

# ALL INDIA BANK OFFICERS' CONFEDERATION

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Circular No. 2020/53

Date: 09.07.2020

To All Affiliates (Please Circulate)

Dear Comrade,

**Effect on Career Progression**

**Pending CBI Cases on Bank Officers**

We have sent a communiqué to Ms Nirmala Sitharamanji, Hon'ble Minister of Finance and Corporate Affairs vide our letter no. AIBOC/2020/29 dated 09.07.2020 on the captioned subject. Copy of the letter has also been sent to IBA and DFS. Text of the communication is appended.

With greetings,

(Soumya Datta)  
General Secretary

**Text of Letter No. AIBOC/2020/29 dated 09.07.2020**

Ref. No. AIBOC/2020/29

Date: 09.07.2020

Ms Nirmala Sitharaman ji,  
Hon'ble Union Minister for Finance & Corporate Affairs  
Government of India  
North Block, New Delhi

Respected Madam,

**EFFECT ON CAREER PATH OF BANK OFFICERS**

**ON ACCOUNT OF PROTRACTED PROCESS OF INVESTIGATION / INQUIRY BY  
CBI AND OTHER CENTRAL AGENCIES**

We are greatly pleased to note with a sense of satisfaction that a proactive measure of confidence building was initiated under the aegis of your office by arranging a meet of senior officials from the Central Bureau of Investigation (CBI) and chief executives of the public sector banks on a single platform on 28.12.2019. We are grateful to you for this interaction which we hope has addressed and allayed the issues of fears and apprehensions that often trouble the bank officials, particularly in credit related areas. It is really heartening to hear from none other than the Hon'ble Finance Minister that the fear of facing 3Cs (CAG, CVC & CBI) while taking business decisions by bankers was slowing down the credit dispensation and ultimately pulling down the economic growth of the country.

2. Madam, as you are well aware of, a fear psychosis has gripped the entire banking industry for quite some time. The officials are scared to lend and the bankers are not inclined to settle bad loans to avoid harassment by the central investigative agencies. It is therefore quite encouraging to find that there would be recommendation by an internal committee to the RBI for subsequent investigation by the CBI, that there should be no *suo motu* case which CBI can take against a bank and that the government is actively contemplating the proposition to protect honest bankers from vigilance cases for their bonafide credit decisions. This positive thought process by the government will no doubt go a long way to boost the morale of the bankers and help them to take decisions based on merits and bankability of credit proposals without any fear and apprehension of harassment by the investigative agencies. We reiterate that this support is very crucial to provide a thrust and increase of the gross bank credit, which in turn will help in revival of the national economy in this unprecedented situation of economic slowdown.

3. The direction given by your good office that no case of alleged misconduct by a bank employee should go to the CBI without being examined is well appreciated by all the bankers. This also sets a frame of reference for actions against the culprits in all such matters. Further, your decision to ask all PSBs to form committees at the level of general managers to look into all pending vigilance cases against employees and take a call as to whether those should be pursued or closed also augurs well as a rational and practical approach to the problem.

4. It has been our experience that The Central Bureau of Investigation seeks sanction of respective banks for prosecution before proceeding against any official. Though the CBI proceeds with their own investigation process, they seek sanction for the prosecution in the first place based on the FIR filed by the Bank. The FIRs are prepared by the bank based on internal investigation reports but before a charge sheet is prepared and served on the concerned official whose name is appearing in the investigation report as the 'staff responsible for the lapses'. The allegations against the bank officials framed by the CBI are mostly based on the findings of the internal investigation process undertaken by the bank. Incidentally, the internal disciplinary proceedings are also initiated based on the same investigation report. This is because of the extant CVC guideline that both the criminal and domestic enquiry should be conducted simultaneously.

