Vol. 42 No. 1 Total 12 Pages BANGALORE Single Copy Rs. 3/- APRIL - 2023

Editorial

IMPENDING CHALLENGES AND OUR TASK

US regulators have shut down Silicon Valley Bank and seized its assets. The California Department of Financial Protection & Innovation issued the closure order, which also named the Federal Deposit Insurance Corporation as the receiver. The closure of this bank, followed by the collapse of another US-based bank, Signature Bank Ltd triggered the memory of a bloodbath in the financial market post-collapse of Lehman Brothers in 2008. SVB was the USA's 16th largest bank, with an asset base of $209 billion comprising a deposit of around $ 175.4 billion. The Bank acted as a major financial conduit for venture capital-backed companies, which have been hit hard in the past year as interest rates have been raised, making riskier tech assets less attractive to investors.

The failure of this bank uncertainty that it already caused in the International market, including spillover impact in India, has raised the old concern about the operational efficacy of a neo-liberal economic model backed by an authoritarian regime with a special agenda of pampering speculative capital. This crisis started by default by tech start-ups. We know that huge amounts of money were pumped to avert collapse triggered by Covid-19 on the one side and accentuated the structural crisis of global capitalism on the other. Money was pumped without bothering to the creation of tangible assets. Such pumping stokes up inflation, and to control it, a reverse gear of interest rate hike was employed, fuelling default. Simply put, without structural changes, such ad hoc monetary measures cannot take care of the deep-rooted malice of the neo-liberal system.

The crisis in SVB, as anticipated, has not remained confined within its four walls. Another bank in the US named Signature Bank Ltd has already joined the bandwagon. Crisis has crossed the Atlantic shore and now reached the Swiss land from where disturbing news about the health of Credit Suisse Bank is emanating. This is another story that Swiss Banks work as a safe deposit vault of all ill-gotten money. Credit Suisse acted as a self-appointed guardian of the International Monetary System, particularly of developing markets like India. From the latest updates, UBS Bank Ltd took over this bank in a Swiss Government brokered deal.

The basic underlying story remained surprisingly the same over the decades, both in the time of failure of Lehman Brothers and today this new wave of bank failure is sending chill waves down the spine of the financial wizards. In both cases, the bank used the depositors' money once to buy the special mortgage bonds and now financed the tech start-ups liberally, using liberalized finance from the central bank, apart from buying US Govt. Bonds. But as the economic condition worsened, those assets plunged in value, and the banks faced the real threat of wiping out.

In 2020, the interest rate was so low that the treasury department sold some of these bonds at a low yield of 0.08 %. But the interest rate has risen much since then, and the yield on treasury papers also went upwards by the side. And the bond loses value as the interest rate goes up, forcing the bank to book the depreciation and, in extreme cases, to go bust. This story is true across the banking spectrum. Any bank that purchased Govt. Bonds heavily both as a regulatory requirement and for parking depositors' money is now sitting on huge losses. An unofficial estimate put the losses of US banks at roughly $650 billion. This estimated loss figure is equal to or similar in size to the total subprime losses of 2008.

Since 2008, bank regulators have rolled out an endless parade of new rules to prevent another banking crisis. But that did not prevent the crisis. In short, all the warning signs were there and nothing was done to avoid the crisis, suggesting that the unraveling can happen instantly anywhere.

The same thing happened with Lehman Brothers in 2008. In fact, over the past few years, we've been subjected to example after example of our entire world changing in an instant.

This is a financial catastrophe, but it's just getting started. Like Lehman Brothers in 2008, SVB is just the tip of the iceberg. There will be other casualties— not just in banks, but also in money market funds, insurance companies, and businesses. This is now clear that so-called oversight is so fragile, and policy responses to the crisis are so erratic that anything could happen anywhere and even in India. Our central bank blindly followed their western cheerleaders pumping money during Covid-19 induced lockdown. Banks are merged, ignoring all protests on the plea that world-class banks would emerge. It was not spelled out that such a merger would ensure higher lending to selected groups without adhering to disclosure norms since lending as a certain percentage of capital need not be disclosed. So when Capital is shored up due to balance sheet aggregation, the lending to Adani Group can be hidden under the carpet after the merger. The same would not have been possible in the pre-merger scenario. So, from the merger to the extension of the emergency credit line and subsequent increase in the Repo rate to tame inflation, we have an inherent ad hocism of countering the immediate threat without addressing the long-term issues.

