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Editorial

12th TRIENNIAL AND BEYOND

As we herald the dawn of a new day and a new decade, we cannot but reminisce the time that has elapsed. We all know the year 2020 will be remembered as one of the darkest years in centuries as the entire world was ravaged by the Covid-19 pandemic which has claimed over 20 lakh lives across the world and has shattered and devastated global economies. But we are confident that the deliberations and outcome of the 12th Triennial Council of AIBOC held at Kolkata from 23rd to 25th January, 2021 will charter a new course for the bank officers' movement which is a part of larger trade union movement of working class in the days to come.

Ever since the sudden imposition of lockdown on 24th March 2020, the country plunged into crisis. The economy took a massive hit as the Indian economy shrunk by 23.9 % at the end of the June'20 quarter. Millions lost their livelihood and a deluge of migrant workers made their way back to the native states overcoming barriers and constraints. Yet, the resolve was not lost. Amidst all the gloom and doom the soldiers of the financial army stood tall. They shouldered the onerous responsibility of keeping the wheels of the economy moving. Additionally, they stood in the front-line of struggle to achieve what is logically due to him, conclusion of wage settlement by signing of MOU on 23rd July, 2020 followed by signing of 8th Joint Note on 11th November, 2020. The payment of arrears is completed and by the time this issue reaches the hand of the reader, we trust that the bankers have started receiving their salaries in the new scale of pay. But is signing of joint note on 11th November, 2020 is the end or the beginning of a greater struggle that will unfold in the days to come.

The fruition of the wage revision talks was a momentous occasion - an occasion to rejoice. The path was not exactly a bed of roses. On the contrary, it was a bed of thorns and we had to surmount multiple challenges and constraints to clinch the settlement in this pandemic time. The 'historic' settlement which benefited all sections of the bankers has been widely appreciated. The long standing demand for revision of family pension has been achieved. We are expecting the formal announcement very shortly, which will be a fresh lease of life to our family pensioners, who were getting a pittance. The issues of updation of pension and the introduction of 5 day week are very much alive and in the days ahead we need to pursue the issue with all earnestness. One very heartening aspect of the year gone by was the consolidation of officers' unity in the industry. The four officers' organisations have been working together in unison and harmony to espouse the cause of officers and also to fight against the anti-public sector policies of the government.

The year ahead is going to be a challenging one. We have several agenda to pursue, major important ones being stopping the misplaced reforms and the threat of privatisation of public sector banks and the backdoor entry of multinationals and corporate in acquiring a toe hold in the banking industry by gaining control of old generation private banks. We have to resist tooth and nail preventing the public sector banks from being handed over to crony corporate houses on a platter thus reversing the historic nationalization. We have to be ever vigilant to see that the benefits secured through years of struggle are not eroded overnight.

We are opposed to consolidation and privatisation based on our strong conviction about the futility of such measures either for lifting Indian banking from its perceived NADIR or for infusing fresh trench of capital which the conceptualised privatisation is expected to bring. The rationale for not allowing industrial houses into banking is then primarily two... First, industrial houses need financing, and they can get it easily, with no questions asked, if they have an in-house bank. The second reason to prohibit corporate entry into banking is that it will further exacerbate the concentration of economic (and political) power in certain business houses.

We are committed to fighting to ensure dignity and respect of officers' fraternity, to achieve 'work-life' balance, improvement in superannuation benefits, introduction of 5 day week, improvement in rules and conventions governing the disciplinary proceedings and to give the well-deserved relief to our seniors. But all our efforts will be at naught unless we can reverse the process of so called banking sector reforms aiming to destabilise the public sector banking space and drag down the entire financial system to a perilous postulate threatening the very foundation of our economic sovereignty.

The 12th Triennial Council gives the clarion call to the membership that they should keep their gun powder dry and plunge into action programmes that the Confederation will launch to safeguard our rights and privileges. Attempts will be made to scuttle our unity, destroy the very fabric of our public sector banks, and reverse the historic nationalisation. We firmly believe that at the end of a focused and determined struggle, there will always be fruits of success.

The 12th Triennial General Council had sounded the bugles of an incoming epic battle where 3.5 lakh determined soldiers of financial army are ready in a combative mood to protect their dignity, rights, privileges by ensuring that the proponents of so called reforms would not pierce through the roofs of public sector banking. No sacrifice is enough in ensuring the welfare oriented public sector character of Indian banking which is the only guarantee of keeping the wheels of the economy going without exposing it to an economic system concordant with a banana republic.

Common Bond assures that it will remain the propagator and a humble organiser of the struggle that the triennial has conceived and put into action. Common Bond also extends its greetings to the delegates, volunteers and the new leadership with the conviction that we shall overcome.

IN THE SKY THERE IS NO DISTINCTION OF EAST AND WEST

SALIENT FEATURES OF WAGE REVISION

Supplementary Minutes of Discussions on certain issues between Indian Banks' Association and Officers Associations dated 4th January, 2021.