5. Another unfortunate part of any criminal proceedings initiated against any banker by CBI or by any other central agency is that the judgment is delivered by the CBI Court or any other competent authority after a considerable delay. In the meantime, the concerned banker is barred from any promotions or benefits accruing from it even after being cleared of the charges through internal disciplinary proceedings. The effect of the unwarranted delay in the CBI proceedings has the effective implication of denial of career progression for the officer concerned in spite of being found to be suitable to bear higher responsibilities. As per promotion policy of the banks, his promotion will remain under sealed cover until a judgement is delivered by the Hon'ble Court, which may or may not happen before his superannuation, though the internal disciplinary proceedings are concluded and a suitable penalty is awarded or the official concerned is exonerated. Consequently, during the pendency of the CBI investigations, juniors get promotion overriding him. This practice is highly demotivating and destroys the morale of the officers' fraternity.

Even there are significant number of instances in the past, wherein such bankers have been absolved by the court from all charges, but by that time, the officer concerned in all probability will have practically no scope for career advancement or has already superannuated from bank's service.

6. In the above backdrop, we submit that it is unjust and against the principle of natural justice to deny any official the opportunities of his due career growth for the sole reason that sanction for prosecution was made against him given by the bank. In this connection, we request your good office to consider the following:

- i) Sanctions for prosecution at the request of CBI / other central investigative agencies, should not be based on allegations made in FIR against the official, which are framed prima facie as per departmental investigation report and are not proven charges.
- ii) In many of the cases, the matter relates to high value frauds, detection of irregularities in ascertaining true ownership of property, deficiency in the title / valuation of collateral security offered to the bank in the form of immovable properties etc. Here too, the bank officials suffer the brunt of occupational risks as they have to invariably depend on third party outsourced service providers such as empanelled Advocates, Valuers or Due Diligence Agencies for legal opinions, valuation reports and Due Diligence Reports respectively, based on which the bankers assess the title / value of the security / antecedents and net worth etc. of the applicant borrowers / guarantors etc.
- iii) Sanction for prosecution is a mandate by the bank to the governmental agency for an independent investigation / enquiry in the whole matter so as to remove doubts of any criminal misconduct on the part of the officer held as accountable. Such being the case, it should not be reckoned as a yardstick to gauge the gravity of the charges levelled against the official.
- iv) There is always a possibility, as experienced in the light of past instances that the charged official may be exonerated after a protracted process, by which time injustices would already have been done to the official in the form of denial of promotion and its accruing benefits, for which he would have been otherwise eligible, besides mounting anxiety professional stigma on account of sheer passage of time.

7. Here, we would also like to draw your kind attention to the existing norms for the Government employees as a reference point for comparison. As per Central Civil Service (Classification, Control & Appeals) Rules, 1965, Central Government employees against whom prosecution sanctions were given and who are found otherwise eligible for promotion, are promoted on an adhoc basis pending final acquittal by the Court. This is based upon an evaluation of the criteria as to whether such adhoc promotion will not be against public interest and half-yearly reviews after a period of two years. In case the official is found guilty by the Court, the employer reserves the right to cancel the adhoc promotion and revert the employee to the cadre from which he was promoted and if however the officer is acquitted then the adhoc promotion is treated as a regular one with all the associated benefits and reckoning of seniority. These provisions are not there for bank officials, who are therefore subjected to double jeopardy of delayed justice as well as loss of promotion and seniority.

8. All India Bank Officers' Confederation, the largest supervisory cadre organisation representing over 3.20 lakh bank officers, extends a warm welcome to your positive thought process of initiating confidence building measures among the bankers to examine the concerns raised in this communiqué with a positive outlook and issue suitable directions (a) to the central investigating agencies mandating holding of independent investigations / inquiries, wherever needed and (b) to the chief executives of the PSBs for bringing appropriate amendment to the internal promotion policy etc. We are certain that such steps will definitely have a far reaching impact on the morale of the bank officers' fraternity and instill immense confidence in them while taking bonafide credit decisions, which in turn shall foster the credit delivery by banks and thus ensure economic growth of the country in near future.

Stay safe stay healthy.

With regards,

Yours sincerely,

**Sd/-**  
**(Soumya Datta)**  
**General Secretary**