ghosh as General Secretary; Comrade Urmitendra Mukhopadhyay as President and Comrade Tanmoy Ghosh as Treasurer. Congratulations and march to victory.■

HIT THEM HARD

UFBU'S CLARION CALL FOR STRIKE ACTIONS

We reproduce hereunder the text of UFBU Circular No.2020/02 dated 15.01.2020 on the captioned subject for your information. We urge upon all our affiliates/ state/ district units to plunge headlong into action and ensure success of the programmes to their fullest objective.

Text of UFBU Circular No. UFBU/2020/02 dated 15.01.2020

**CIRCULAR No. UFBU/2020/02
TO ALL CONSTITUENT UNIONS/MEMBERS**

Date: 15.01.2020

Dear Comrades,

**GET READY FOR ACTION AGAINST RIGIDITY OF IBA
DEMAND FAIR WAGE REVISION SETTLEMENT
UFBU'S CLARION CALL FOR STRIKE ACTIONS
JANUARY 31ST, FEBRUARY 1ST, MARCH 11TH, 12TH & 13TH
INDEFINITE STRIKE FROM 1ST APRIL, 2020**

In our Circular No.1 issued on 13.01.2020 from Mumbai after the talks with IBA, we had informed all of you about the rigid approach of the IBA on our demands for a fair wage revision settlement. In this background, the meeting of UFBU held at Mumbai on 13.01.2020 came to the unanimous and inescapable conclusion that intensified agitational actions have to be resorted to press our demands for reasonable resolution and satisfactory settlement. Accordingly the following agitational programmes have been decided on the following

A MAN CAN BE DESTROYED BUT NOT DEFEATED

important demands.

1. Wage Revision Settlement at 20% hike on Pay slip components with adequate loading thereof
2. 5 Day Banking
3. Merger of Special Allowance with Basic Pay
4. Scrap New Pension Scheme(NPS)
5. Updation of Pension
6. Improvement in Family Pension
7. Allocation to Staff Welfare Fund based on Operating Profits
8. Exemption from Income Tax on retiral benefits without ceiling
9. Uniform definition of Business Hours, Lunch Hour, etc. in Branches
10. Introduction of Leave Bank
11. Defined Working Hours for Officers
12. Equal wage for equal work for contract employees/Business Correspondents

STRIKE ACTIONS

Jan.31 and Feb. 1	2 Days Strike
March 11, 12, 13	3 Days Strike
From April 1 onwards	Indefinite Strike

DETAILED AGITATIONAL PROGRAMMES:

FROM	WORK TO RULE AND WITHDRAWAL OF EXTRA COOPERATION.
20.01.2020	
20.01.2020	Centralised Demonstrations
21.01.2020 to 31.03.2020	Mass Signature Campaign *
24.01.2020	Centralised demonstrations
25.01.2020	Display of Posters*
27.01.2020	Centralised demonstrations
29.01.2020 or 30.01.2020	Press Meet
30.01.2020	Black Badge Wearing and Centralised Demonstrations*
31.01.2020 & 01.02.2020	2 Days' All India Bank Strike
01.02.2020	Protest rallies culminating in submission of Memorandum to District Collector/Governor for onward transmission to the Hon'ble Prime Minister of India*
06.02.2020	Centralised Demonstrations
10.02.2020	Boycotting Official Functions.
11.02.2020	Centralised Demonstrations
17.02.2020	Black Badge Wearing and Centralised Demonstrations*
20.02.2020	Centralised Demonstrations
24.02.2020 to 29.02.2020	Memorandum to Local MPs, Governor(s) etc.*
26.02.2020	Centralised Demonstrations
03.03.2020	Candle Light Protest
07.03.2020	Press Meet and Dharna at all State Capitals
09.03.2020	Centralised Demonstrations
11.03.2020 to 13.03.2020	3 Days' All India Bank Strike
13.03.2020	Submission of Memorandum to District Collector/ Governor etc. including prominent personalities*
18.03.2020	Centralised Demonstrations
23.03.2020	Parliament Morcha and Centralised Demonstrations at all Distt.Head Quarters
27.03.2020	Candle Light Protest
31.03.2020	Centralised Demonstrations and Press Meet
From 01.04.2020	Indefinite All India Bank Strike

* Samples will be provided separately.