Arising out of the Charter of Demands submitted by the Officers associations to the Indian Banks' Association on revision of wages and service conditions, while the issues and demands raised by the Unions have been mutually discussed, resolved and entered into an agreement vide Joint Note signed on the 11th November, 2020, certain issues need further discussions besides approval from appropriate authorities etc., and it is felt expedient by the parties to minutise the same as under for purpose of further discussions, follow-up and possible resolution.

Sl.No.	Non-financial issues of Officers	IBA Comments
1.	Introduction of 5 day Banking: Core Group meeting held in the month of December 2018,IBA had agreed in principle to take forward the issue to Government of India and RBI for implementation.	Matter will continue to be deliberated with all the stake holders i.e. Govt/RBI etc.
2.	Updation of Pension: It was categorically expressed by IBA in the meeting in Dec'18 that impact analysis is required to understand the load factor in the individual Banks. Hence, appointment of two actuaries, as was done in 2009, should be carried out within a defined time frame.	IBA is actively evaluating the issue as demanded by the Associations, for which an actuary is appointed.
3.	Discipline & Appeal Regulations: (a) Effects of Punishment-SBI Circular can be taken on record for discussion and its implementation in individual banks. (b) As per government circular of 2006, retired personnel can extend assistance in departmental enquiries up to 7 cases. (Detailed Note Submitted)	A Committee has been formed under the chairmanship of Shri Matam Venkata Rao, Executive Director, Canara Bank to examine all issues related to staff accountability and after having inputs from Officers Associations, give recommendations for adoption by the banks.
4.	Accountability Policy: The detailed document was submitted to IBA. The views of member banks can be collected and based on the same an advisory may be issued by the IBA. (Detailed Note Submitted)	
5.	Double Jeopardy: as one-time measure, those who had been denied of PQP, FPP and stagnation increments on account of their inability to appear for or accept promotion due to certain circumstances beyond their control be considered for financial relief. (Detailed Note submitted	HR Committee to examine the views expressed afresh.

THERE HAS TO BE EVIL SO THAT GOOD CAN PROVE ITS PURITY ABOVE IT

Supplementary Minutes of Discussions on certain issues between Indian Banks' Association and Officers Associations dated 4th January, 2021

6	Payment of Boarding & Lodging to Defence Assistants. (Issue rose during discussions and was to be referred to IBA HR committee)	IBA agreed.
7	Grid Holiday : Officers who are working in grids are eligible to get 6 or 7 National holidays as against the national declared holidays of 21 to 23 days on an average available to the officers working in branches. The difference in the leave should be credited to their ordinary leave account and the overall ceiling should not be made applicable to these officers. (Detailed Note Submitted)	HR committee to examine and suitable advisory to be sent by IBA to member banks.
8	Adhoc Temporary Incentive for officers posted in North East (Special Duty allowance for central Government employees) should be made available to Local officers as being made available to Central Government Employees and other Public Sector Enterprises. The rate will be revised from 20% to 10% without any ceiling. Since the Bank officers are paid either of the Hill & Fuel allowance or Special Area Allowance and both are not paid in case of payment of Adhoc Temporary Incentive for officers posted in North East (popularly known as North East Allowance) whereas in Central Government Special Compensatory/Remote Locality allowance which is known as Special Area Allowance in banks is paid in addition to special duty allowance (Adhoc Temporary Incentive for officers posted in North East in our case). The other anomalies in allowances with central Government for Jammu, Himachal, Sikkim,Leh, Ladakh, Sunderban and terrorist infested areas be suitably revised.(Detailed Note Submitted)	This is as per government guidelines issued from time to time. Anomalies, if any, will be addressed.
9	Definitions of family should include the parents, father-in-law and mother-in-law, brothers and sisters, divorced or deserted to be treated as members of the family for purpose of LFC. HTC and medical facilities (No age bar for divorced daughter). The income criteria for dependent to be increased substantially.	Person who is dependent should be included for Medical and LFC. Definition of family can be considered on the basis of a declaration given by an officer as necessitated Agreed for increase of income criteria of dependent

Supplementary Minutes of Discussions on certain issues between Indian Banks' Association and Officers Associations dated 4th January, 2021

		Family member from Rs. 10000 to Rs. 12000. INTERPRETATION ON THE ISSUE OF "DEPENDENT" CLAUSE TO BE CLARIFIED BY IBA TO MAKE IT UNAMBIGOUS.
10	Issues regarding lady officer employees including Child care leave: The Hon'ble Minister for State for Finance and Corporate Affairs had declared in the floor of Parliament that the facility of childcare leave will be also available to all female staff in Public Sector undertakings. This issue along with lady employee related issues should be incorporated in the joint Note under leave rules (Detailed note submitted).	As per GOI regulations. Creche facilities are being introduced by banks where ever feasible. Placement and postings are decided by individual banks. The issue of child care leave with salary as applicable in Central government will be examined by the HR Committee.
	For Indian Banks' Association Sd/- Raj Kiran Raj G Sd/- Rakesh Sharma Sd/- Alok Kumar Choudhary Sd/- Sunil Mehta Sd/- Gopal Murli Bhagat Sd/- S.K.Kakkar	Sd/- Sd/- Soumya Datta Sunil Kumar **For All India Bank Officers' Confederation (AIBOC)** Sd/- S.Nagarajan **For All India Bank Officers Association (AIBOA)** Sd/- Prem Kumar Makker **For Indian National Bank Congress (INBOC)** Sd/- Viraj V Tikekar **For National Organization of Bank Officers (NOBO)**

ECONOMY & BANKING

We are sharing two important news item without comments relevant for bankers as published in Business Line dated 24.11.2020.