We have pointed out for umpteen times that unless real aggregate demand increases in society, there will be accumulated unsold goods and services, triggering crises one after another. Efforts to mitigate by supply side adjustment of interest rate manipulation will ultimately destabilize the entire money market as it happened in the USA and happening in Switzerland. And nationalization of Credit Suisse or bailing out of SVB by the Federal Reserve confirms that no invisible hand of neo-liberals can steer the financial markets off from the crisis permanently.

This brings us to the concluding points. Can we afford for nationalization and bailing out of financial institutions after the crisis sweeping the economy, resulting in loss of employment, loss of productive assets, social turmoil, etc., or redouble our efforts to thwart every design of privatization of financial institutions in India given its unique development ever since 1969? Should we not demand the reshaping of fiscal and monetary policy framework to increase aggregate demand, rechanneling credit to priority sectors, including MSME, for the creation of employment and for preventing the emergence of toxic assets through lending to pampered cronies?

All these could be ensured by increasing our intervention in the running of the institutions. The presence of Confederation on the Board of Public Sector Banks is a national priority now. UFBU should convert itself from an organization broadly engaged in improving service conditions

to an umbrella to protect the hallowed financial institutions, including the banks. After all, if banks do not survive, how will the service and its conditions last?

Get ready. Indentify the struggle for protecting Public Financial institutions. Expose all the shady deals in Stock Market, leading to the malignant growth of certain groups. This is the patriotic duty of all bankmen as World Economy is again shivering from the shock of one bank failure followed by another reviving the memories of the 2008 financial crisis.

Stay Well! Stay Safe! Emerge in Struggle!

March on comrades,

 # NationAgainstPrivatisation
 # StrikeHard
 # PowerofUnity
 # BankBachaoDeshBachao

AFFILIATE NEWS

The two days First Triennial Conference of General Council of Federation of Bank of Baroda Officers' Associations was held on 11th and 12th March, 2023 at Bengaluru being attended by more than 350 delegates/observers from all over the country. The open session was graced by Com Rupam Roy, General Secretary, AIBOC, and President of AISBOF, Com Murali Soundarajan T., former General Secretary of IOBOA and former President of AIBOC. Two General Managers of the Bank of Baroda, namely, Shri Sudhakara D Nayak A, Head Bengaluru Zone and Shri M Ravindra Rai, Head of bank's Gold Loan vertical and Head - Sports Cell, were the Chief Guests of the function. On 12th March, 2023 elections to various posts was held, where the following persons were elected.

Chairman – Com Sanjeev K Varshney, President – Com Kishore E Kadam, General Secretary – Com Ajit Jha.
Com Tapas Kumar Ghosh, the General Secretary of FBOBOA and Senior Vice-President of AIBOC has been superannuated on 31st March, 2023.

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

ECONOMY & BANKING

We are sharing an excerpt of a news item which was published on 02.02.2023. We are confident that our members will make judicious use of the material in our ongoing struggle against privatisation. – Editorial Team, Common Bond.

PUTTING BUDGET 2023 INTO PERSPECTIVE

The Union Budget assumes a nominal GDP growth of 10.5% in 2023-24, which implies a projected inflation rate of just 4%, given the economic survey's baseline real GDP growth projection of 6.5%. How does this fare against the figures of the previous governments?