WHOEVER IS HAPPY WILL MAKE OTHERS HAPPY TOO

The above programmes will indicate the seriousness of the issue. We need to fight against the rigid approach of the IBA and achieve our demands. Our utmost unity is important. Our all-out preparation is important. Our moving together is important. We request all our constituent unions and members to rise as one man and implement

the programmes successfully.

With revolutionary greetings,

Yours comradely,
Sd/-
SANJEEV K. BANDLISH
CONVENOR

ECONOMY

There seems to be no end of the woes of the banking system despite a slew of measures announced by the government over the years. It is the consistent stand of AIBOC that the problems of Indian banks do not have a straight jacket solution. So mega merger, reduction in repo rate, setting in motion and Insolvency and Bankruptcy Code have all failed to address the structural problems that has affected Indian banking during the last decade. The problems of the industry are now being acknowledged in independent reports appearing in print media as well as reports prepared by RBI on monetary stability for the incoming years. We are reproducing excerpts from such reports to give an insight to our readers about the state of our economy and banking system. We strongly feel that a correct idea about the state of the economy and banking will help our readers to form their own view point in combating the post truth propaganda unleashed in both print and electronic media by the powers that be more effectively.

The Reserve Bank of India (RBI) warned that bad debts in the economy may rise again in the next nine months, mainly due to a weak macro situation, higher slippages and low credit growth.

RBI's financial stability report (FSR), published biannually in June and December, also pointed out that there were suspected cases of ratings shopping by mid-rated entities. It added that large corporates which are flush with cash and don't need loans now are one of the reasons for the current muted rate of growth of credit off take in the banking system.

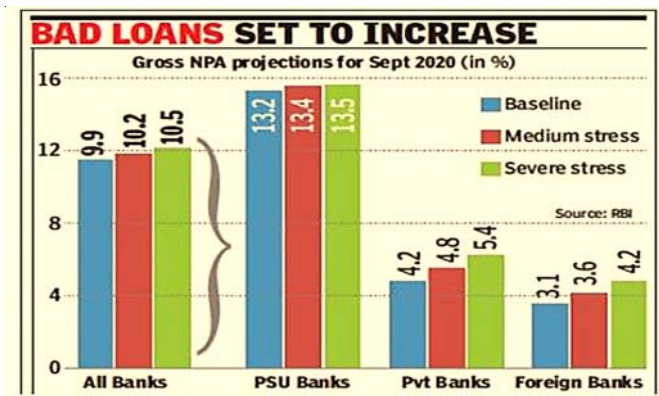
The report also pointed out that banks' credit growth remained subdued at 8.7% during the year ended September 2019, although the corresponding number for the private sector banks was 16.5%.

RBI also said Indian banks' capital adequacy ratio improved significantly to 15.1% in September 2019 after recapitalisation of public sector banks by the government.

The provision coverage ratio (PCR) also rose to 61.5% from 60.5% a year earlier, implying increased resilience of the banking sector. "Macro-stress tests for credit risk show that under the baseline scenario, SCBs' gross non-performing asset (GNPA) ratio may increase from 9.3% in September 2019 to 9.9% by September 2020, primarily due to change in macroeconomic scenario, marginal increase in slippages and the denominator effect of declining credit growth, RBI's FSR noted.

It pointed out that state run banks' GNPA ratio may increase to 13.2% by September 2020 from 12.7% in September 2019, whereas for private banks it may climb to 4.2% from 3.9%, under the stress scenario.

On the other hand, foreign banks' GNPA ratio may increase to 3.1% from 2.9%. The central bank said that Indian banks' net non-performing assets (NNPA) ratio declined in September 2019 to 3.7% due to increased provisioning.



The report also pointed out that bank-wise distribution of asset quality showed that while 24 banks had GNPA ratios of under 5%, four banks had GNPA ratios higher than 20% in September 2019. The asset quality of agriculture and services sectors, as measured by their GNPA ratios, deteriorated to 10.1% from around 8% a year earlier. However, for the industry sector, slippages fell sharply to 3.8% per cent from around 5%.