The Department of Investment and Public Asset Management (DIPAM), under the Finance Ministry, has floated a Request for Proposal (RFP) to appoint a consultant for advice on stake sale in banks and insurance companies.

Disinvestment of public sector banks and insurance companies is the next big move after three rounds of amalgamation of public sector banks in recent times. As of now, the government owns 12 public sector banks and seven insurance companies.

On October 30, in an interview to BusinessLine, Finance Minister Nirmala Sitharaman had said, "I would, probably in the later part of next year, focus on some more retail participation in ownership of the banks."

DIPAM's move to appoint a consultant appears to set the blueprint to achieve this. It is also important as the Cabinet is expected to soon consider a policy on Public Sector Enterprises. It is proposed that in strategic sectors, at least one enterprise will remain in the public sector and private sector will also be allowed.

According to the RFP, "the consultant is expected to be not only conversant with the subject matter but should understand, appreciate and advise on all aspects of disinvestment, particularly with reference to banking and insurance sector."

The responsibility of the consultant includes assisting DIPAM in formulating the processes and procedures for different modes of disinvestment, including strategic disinvestment with respect to banking and insurance sector that is compatible with government rules and regulations.

The consultant will also assist in resolving the difficulties faced by Divisional Head in carrying out disinvestment transactions.

The job profile of the consultant would be to assist DIPAM in matters relating to management of government equity in banks, insurance companies and financial institutions. The consultant may be required to prepare background reports on the above sectors.

The government has set a disinvestment target of Rs.2.10-lakh crore for the current fiscal, out of which disinvestment of government stake in public sector banks and financial institutions (including LIC and IDBI Bank) is Rs.90,000 crore while the remaining is to come from sale of stake in Central Public Sector Enterprises. Sale of residual stake in IDBI Bank is yet to take place while pre-IPO formalities for LIC have not been completed.

STOUT OPPOSITION TO ALLOWING CORPORATES TO PROMOTE BANKS

The RBI internal working group's suggestion to allow large corporates/industrial houses as promoters of banks is fraught with risks such as connected lending and increase in contagion from corporate default to the financial sector.

While the market appeared upbeat on the prospect of large corporates owning a bank, former RBI Governor Raghuram Rajan, former Deputy Governors Viral Acharya and S S Mundra.

Rajan and Acharya, in a joint article posted by the former on LinkedIn, warned that corporate entry into banking could lead to connected lending and exacerbate the concentration of economic (and political) power in certain business houses.

The main recommendation — to allow Indian corporate houses into banking — "is best left on the shelf," they said.

"Have we learnt something that allows us to override all the prior cautions on allowing industrial houses into banking? We would argue no... More important, why now, at a time when we are still trying to learn the lessons from failures like IL&FS and YES Bank? One possibility is that the government wants to expand the set of bidders when it finally turns to privatising some of our public sector banks (PSBs)."

The authors said it would be a mistake to sell a PSB to an untested industrial house. They recommended that it is far better to professionalise PSB governance, and sell stakes to the broader public — that would help promote a shareholder culture, as well as distribute wealth more widely.

"The rationale for not allowing industrial houses into banking are then primarily two... First, industrial houses need financing, and they can get it easily, with no questions asked, if they have an in-house bank.

"...The second reason to prohibit corporate entry into banking is that it will further exacerbate the concentration of economic (and political) power in certain business houses," the authors said.

S S Mundra, a former RBI Deputy Governor, observed that the RBI working group had itself indicated some concerns in allowing corporate houses to become

BETTER THAN A HUNDRED YEARS OF IDLENESS IS ONE DAY SPENT IN DETERMINATION promoters of banks. "It has indicated that the move should be backed by enabling provisions in the Banking Regulation Act. But even so, it has to be further backed by consolidated regulation/ supervision across regulators — SEBI, IRDAI, etc. And this is easier said than done. Most advanced economies have also not been able to say with confidence that regulations can address all the risks." He added that the probable argument for allowing corporates is that it can help bring in much needed capital into the system and support credit growth. "But rather than only focusing on bank-led credit growth, time and again, it will be worthwhile to focus on strengthening the bond market, which has remained an unfinished agenda for long," he added.

DOMESTIC BANKING SCENARIO

Banking in the country continued to witness tough time. AQR measures initiated by the RBI had huge adverse effect on the health of the banks. Performance took a blow. Most of the banks had to make accelerated provisions on account of AQR. Further, the Insolvency and Bankruptcy Code, in the name of resolution, pushed banks to write off humungous amount, without being afraid of accountability. Few tables sourced from RBI Website give us insight into the status.