Number games

As Finance Minister Nirmala Sitharaman presented her fifth Union Budget on Wednesday, here's a look at how the governments prioritised and allotted funds for various sectors in the previous years

Table 1: Union Budgets - Major Heads of Expenditure, Revenues & Deficits (% of GDP)

	UPA-II	NDA-I	NDA-II				
	2009-10 to 2013-14	2014-15 to 2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	(Annual Average)	(Annual Average)	Actuals	Actuals	Actuals	Revised Estimates	Budget Estimates
Total Expenditure	15	12.8	13.4	17.7	16.0	15.3	14.9
Capital Expenditure	1.8	1.7	1.7	2.2	2.5	2.7	3.3
Food Subsidy	0.9	0.8	0.5	2.7	1.2	1.1	0.7
Fertiliser Subsidy	0.8	0.5	0.4	0.6	0.6	0.8	0.6
Petroleum Subsidy	0.7	0.2	0.2	0.2	0.0	0.0	0.0
Defence	2	1.6	1.6	1.7	1.5	1.5	1.4
Agriculture	0.3	0.3	0.6	0.7	0.6	0.5	0.5
Education	0.7	0.5	0.4	0.4	0.3	0.4	0.4
Health	0.3	0.3	0.3	0.4	0.4	0.3	0.3
Rural Development	0.8	0.7	0.7	1.1	1.0	0.9	0.8
Urban Development	0.1	0.2	0.2	0.2	0.5	0.3	0.3
Gross Tax Revenue	10.2	10.8	10.0	10.2	11.4	11.1	11.1
Corporation Tax	3.7	3.3	2.8	2.3	3.0	3.1	3.1
Taxes on Income	2	2.3	2.5	2.5	2.9	3.0	3.0
Union Excise	1.7	1.8	1.2	2.0	1.7	1.2	1.1
Customs	1.6	1.2	0.5	0.7	0.8	0.8	0.8
GST	n.a.	1.1	3.0	2.8	3.0	3.1	3.2
States' Share in Taxes	2.8	3.7	3.2	3.0	3.8	3.5	3.4
Net Resources Transferred to States & UTs	4.8	6.1	5.7	6.7	7.2	6.3	6.2
Fiscal Deficit	5.4	3.7	4.7	9.2	6.7	6.4	5.9
Revenue Deficit	4	2.5	3.3	7.3	4.4	4.1	2.9
Market Borrowings	4.9	2.8	3.1	6.3	3.4	4.4	4.1
Interest Expenditure	3.2	3.1	3.0	3.4	3.4	3.4	3.6

Source: Union Budget Documents, Various Years

Table 2: Estimates & Projections of General Government Expenditure, Revenues & Gross Debt (% of GDP)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	General Government Expenditure (% of GDP)														
India	26.6	26.2	27.1	27.2	26.2	26.3	27.4	31.1	30.1	28.9	28.3	28.1	27.8	27.7	27.6
G-20 Emerging	30.4	30.6	31.8	32.1	31.7	31.9	32.5	34.8	32	32.6	31.9	32	31.8	31.8	31.7
	General Government Revenue (% of GDP)														
India	19.6	19.1	19.9	20.1	20	20	19.9	18.3	20.2	19	19.2	19.6	19.9	20.1	20.4
G-20 Emerging	28.6	28.2	27.5	27.5	27.7	27.8	27.3	25.4	26.4	25.3	25.6	25.6	25.7	25.7	25.8
	General Government Gross Debt (% of GDP)														
India	67.7	67.1	69	68.9	69.7	70.4	75.1	89.2	84.2	83.4	83.8	84.1	83.8	83.4	83
G-20 Emerging	38.5	40.9	44	48.8	51.4	53.1	55.9	66.4	67	69.4	74.2	78.2	81.6	84.5	86.8

Source: IMF staff estimates and projections, Fiscal Monitor, October 2022

As per the latest economic survey, the Indian economy is set to attain a real GDP growth of 7% in 2022-23, with both the retail and wholesale inflation rates falling below 6% in the months ahead. The Union Budget presented in this backdrop assumes a nominal GDP growth of 10.5% in 2023-24, which implies a projected inflation rate of just 4%, given the economic survey's baseline real GDP growth projection of 6.5%. This reflects official optimism regarding the Indian economy remaining in a macroeconomic sweet-spot of declining inflation and high growth, even as the rest of the world experiences a growth slowdown alongside sticky inflation.