INDEPENDENCE IS HAPPINESS

The report also showed that the share of large borrowers (between ₹ 100 crore and ₹ 5,000 crore) in banks' total loan portfolios fell to 51.8% from 53% while their share in GNPA's improved to 79.3% from 82.2% earlier. It noted that the top 100 large borrowers accounted for 16.4% of banks' gross advances and 16.3% of GNPA's.

According to the report, loans classified as special mention account 2 (principal or interest payment or any other amount wholly or partly overdue between 61 to 90 days) in the case of large borrowers, increased by about 143 per cent between March 2019 and September 2019. A large borrower is defined as one who has aggregate fund-based and non-fund based exposure of ₹ 5 crore and above. The asset quality of agriculture and services sectors, as measured by their GNPA ratios, deteriorated in September 2019 when compared to March 2019.

In the case of agriculture and services sector, GNPA's deteriorated to 10.1 per cent (from 8.5 per cent in March 2019) and 6.3 per cent (5.7 per cent). For the industry sector, GNPA's during the period declined to 17.3 per cent from 17.5 per cent. The GNPA's for the retail sector was unchanged at 1.8 per cent. The

share of large borrowers in SCBs' total loan portfolios and their share in GNPA's was at 51.8 per cent and 79.3 per cent, respectively, in September 2019; these were lower when compared to 53 per cent and 82.2 per cent in March 2019. The banking stability indicator shows that there was improvement in the banking sector's soundness, profitability, efficiency and liquidity in September 2019 when compared to March 2019

Credit growth

The aggregate growth (y-o-y) in the banking sector's gross loans and advances slowed noticeably from 13.2 per cent in March 2019 to 8.7 per cent in September 2019. The deposit growth improved from 9.9 per cent to 10.2 per cent. The banking sector's credit growth falling short of deposit growth was last seen during Q2 2016-17.

Among bank groups, credit growth of PSBs decelerated to 4.8 per cent y-o-y in September 2019 from 9.6 per cent in March 2019. The report observed that PSBs' weak return on equity and return on assets numbers, when compared to their private sector counterparts, continue to come in the way of their ability to raise equity capital from the market at a decent cost. ■

BEWARE OF FISHY CREDIT RATING REPORTS

The RBI's financial stability report warned of 'rating shopping' by corporates for long term bank loans. This refers to how and when one rating agency withdraws a grade on a company or a paper, within three months another agency gives the same company or papers a higher or at least the same rating. The report said that in a sample examined by it, most rating shopping happened around 'BBB' or lower graded instruments. It called for a closer scrutiny of instances of rating shopping.

The report said that markets regulator SEBI had noticed instances where credit rating agencies (CRAs) provided 'indicative ratings' to issuers without entering into written agreements with those issuers. "Since such indicative ratings are not disclosed by CRAs on their websites, it becomes difficult to identify instances of possible rating shopping," the RBI said. "Some instances of possible rating shopping can still, however, be ascertained by looking at the dynamics around rating withdrawals where outstanding rating issued by a CRA was withdrawn and a new rating was provided by a different CRA (within three months of each other, in more than two-thirds of the cases

where new ratings were provided before the withdrawal of the old ones) since April 2016," it said.

The report also noted that in cases where the ratings are withdrawn, the new ratings assigned are either the same or an improvement over the earlier ratings. "Although replacement of withdrawn ratings by better or similar ratings by a different rating agency is visible across all rating grades, such instances are particularly pronounced at BBB and below, possibly because the rated universe has a big concentration around these rating grades.

The RBI said instances of rating shopping need a closer scrutiny, since some of the rating agencies have a much greater share in ratings assigned compared to their share in those withdrawn. The central bank also pointed out that there were clear indications of investors in debt instruments using additional credit-screening mechanisms, along with ratings given by CRAs.