Appendix Table IV.1: Indian Banking Sector at a Glance

(Amount in ₹ crore)

Sr. No	Items	Amount Outstanding (As at end-March)		Percentage Variation	
		2019	2020 (P)	2018-19	2019-20
1	2	3	4	5	6
1	**Balance Sheet Operations**				
	1.1 Total Liabilities/assets	1,66,01,045	1,80,14,875	8.8	8.5
	1.2 Deposits	1,28,86,643	1,39,75,095	9.3	8.4
	1.3 Borrowings	17,09,670	16,96,046	1.6	-0.8
	1.4 Loans and advances	96,76,183	1,03,01,914	10.6	6.5
	1.5 Investments	43,22,464	46,89,842	4.8	8.5
	1.6 Off-balance sheet exposure (as percentage of on-balance sheet liabilities)	122.8	125.3	-	-
	1.7 Total consolidated international claims	6,29,621	5,78,412	-1.3	-8.1
2	**Profitability**				
	2.1 Net profit	-23,397	10,911	-	-
	2.2 Return on Asset (RoA) (Per cent)	-0.09	0.15	-	-
	2.3 Return on Equity (RoE) (Per cent)	-1.9	0.8	-	-
	2.4 Net Interest Margin (NIM) (Per cent)	2.7	2.8	-	-
3	**Capital Adequacy**				
	3.1 Capital to risk weighted assets ratio (CRAR) @	14.3	14.7	-	-
	3.2 Tier I capital (as percentage of total capital) @	85.5	85.5	-	-
	3.3 CRAR (tier I) (Per cent) @	12.2	12.6	-	-
4	**Asset Quality**				
	4.1 Gross NPAs	9,36,474	8,99,803	-9.9	-3.9
	4.2 Net NPAs	3,55,068	2,89,531	-31.8	-18.5
	4.3 Gross NPA ratio (Gross NPAs as percentage of gross advances)	9.1	8.2	-	-
	4.4 Net NPA ratio (Net NPAs as percentage of net advances)	3.7	2.8	-	-
	4.5 Provision Coverage Ratio (not write-off adjusted) (Per cent)**	60.5	66.2	-	-
	4.6 Slippage ratio (Per cent)	4.0	3.8	-	-
5	**Sectoral Deployment of Bank Credit**				
	5.1 Gross bank credit	95,26,932	1,00,98,420	13.4	6.0
	5.2 Agriculture	12,17,594	12,39,575	10.0	1.8
	5.3 Industry	32,93,638	32,52,801	5.2	-1.2
	5.4 Services	26,02,287	27,54,824	25.1	5.9
	5.5 Retail loans	23,04,313	26,59,250	18.6	15.4
6	**Technological Development**				
	6.1 Total number of credit cards (in lakhs)	471	577	25.6	22.5
	6.2 Total number of debit cards (in lakhs)	9,058	8,286	5.2	-8.5
	6.3 Number of ATMs	2,02,196	2,10,760	-2.3	4.2
7	**Customer Services**				
	7.1 Total number of complaints received during the year	1,84,730	3,06,702	22.7	66.0
	7.2 Total number of complaints addressed	1,82,602	3,05,592	23.3	67.4
	7.3 Percentage of complaints addressed	89.1	92.9	-	-
8	**Financial Inclusion**				
	8.1 Credit-deposit ratio (Per cent)	75.1	73.7	-	-
	8.2 Number of new bank branches opened	4,516	4,116	14.6	-8.9
	8.3 Number of banking outlets in villages (Total)	5,97,155	5,99,217	4.8	0.3

Notes: 1. P: Provisional.
2. **: Based on off-site returns.
3. @Figures are as per the Basel III framework.
4. Percentage variation could be slightly different as figures have been rounded off to lakh/crore.

YOU WILL NOT BE PUNISHED FOR YOUR ANGER, YOU WILL BE PUNISHED BY YOUR ANGER

Table IV.1: Consolidated Balance Sheet of Scheduled Commercial Banks
(At end-March)

(Amount in ₹ crore)