The economic survey has predicted a fresh cycle of investment-led growth led by the private corporate sector, supported by increasing credit from the banks, coming out of the bad loans overhang following the apparent clean-up of their balance sheets. Rather than relying upon such rosy predictions, however, the Finance Minister has announced a sharp increase in capital expenditure in the Union Budget, seeking to "crowd-in" private investment especially in infrastructure sectors like railways, roads and power plants. On the other hand, subsidies on food, fertiliser, petroleum and interest subsidies, along with outlays on welfare schemes like the MGNREGA have been reduced quite significantly, indicating higher prices of cereals, LPG cylinders and fertilisers like urea in the days to come. The overall impact of such expenditure switching may turn out to be inflationary.

TOTAL EXPENDITURE DECREASES

A longer-term assessment of the Union Budgets is presented in Table 1, which enables us to compare the present government's fiscal strategy in the post-pandemic period with the fiscal record of the UPA-II and NDA-I governments. As can be seen from Table 1, while the total central government expenditure (annual average) fell from 15% of the GDP during the UPA-II era to below 13% during the NDA-I government's tenure, the recession precipitated by the COVID-19 pandemic forced a substantial increase in total expenditure to 17.7% and 16% of the GDP, in 2020-21 and 2021-22, respectively. Total expenditure has reduced moderately since then, to around 15% of GDP.

While capital expenditure has been enhanced significantly since 2020-21, beyond the levels attained by the UPA-II and NDA-I regimes, subsidies on food, fertiliser and petroleum have been reduced from 2021-22. Defence expenditure, which was 2% of the GDP on average under the UPA-II government Budgets and 1.6% of GDP under the NDA-I, has fallen to 1.5% of GDP in 2022-23. As a proportion of the GDP, while expenditure on agriculture seems to have increased during the NDA-II government's tenure, mainly on account of the PM-Kisan cash transfer scheme, expenditure on education has reduced quite significantly compared to the UPA-II era. Expenditure on rural development and health seems to have remained at the same level. The increase in capital expenditure is mainly focussed in transport and energy sectors.

TAX SITUATION

The reason why the government has to cut subsidies and welfare expenditures to increase capex on infrastructure is because of inadequate revenues, which have remained to be the principal constraint on public expenditure. Table 1 shows that gross tax revenues as a share of GDP barely rose from 10.2% under the UPA-II period to 10.8% under NDA-I and then fell to around 10% during the first two years of the NDA-II government. It is only in the post-pandemic period, since 2021-22, that gross tax revenues have crossed 11% of GDP.

It can be noted further that the corporate tax collection as a share of GDP fell from 3.7% of the GDP under the UPA-II to 3.3% of the GDP under the NDA-I, and came down further to 2.3% of the GDP in 2020-21 following the sharp corporate tax cuts introduced in 2019. The post-pandemic recovery has led to enhanced tax collections, but corporate tax collections remained at 3.1% of the GDP in 2022-23.

While corporate taxes in the GDP have declined under the NDA rule, the share of income taxes in the GDP has risen progressively to reach 3% of the GDP in 2022-23. Revenues from personal income taxes becoming almost equal to corporate tax revenues point towards a regressive taxation regime, which perhaps compelled the Finance Minister to provide a few concessions to income tax payers in this year's Budget. However, going by the Finance Minister's speech, revenue foregone due to those concessions is projected at only ₹ 35,000 crore, in the backdrop of income tax collections of ₹ 8,15,000 crore (RE) in 2022-23. Moreover, the dual income tax regime with a multiplicity of slabs has unnecessarily complicated the income tax structure.

Another regressive shift that has come under the taxation system under the NDA rule is the significant increase in indirect taxes. While the share of customs duties in the GDP has fallen from 1.6% during the UPA-II to 0.8% in 2022-23, the share of excise duties in the GDP rose from 1.7% under the UPA-II (when GST was yet to be introduced) to 2% in 2020-21 and remained above 1.2% in 2022-23, over and above the GST collections by the central government at over 3% of the GDP. High excise duties continue to be levied on petroleum-products, which keep fuel prices high. The increasing share of income taxes in direct taxes and the rising share of indirect taxes in GDP have contributed to the observed increase in income and consumption inequalities.