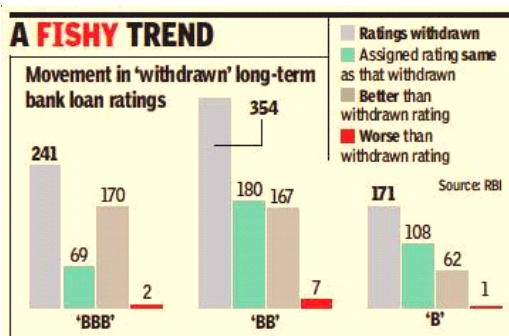
"Similarly, given the inherent incentive on the part of the banks to boost capital adequacy through optimistic external ratings, while at the same time adopting

COMING TOGETHER IS BEGINNING, WORKING TOGETHER IS SUCCESS

additional mechanism(s) to control aggregate credit risks, the issue of movement in external ratings requires additional scrutiny," it said.

Cash-rich large cos don't need loans

The RBI's latest financial stability report pointed out that large corporates (with debts of between ₹ 100 crore and ₹ 5,000 crore) have steadily deleveraged between 2016 and 2019. Corporates' balance sheet liquidity is measured by debt-to-



operating profit and debt-to-equity ratios. It was observed that "large corporates were liquidity rich, with cash and marketable securities exceeding 40% of on-balance sheet debt" in those four years. "Since corporates in the large segment are liquidity rich and thus could have limited credit requirements, this has implications for reviving the investment cycle

given their significant share in wholesale credit", the report said. In other words, such cash-rich companies may not need any loans. ■

CIRCULARS

79 dated 31st December, 2019: AIBOC bids adieu to Comrade Debasis Ghosh, President, on his superannuation from the services of Union Bank of India

80 dated 31st December, 2019: Fraternal Support to Nationwide General Strike on 8th January, 2020 called by Central Trade Unions

01 dated 01st January, 2020: A challenging year 2019 ends. Let year 2020 be a defining one!!

02 dated 01st January, 2020: Comrade Sunil Kumar takes over as President of AIBOC

03 dated 10th January, 2020: Text of our Letter No. AIBOC/2020/02 dated 10.01.2020 - Memorandum to Hon'ble Finance Minister seeking exemption of entire Leave Encashment amount from

deduction of Income Tax

04 dated 13th January, 2020: Text of UFBU Circular No. UFBU/2020/01 dated 13.01.2020 on talks with IBA on 13.01.2020

05 dated 14th January, 2020: Text of Letter No. AIBOC/2020/03 dated 13.01.2020 written to DFS demanding review of mergers and acquisitions in PSBS

06 dated 15th January, 2020: Text of UFBU Circular No. UFBU/2020/02 dated 15.01.2020 on UFBU'S clarion call for strike actions

07 dated 21st January, 2020: Text of UFBU Circular No. UFBU/2020/04 dated 20.01.2020 on UFBU'S clarion call for strike actions - Mass Memorandum to Finance Minister. ■

Legal Verdict

2019 LLR 1300

SUPREME COURT OF INDIA

Hon'ble Mr. L. Nageswara Rao, J.

Hon'ble Mr. Hemant Gupta, J.

CAJCA No. 5842/2019

(ARISING OUT OF SLP (C) NO. 16640/2017, Dt/- 25-07-2019)

State Bank of India & Ors.

Vs.

Atindra Nath Bhattacharyya & Anr.

A. Dismissal – From Service – Grave and serious allegations of financial irregularities Delinquent employee was Chief Manager. Financial irregularities took place under his charge – He was dismissed from service after holding enquiry, proving charges, by following due procedure – He challenged his dismissal order in writ petition – Learned Single Judge set aside the order of his dismissal on the ground that he was not given any opportunity

THE ONLY JOURNEY IS WITHIN

to show cause in respect of nature and quantum of punishment, directing the management to reconsider his version – instead of challenging order of the High Court, the Bank called the delinquent employee for personal hearing in terms of directions of Writ Court – Delinquent employee replied that he has challenged the order of Writ Court before the Division Bench – Division Bench rejected his appeal before Supreme Court – Held, delinquent employee has lost the chance to put up his version before the competent Authority Directions of division Bench are not sustainable and set aside-Financial irregularities are grave and serious charges, punishment of removal cannot be said to be unjust Appeal is allowed. Paras 10 and 11.

B. Non-Attending Disciplinary Proceedings – Properly – Consequences of Proceedings – Properly – Consequences of – Held, a delinquent employee who had refused to avail of the opportunities provided to him in a disciplinary proceedings of defending himself against the charges of misconduct, involving his integrity and dishonesty, cannot be permitted to complain later on that he had been denied a reasonable opportunity of defending himself.