Item	Public Sector Banks		Private Sector Banks		Foreign Banks		Small Finance Banks #		Payments Banks		All SCBs	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
1. Capital	51.060	72.040	21.344	26.866	77.809	85.710	4.213	5.151	-	1.035	1.54.427	1.90.802
2. Reserves and Surplus	5.46.066	5.80.886	5.27.665	5.82.425	96.979	1.08.987	5.821	11.047	-	-461	11.76.531	12.82.884
3. Deposits	84.86.215	90.48.420	37.70.013	41.59.044	5.81.238	6.84.289	49.178	82.488	-	855	1.28.86.643	1.39.75.095
3.1. Demand Deposits	5.52.461	5.71.383	5.17.356	5.47.521	1.71.907	2.17.874	1.955	2.381	-	8	12.43.679	13.39.167
3.2. Savings Bank Deposits	27.99.445	30.41.902	10.45.648	11.72.739	59.459	70.007	7.245	10.284	-	847	39.11.797	42.95.779
3.3. Term Deposits	51.34.309	54.35.134	22.07.008	24.38.784	3.49.872	3.96.408	39.978	69.823	-	-	77.31.167	83.40.149
4. Borrowings	7.61.612	7.09.780	7.75.324	8.27.575	1.51.367	1.28.687	21.367	30.004	-	-	17.09.670	16.96.046
5. Other Liabilities and Provisions	3.18.274	3.71.893	2.03.591	2.36.229	1.48.982	2.57.632	2.928	4.078	-	216	6.73.775	8.70.048
Total Liabilities/Assets	**1,01,63,226**	**1,07,83,018**	**52,97,937**	**58,32,139**	**10,56,375**	**12,65,304**	**83,508**	**1,32,768**	**-**	**1,645**	**1,66,01,045**	**1,80,14,875**
1. Cash and Balances with RBI	4.55.974	4.36.736	2.06.654	2.72.616	33.660	55.048	2.328	5.058	-	33	6.98.616	7.69.492
2. Balances with Banks and Money at Call and Short Notice	3.93.270	4.66.615	1.75.076	2.12.324	91.095	95.658	4.054	8.701	-	455	6.63.494	7.83.753
3. Investments	27.02.033	29.40.636	12.22.045	12.93.031	3.83.433	4.31.277	14.953	24.203	-	694	43.22.464	46.89.842
3.1 In Government Securities (a+b)	21.98.041	24.09.182	9.51.273	10.66.313	3.19.567	3.84.109	11.633	20.748	-	694	34.80.513	38.81.046
a) In India	21.67.070	23.71.783	9.32.574	10.57.074	3.05.764	3.62.547	11.633	20.748	-	694	34.17.040	38.12.845
b) Outside India	30.970	37.399	18.699	9.240	13.803	21.562	-	-	-	-	63.473	68.201
3.2 Other Approved Securities	157	102	-	-	-	-	-	-	-	-	157	102
3.3 Non-approved Securities	5.03.835	5.31.352	2.70.772	2.26.718	63.866	47.168	3.320	3.455	-	-	8.41.793	8.08.694
4. Loans and Advances	58.92.667	61.58.112	33.27.328	36.25.154	3.96.726	4.28.072	59.461	90.576	-	-	96.76.183	1.03.01.914
4.1 Bills Purchased and Discounted	1.66.336	1.60.977	1.17.234	1.25.078	76.192	61.864	4	37	-	-	3.59.767	3.47.955
4.2 Cash Credits, Overdrafts, *etc.*	24.71.666	24.16.408	9.45.461	9.83.165	1.79.764	2.05.130	5.433	6.872	-	-	36.02.323	36.11.575
4.3 Term Loans	32.54.665	35.80.727	22.64.633	25.16.912	1.40.770	1.61.078	54.024	83.668	-	-	57.14.093	63.42.385
5. Fixed Assets	1.07.318	1.06.507	36.142	38.243	4.426	4.129	1.251	1.649	-	200	1.49.137	1.50.728
6. Other Assets	6.11.963	6.74.412	3.30.693	3.90.770	1.47.036	2.51.120	1.461	2.580	-	263	10.91.153	13.19.146

Notes: 1. -: Nil/negligible.
2. #: Data pertain to seven scheduled SFBs at end-March 2019 and 10 scheduled SFBs at end-March 2020.
3. Components may not add up to their respective totals due to rounding-off numbers to ₹ crore.
4. Detailed bank-wise data on annual accounts are collated and published in Statistical Tables Relating to Banks in India, available at https://www.dbie.rbi.org.in.

Source: Annual accounts of respective banks.

THE FOOL WHO KNOWS HE IS A FOOL IS MUCH WISER THAN THE FOOL WHO THINKS HE IS WISE

Table IV.11: Movements in Non-Performing Assets by Bank Group

(Amount in ₹ crore)

Item	PSBs*	PVBs	FBs	SFBs	All SCBs#
Gross NPAs					
Closing Balance for 2018-19	7.39.541	1.83.604	12.242	1.087	9.36.474
Opening Balance for 2019-20	7.17.850	1.83.604	12.242	1.660	9.15.355
Addition during the year 2019-20	2.38.464	1.31.249	6.751	1.764	3.78.228
Reduction during the year 2019-20	99.692	51.335	3.832	1.046	1.55.905
Written-off during the year 2019-20	1.78.305	53.949	4.953	669	2.37.876
Closing Balance for 2019-20	6.78.317	2.09.568	10.208	1.709	8.99.803
Gross NPAs as per cent of Gross Advances**					
2018-19	11.6	5.3	3.0	1.7	9.1
2019-20	10.3	5.5	2.3	1.9	8.2
Net NPAs					
Closing Balance for 2018-19	2.85.122	67.309	2.051	586	3.55.068
Closing Balance for 2019-20	2.30.918	55.746	2.084	784	2.89.531
Net NPAs as per cent of Net Advances**					
2018-19	4.8	2.0	0.5	1.0	3.7
2019-20	3.7	1.5	0.5	0.9	2.8

Notes: 1. #: Data includes scheduled SFBs.
2. *: Closing balance for 2018-19 and opening balance for 2019-20 do not match due to amalgamation of Dena Bank and Vijaya Bank into Bank of Baroda.
3. **: Calculated by taking gross NPAs from annual accounts of respective banks and gross advances from off-site returns (global operations).