The States' share in central taxes had increased from 2.8% of the GDP under the UPA-II to 3.7% of the GDP under the NDA-I, owing to the enhanced devolution formula recommended by the fourteenth finance commission. Under the NDA-II government, however, the States' share in central taxes has declined to an annual average of 3.4% of the GDP. This is mainly due to the increasing incidence of cesses and surcharges imposed by the central government, which have shrunk the divisible pool, denying more tax revenues to the States.

The fiscal deficit had come down from 5.4% of the GDP under the UPA-II government to 3.7% under the NDA-I, mainly on account of expenditure compression. Under the NDA-II government, however, the deflationary fiscal stance was reversed in 2019-20. Fiscal deficit peaked at 9.2% of the GDP in 2020-21 in the backdrop of the pandemic. While the Finance Minister has set a "path of fiscal consolidation" with a target to bring down the deficit below 4.5% by 2025-26, the fiscal deficit targeted for 2023-24 in the present Budget is 5.9%. The NDA-II government is unlikely to achieve the deficit target two years from now, without recourse to drastic expenditure compression or sharp increase in revenue mobilisation. Meanwhile, the interest and debt-repayment outgo of the central government, which had reduced from 3.2% of the GDP under the UPA-II to 3.1% under the NDA-I, is set to increase to 3.6% of GDP in 2023-24 (BE).

STACK-UP AGAINST G-20

A comparison of India's public debt situation and fiscal balance (Centre and States combined) with the G-20 emerging market average, is provided in Table 2, based on the estimates and projections made by the IMF. The estimates show India's public debt to have peaked at 89% of the GDP in 2020, while that of the G-20 emerging market economies continuing to deteriorate and surpass India's gross public debt-to-GDP ratio by 2026. Despite India's government revenue-to-GDP ratio being significantly lower than the G-20 emerging market average, India's public debt-to-GDP is projected to perform better than the G-20 emerging economies' average on account of a higher projected GDP growth. It is such an expectation which underlies the vision of "Amrit Kaal" contained in the Union Budget — an utopia of a perpetual macroeconomic sweet-spot. If the projected GDP growth fails to materialise, the macroeconomic situation can turn dystopic pretty fast, like the debt-equity ratio of the Adani conglomerate.

Prasenjit Bose is an independent economist based in Kolkata. Indranil Chowdhury teaches economics at PGDAV College, Delhi University

CIRCULARS

11 dated 07th March, 2023 :	Text of UFBU Circular No. 2023/07 dated 06.03.2023 on Discussions with IBA on 28-2-2023
12 dated 08th March, 2023 :	Circular on International Women's Day 08.03.2023
13 dated 10th March, 2023 :	Circular on case status on Tax on Perquisites : Supreme Court
14 dated 15th March, 2023 :	Circular on Tax on Perquisite Value of Accommodation W.P.NO. 14126/2008 in the matter of AIBOC vs. Union of India and Others – injunction granted

JUDICIAL

2022-III-LLJ-366 (Mad)

LNINDORD 2022 BMM 751

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Present:

Hon'ble Ms. Justice S. Srimathy

W.P. (MD)No. 10662 of 2016 and W.M.P.(MD) Nos. 8269 & 8270 of 2016

14th June, 2022

Rajasekaran ...Petitioner

Versus

Appellate Authority/Chief Manager,
Indian Overseas Bank and Others ...Respondents

Disciplinary enquiry-Burden of proof-Petitioner, employed in bank was dismissed from service by 2nd Respondent on ground that he had produced fake educational qualification certificate, which was confirmed in appeal, hence this petition-Whether dismissal order liable to be set aside-Held, it was prerogative right of administration of school to officiate anybody as Headmaster in absence of regular Headmaster-It was not known whether person in question who had issued certificate was given any

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

Assistant Headmaster post because there was no post called Assistant Headmaster in School Education Department-Senior most Teacher would be assigned to officiate as Headmaster in-charge in absence of regular Headmaster-Person in question was working as Secondary Grade Teacher and he might be senior most Teacher-These facts could not be scrutinized in depth and benefit of doubt ought to be conferred to Petitioner-Petitioner had served in Bank for more than twenty two years in post of Sweeper, at this stage Petitioner could not be dismissed from service-Conclusion that Petitioner had studied in said school based on subsequent letter issued by headmaster wherein it confirm that villagers had said Petitioner had studied and based on that submissions, headmaster stated that Petitioner had studied in said school –Impugned order of dismissal, set aside-Respondents directed to reinstate Petitioner with continuity of service-Petition disposed of.