For Appellants: Mr. Sanjay Kapur, AOR, Mr. Kauser Husain, Advocate, Mr. Megha Karnwal, Advocate. Mr. Shubhra Kapur, Advocate.

For Respondents: Mr. Anand, Mrs. Rajeshri N. Reddy, Kumar Neeraj, Mr. B.P. Yadav, Advocates and Mr. Abhijit Sengupta, AOR.

Important Points

- ★ Punishment of removal from service to the Chief Manager of the Bank, held guilty of the charges of financial irregularities which are grave and serious charges, cannot be said to be unjust.
- ★ A delinquent employee is not entitled to delay the enquiry by extending availing of opportunities granted to him to submit his defence, if any.
- ★ A bank employee who had refused to avail of the opportunities provided to him in a disciplinary proceeding of defending himself against the charges of misconduct, involving his integrity and dishonesty, cannot be permitted to complain later on that he had been denied a reasonable opportunity of defending himself.

JUDGMENT

HEMANT GUPTA, J.

1. Leave granted.

INDEPENDENCE IS HAPPINESS

2. The order of the Division Bench of the High Court at Calcutta dated April 7, 2017 is the subject matter of challenge in this appeal.

3. The respondent - Atindra Nath Bhattacharyya was charge sheeted on December 28, 1999 containing 16 charges on the ground that while working as Chief Manager of Baghbazar Branch of the Bank from November 19, 1997 to September 9, 1998, he has committed various irregularities pertaining to credit and local clearing instruments. The inquiry officer appointed conducted inquiry in respect of charges levelled against the respondent and submitted his report dated January 14, 2002 to the Appointing Authority which was also forwarded to the respondent on April 12, 2002. The Appointing Authority found huge irregularities on the part of the respondent and imposed punishment of removal on January 24, 2003. The appeal was dismissed by the Appellate Authority on April 19, 2005.

4. The respondent filed a writ petition before the High Court at Calcutta wherein, the order of punishment as affirmed by the Appellate Authority was set aside by the Single Bench on January 13, 2016 on the ground that the delinquent was not given any opportunity to show cause in respect of the nature and quantum of punishment.

5. The appellant did not challenge the said order but instead called the respondent vide communication dated March 24, 2016 for personal hearing in terms of the direction of the learned Single Judge. In response thereto, the respondent sent communication to the Bank on March 31, 2016 that he has challenged the order passed by the learned Single Bench, therefore, the Bank should not proceed in respect of grant of opportunity of hearing. The appellant again called upon the respondent to appear for personal hearing vide communication dated April 7, 2016 but the respondent did not appear for personal hearing but sent communication to the Bank on April 13, 2016 that the Bank should not proceed as he has filed an appeal. The appellant,

NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST

once again, called upon the respondent for personal hearing vide communication dated April 22, 2016 but the respondent did not appear. The intra-court appeal preferred by the respondent was dismissed on April 7, 2017 but the Court directed the appellant to grant another opportunity of hearing to the respondent to place his version before the Appointing Authority. It is the said opportunity granted to the respondent which is the subject matter of challenge in the present appeal.

6. Before the appeal could be decided on April 7, 2017, an order of removal from service was passed on May 2, 2016 inter alia on the ground that the respondent has committed serious lapses which resulted to perpetration of frauds, such acts are in gross violation of extant norms of the Bank and resulted undue gain to third parties.

7. Learned counsel for the appellant relied upon the judgment of this Court in *Bank of India v. Apurba Kumar Saha*¹ to contend that the Bank employee who had refused to avail of the opportunities provided to him in a disciplinary proceedings of defending himself against the charges of misconduct involving his integrity and dishonesty, cannot be permitted to complain later that he had been denied a reasonable opportunity of defending himself. The learned counsel for the appellant also relied upon a reasoned judgment passed by this Court in *State Bank of India & Ors. v. 1* (1994) 2 SCC 615 *Mohammad Badruddin*² wherein it has been held as under:

“24. The previous punishments could not be subject matter of the charge sheet as it is beyond the scope of inquiry to be conducted by the Inquiry Officer as such punishments have attained finality in the proceedings. The requirement of second show cause notice stands specifically omitted by 42nd Amendment. Therefore, the only requirement now is to send a copy of Inquiry Report to the delinquent to meet the principle of natural justice being the adverse material against the delinquent. There is no mandatory requirement of communicating the proposed punishment. Therefore, there cannot be any bar to take into consideration previous punishments in the constitutional scheme as interpreted by this Court. Thus, the non-communication of the previous punishments in the show cause notice will not vitiate the punishment imposed.”