Source: Annual accounts of banks and off-site returns (global operations). RBI.

Table IV.17: Sectoral Deployment of Gross Bank Credit

(Amount in ₹ crore)

Sr. No.	Item	Outstanding as on			Per cent variation (y-o-y)		
		Mar-19	Mar-20	Sep-20	2018-19*	2019-20**	2020-21 (up to September)^
1	**Agriculture & Allied Activities**	**12,17,594**	**12,39,575**	**12,91,752**	**10**	**1.8**	**6.6**
2	**Industry,** *of which*	**32,93,638**	**32,52,801**	**31,30,493**	**5.2**	**-1.2**	**-1.4**
	2.1 Micro & Small Industries	4.39.811	4.37.658	4.63.564	5.2	-0.5	6.6
	2.2 Medium	1.23.843	1.12.376	1.40.247	-1.7	-9.3	18.6
	2.3 Large	26.11.567	26.11.369	24.42.320	6.1	-0.01	-3.5
3	**Services,** *of which*	**26,02,287**	**27,54,824**	**26,89,484**	**25.1**	**5.9**	**4.3**
	3.1 Trade	5.83.930	6.28.171	6.51.990	12.4	7.6	11.5
	3.2 Commercial Real Estate	2.43.122	2.66.357	2.54.960	18.9	9.6	-1.1
	3.3 Tourism. Hotels & Restaurants	56.194	60.039	62.313	7.9	6.8	9.6
	3.4 Computer Software	22.236	24.404	22.566	-0.3	9.8	0.0
	3.5 Non-Banking Financial Companies	6.27.089	7.36.447	7.17.778	38.4	17.4	1.1
4	**Retail Loans,** *of which*	**23,04,313**	**26,59,250**	**27,27,946**	**18.6**	**15.4**	**10.4**
	4.1 Housing Loans	12.04.362	13.96.445	14.37.886	19.5	15.9	10.3
	4.2 Consumer Durables	9.195	11.154	16.786	-51.7	21.3	88.6
	4.3 Credit Card Receivables	1.11.361	1.32.076	1.40.824	34.5	18.6	15.7
	4.4 Auto Loans	2.69.677	2.89.366	2.98.672	12.9	7.3	8.4
	4.5 Education Loans	76.233	79.056	80.092	1.8	3.7	2.7
	4.6 Advances against Fixed Deposits (incl. FCNR (B), *etc.*)	77.135	80.753	71.482	-0.1	4.7	13.0
	4.7 Advances to Individuals against Shares. Bonds. *etc.*	9.339	5.619	6.977	46.3	-39.8	-19.4
	4.8 Other Retail Loans	5.47.010	6.64.781	6.75.229	25.6	21.5	10.4
5	**Gross Bank Credit**	**95,26,932**	**1,00,98,420**	**1,00,63,699**	**13.4**	**6**	**5.1**

Note: 1. Figures in the table may not tally with the figures released by RBI in 'Sectoral Deployment of Bank Credit' every month due to difference in coverage of banks.
2. *: March 2019 over March 2018.
3. **: March 2020 over March 2019.
4. ^: September 2020 over September 2019.

Source: Off-site returns (domestic operations). RBI.

EVERY HUMAN BEING IS THE AUTHOR OF HIS OWN HEALTH OR DISEASE

Table IV.4: Trends in Income and Expenditure of Scheduled Commercial Banks

(Amount in ₹ crore)