8. On the other hand, learned counsel for the respondent relied upon an order passed by this Court in *State Bank of India & Ors. v. Ranjit Kumar Chakraborty & Anr.*³ wherein the order of removal was set aside for the reason that before imposing the punishment of major penalty, the delinquent was not heard. In response thereto, learned counsel for the appellant relied upon judgment passed by this Court in *State Bank of India & Ors. v. B.R. Saini*⁴ wherein said judgment was explained and held as under:

“9. In *State Bank of India v. Ranjit Kumar Chakraborty* (supra) which is the basis of the judgment of the High Court, it was held that the Appointing Authority could not pass an order imposing a major penalty. In that case, the Disciplinary Authority sent the Records to the 2 Civil Appeal No. 5604 of 2019 decided on July 16, 2019 3 (2018) 12 SCC 807 4 (2018) 11 SCC 83 Appointing Authority who passed order of “dismissal from service”. It is not clear from the judgment as to whether the delinquent officer in that case was given a notice by the Disciplinary Authority before the records were sent to the Appointing Authority. This Court held that even in the absence of any Rule requiring a notice to be given, the principles of natural justice would require an opportunity to the delinquent employee. It was not held in the said judgment that even if the Inquiry Report was furnished and an opportunity was given to the delinquent there is a further requirement of another opportunity before imposing the penalty. This Court found that before imposition of a major penalty the delinquent was entitled for an opportunity of being heard. The High Court was wrong in holding that the delinquent employee is entitled for a notice before the penalty is imposed.

11. In this case, the Respondent had sufficient opportunity to respond to the Report of the Inquiring Authority and to the findings of the Disciplinary Authority disagreeing with the Inquiring Authority regarding Charge Nos. 6 and 8. He is not entitled to any further notice before imposition of a penalty. Apart from the requirement of a second show-cause notice before imposition of penalty no other point was raised in this Appeal.”

9. We have heard the learned counsel for the parties and find that the direction issued by the Division

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Bench to grant another opportunity is not tenable in the facts of the present case.

10. The learned Single Bench has set aside the order of punishment as well as the penalty order directing the employer to serve a notice before imposing penalty. The respondent avoided availing the said opportunity when offered on March 24, 2016, April 7, 2016 and April 22, 2016. Once opportunity has been granted to the respondent, he is not entitled to another opportunity on the ground of compassion. The only reasoning given by the Division Bench is 'justice demands' that the respondent be given one last opportunity to place his version. The respondent has lost his chance to put his version before the Competent Authority when called upon by the Authority to do so. Time and again opportunity of hearing cannot be granted on the pretext of justice. The delaying tactics cannot be rewarded in such a manner. Once the respondent has failed to avail of opportunity of hearing granted, the Bank cannot be directed to give another opportunity for the sake of justice. Therefore, we find that the directions contained in Para 18 of the judgment passed

by the Division Bench are not sustainable and the same are set aside.

11. The allegations of financial irregularities against the respondent run into crores of rupees under multiple heads. The inquiry officer has found ten charges proved whereas six charges have not been proved. Because of grave and serious allegations of financial irregularities, the order of removal cannot be said to be unjust.

12. Even though, the judgment of the learned Single Bench finding fault with the order of removal as affirmed in the appeal, cannot be said to be justified in view of the judgment of this Court in the case of Mohammad Badruddin but since the Bank has not filed an appeal against such judgment, therefore, the correctness of the said judgment is not being examined in the present appeal which is directed against judgment of Division Bench of Calcutta High Court.

13. In view thereof, the present appeal is allowed. ■

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