Item	Public Sector Banks		Private Sector Banks		Foreign Banks		Small Finance Banks#		Payments Banks		All SCBs	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
1. Income	7.75.331 (0.03)	8.34.320 (7.6)	4.67.058 (25.5)	5.46.041 (16.9)	69.901 (9.8)	83.223 (19.1)	10.898 (62.7)	19.219 (76.4)	-	55	13.23.188 (8.7)	14.82.858 (12.1)
a) Interest Income	6.81.575 (3.2)	7.16.203 (5.1)	3.93.637 (29.0)	4.48.566 (14.0)	55.569 (10.0)	66.673 (20.0)	9.682 (65.4)	16.948 (75.0)	-	46	11.40.463 (11.6)	12.48.435 (9.5)
b) Other Income	93.755 (-18.3)	1.18.117 (26.0)	73.422 (9.9)	97.476 (32.8)	14.332 (8.9)	16.550 (15.5)	1.216 (43.9)	2.271 (86.7)	-	9	1.82.725 (-6.6)	2.34.422 (28.3)
2. Expenditure	8.41.939 (-2.2)	8.60.335 (2.2)	4.39.437 (33.0)	5.26.930 (19.9)	55.393 (4.9)	67.043 (21.0)	9.816 (53.3)	17.251 (75.7)	-	389	13.46.585 (7.7)	14.71.947 (9.3)
a) Interest Expended	4.50.614 (-1.0)	4.68.005 (3.9)	2.31.257 (32.7)	2.58.038 (11.6)	24.476 (14.3)	28.810 (17.7)	4.535 (70.7)	7.928 (74.8)	-	14	7.10.881 (8.8)	7.62.794 (7.3)
b) Operating Expenses	1.75.114 (6.6)	1.91.925 (9.6)	1.09.276 (26.3)	1.26.320 (15.6)	18.697 (3.8)	21.584 (15.4)	4.200 (52.8)	7.152 (70.3)	-	488	3.07.287 (13.2)	3.47.469 (13.1)
Of which : Wage Bill	1.01.503 (10.6)	1.15.044 (13.3)	39.202 (21.5)	47.357 (20.8)	6.720 (-2.3)	7.878 (17.2)	2.127 (36.3)	3.811 (79.2)	-	264	1.49.551 (12.9)	1.74.354 (16.6)
c) Provision and Contingencies	2.16.211 (-10.3)	2.00.405 (-7.3)	98.905 (42.1)	1.42.572 (44.2)	12.220 (- 8.7)	16.648 (36.2)	1.081 (8.4)	2.171 (100.8)	-	-112	3.28.417 (1.0)	3.61.685 (10.1)
3. Operating Profit	1.49.603 (-3.9)	1.74.390 (16.6)	1.26.526 (13.6)	1.61.684 (27.8)	26.728 (10.3)	32.829 (22.8)	2.163 (67.1)	4.139 (91.4)	-	-446	3.05.019 (4.2)	3.72.595 (22.2)
4. Net Profit	-66.608	-26.015	27.621 (- 33.9)	19.111 (- 30.8)	14.508 (33.7)	16.180 (11.5)	1.082 (264.4)	1.968 (81.9)	-	-334	-23.397	10.911
5. Net Interest Income (NII) (1a-2a)	2.30.962 (12.6)	2.48.198 (7.5)	1.62.380 (23.9)	1.90.528 (17.3)	31.093 (6.9)	37.863 (21.8)	5.147 (61.0)	9.020 (75.3)	-	32	4.29.581 (16.6)	4.85.641 (13.0)
6. Net Interest Margin (NIM)	2.33	2.37	3.26	3.42	3.23	3.26	7.62	8.34	-	1.95	2.7	2.8

Notes: 1. #: Data pertain to seven scheduled SFBs at end-March 2019 and 10 scheduled SFBs at end-March 2020.
2. NIM has been defined as NII as percentage of average assets.
3. Figures in parentheses refer to per cent variation over the previous year.
4. Percentage variations could be slightly different as absolute numbers have been rounded off to ₹ crore.

Source: Annual accounts of respective banks.

From the above it is clear that, despite oddities, banks have been doing well. Net result has turned positive in 2020 from a whopping loss of Rs. 23,397 crores in 2019. ROA became positive. GNPA and NNPA have reduced very substantially, despite additions, albeit with much of write off. Provision Coverage Ratio rose to 66.20% from 60.50%, which is no mean achievement. This incontrovertibly shows the resiliency of Indian banking industry to absorb the shocks. This also shows how committed the bankmen are to the country and the banks to keep the flag of their banks flying under strenuous circumstances.

The table IV 4 – on Income and Expenditure indicates that the variation in wage bill over previous was least in PSBs at 13.30% [compared to the 20.08% (Private Banks); 17.20% (Foreign Banks) and 79.20% (Small Finance Banks)] The other notable point is that Provisions and Contingencies have been lower only in PSBs whereas it has gone up in Private Banks (steeply), Foreign and Small Finance Banks.

CIRCULARS

73 dated 22nd December, 2020: Text of Joint letter written by 4 Officer's Organisations, i.e., AIBOC, AIBOA, INBOC and NOBO to the Chairman IBA dated 22.12.2020 on Covid-19 Pandemic : Request for special leave for Bank Employees affected with Covid-19

01 dated 01st January, 2020: Circular on new year 2021: A fresh start and a new resolve

02 dated 04th January, 2020: Text of the Joint Circular dated 04.01.2021 of the 4 Officers' Organisations , i.e., AIBOC, AIBOA, INBOC and NOBO on 8th Joint Notes :Discussion on Residual Issues

HE WHO SEEKS HAPPINESS BY HURTING WILL NEVER FIND IT

JUDICIAL VERDICT

2020 LLR 664
BOMBAY HIGH COURT
Hon'ble Mr. S.C. Gupte, CJ.
Writ Petition No.5805/2009, Dt/- 27.01.2020
Vasant B. Bhujbal
Vs.
The Controlling Authority

Payment of Gratuity Act, 1972 – Forfeiture of gratuity – When not sustainable Gratuity was forfeited without show cause notice held, when no proven case of offence involving moral turpitude, gratuity of an employee could not be forfeited except with show cause notice followed by enquiry - if an employee is guilty of willful omission or negligence, causing any damage to or destruction of property of employer, issuance of show cause notice is mandatory and disposal of the same after having received reply thereto from the employee, preferably granting him an opportunity of personal hearing.

IMPORTANT POINTS

When there is no proven Case of offence involving moral turpitude, gratuity of an employee could not be forfeited except with show cause notice followed by enquiry. If an employee is guilty of willful omission or negligence, causing any damage to or destruction of property of employer, issuance of show cause notice is mandatory and disposal of the same after having received reply thereto from the employee, preferably grating him an opportunity of personal hearing.

ORAL JUDGEMENT

S.C. GUPTE, CJ – 1. Heard learned Counsel for the parties. Rule, Rule taken up for hearing forthwith with consent of Counsel.

2. This writ petition challenges an order passed the Deputy Commissioner of Labour and the Appellate Authority under the Payment of Gratuity Act, 1972. By the impugned order, the Appellate Authority allowed the appeal of the Respondent herein from an order passed by the Controlling Authority for payment of gratuity to the Petitioner herein.

3. Since May 1968, the Petitioner was working as a 'conductor' Chittewan 2/5 14. WP 5805-09.doc with the Respondent-corporation. On 29 August 1993, whilst the Petitioner was on duty, his ST bus was checked by Inspector of the Respondent when the Petitioner herein was found to have given tickets to each of ten passengers of a denomination lesser by 50 ps. The Respondent thereafter issued a charge-sheet and conducted a departmental enquiry against the Petitioner. After such enquiry, and after accepting the findings of the Enquiry Officer, the Respondent-corporation issued to the Petitioner a show cause notice as to why he should not be discharged from the services. The Petitioner thereafter approached the Labour Court at Pune by filing a complaint of unfair labour practice. He was granted ad-interim relief, by which, the Respondent-corporation was restrained from acting on the show cause notice or terminating services of the Petitioner in any manner. This relief was confirmed by the Labour Court at Pune after hearing both parties. Subsequently, at the stage of final hearing, the Petitioner's complaint was dismissed by the Labour Court. The Petitioner thereafter approached the Industrial Court at Pune in revision. The Industrial Court confirmed the order of the Labour Court holding the enquiry to be legal and proper. By then, that is, in or about April 2003, the Petitioner crossed the age of superannuation. The Petitioner, in the premises, applied for gratuity by approaching the Controlling Authority. The Controlling Authority, by its judgment and order dated 2 July 2006, allowed the Petitioner's application directing the Respondent to pay a sum of Rs.1,48,231 along with interest at the rate of 8 per cent per annum from 29 July 2004 until payment or realization. The Respondent thereafter carried the matter in appeal Chittewan 3/5 14. WP 5805-09.doc before the Appellate Authority, who, as noticed above, by its impugned order dated 25 March 2009, allowed the appeal and set aside the order of the Controlling Authority. That is how the Petitioner has approached this court invoking writ jurisdiction of this court.

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4. It is not in dispute that forfeiture of the Petitioner's gratuity has been ordered by the Respondent without any show cause notice. No such show notice was issued by the Respondent purportedly on the basis that there was already an enquiry held into the Petitioner's misconduct and that no fresh opportunity before forfeiture of gratuity was necessary to be afforded to the Petitioner. This court, in its order passed in the case of Nanubhai Nichhabhai Desai Vs. The Deputy General Manager, UCO Bank1, has considered the issue as to whether an employer is bound to issue a separate show cause notice to a delinquent employee before forfeiture of his gratuity in a case where the employee is terminated by a departmental enquiry held into his misconduct. After considering the case law on the subject, including the decision of the Supreme Court in the case of Board of Mining Examination Vs. Ramjee2, the court held that if there was no proven case against the employee of an offence involving moral turpitude, the question as to whether the act of the delinquent employee complained of amounts to a willful omission or negligence causing any damage to or destruction of property belonging to the employer, needs to be examined by issuance of a separate show cause 1 2017 4 AIIMR 1 2 AIR 1977 SC 965 Chittewan 4/5 14. WP 5805-09.doc notice. Such show cause notice should be for finding out whether there was any willful omission or negligence on the part of the employee; whether such omission or negligence caused any damage or loss, or destruction of property belonging, to the employer; and what is the extent of the damage or loss so caused. The action of the employer in forfeiting the delinquent employee's gratuity without issuing a show cause notice and giving an opportunity to the latter to show cause to such forfeiture, would be bad in law; such order of forfeiture cannot be sustained. This law clearly governs the facts of the present case.

5. Mr. Hegde, learned Counsel appearing for the Respondent- corporation submits that in this case, a competent court has already considered the legality and propriety of forfeiture of gratuity and, in the premises, there was no need for a show cause notice. The argument is circular. There may be an order of the competent court denying gratuity to the employee, but the fact of the matter is that this order is passed without regard to the law on the subject, namely, that when there is no proven case of an offence involving moral turpitude, gratuity of an employee cannot be forfeited except with a show cause notice followed by an enquiry where opportunity is extended to the employee to show cause against the forfeiture. If that is so, mere judgment of the Controlling Authority cannot constitute an answer to the submission that gratuity was forfeited without the mandatory show cause notice to the employee.

6. Rule, in the premises, is made absolute and the writ petition is allowed by quashing and setting aside the impugned order of the Appellate Authority and restoring the original order of the Controlling Authority passed on 25 July 2006. The Respondent-corporation shall pay the amount along with interest in accordance with the order of the Controlling Authority within a period of four weeks from today.

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