ORDER

This Writ Petition is filed to quash the impugned order dated 23.11.2015 and the confirmation order dated 25.09.2014.

2. The contention of the petitioner is that due to his family poverty, he was unable to continue his education and he had studied up to third standard in Chellam Aided Middle School, Orathur, Thanjavur District. In the year 1992, the third respondent recruited to the post of Sweeper by calling the list from the District Employment Exchange. Thereby, eligible candidates were sponsored and totally three persons including the petitioner have been sponsored by the Employment Exchange Office. After interview the petitioner's candidature was scrutinized, thereafter, the third respondent appointed the petitioner as Sweeper. The respondent had promised to promote the petitioner as Messenger after completion of 10 years. At the time of appointment the petitioner has produced educational qualification certificate. Thereafter, the respondent confirmed the service. The petitioner has completed 22 years of service. The anonymous complaint was received stating that the petitioner has produced fake educational qualification certificate. Pursuant to the letter, an enquiry was ordered and an enquiry officer was appointed. A show cause notice dated 02.01.2014 was issued and the petitioner has submitted a letter, dated 17.01.2014, issued by the Headmaster, Chellam Aided Middle School Orathur, The Headmaster has issued a certificate to that effect the school record was destroyed on fire. The fire accident was confirmed through certificate of Tahsilda, Thiruvaiyur, wherein it has confirmed the fire accident occurred in the school. The second respondent issued a notice dated 11.04.2015, directing the petitioner to appear on 22.04.2014 and 23.04.2014. The petitioner appeared before the enquiry officer and during enquiry one Thomas Singarayer who was working as Teacher in the Chellam Aided Middle School during the period of 01.06.1996 to 30.06.2004 gave evidence that the petitioner studied in the school during the period 1977 to 1979. The Thomas Singarayer stated that one Ganesan who issued a certificate to the petitioner was working as Assistant Headmaster. The present Headmaster of the school has issued a certificate to that effect that the said Ganesan was working as a Teacher in the above school. The certificate was also submitted before the second respondent. Without considering the evidence in support of the case, the second respondent has submitted an enquiry report dated 07.05.2014 and the same was sent to the petitioner. The second respondent directed the petitioner to submit his

explanation for the enquiry report. In the enquiry report, the charges leveled against the petitioner are held to be proved. Thereafter, another show cause notice dated 28.04.2014 was issued directing the petitioner to appear on 18.08.2014. The second respondent has issued a show cause notice dated 28.04.2014, informing the petitioner about the punishment of dismissal from service. The petitioner submitted an explanation on 18.08.2014. Without considering the petitioner's explanation, the second respondent has passed a dismissal order, dated 25.09.2014.

3. The contention of the petitioner is that the second respondent has appointed an enquiry officer and he conducted an enquiry and the dismissal from service was also issued by the second respondent. The petitioner has preferred an appeal on 10.12.2014. Since the same was not considered the petitioner has preferred a writ petition in W.P.(MD)No. 8371 of 2016, wherein this Court has directed to dispose the Appeal and this Court *vide* order dated 27.04.2016, rejected the Appeal, Aggrieved over the said order, the present writ petition is filed.

4. The respondents have filed a counter affidavit stating that an alternative remedy is available and the petitioner ought to have filed a petition before the Industrial Tribunal. The petitioner joined the service of the Bank by submitting an application form for employment on 25.05.1992. Along with the application form the petitioner also submitted a record sheet dated 14.06.1981, supporting his educational qualification of third standard. Based on the above certificate, the petitioner was appointed as Sweeper on 18.05.1992. While the petitioner was serving as Messenger in Kadambangudi Branch, a complaint was received stating that the petitioner has submitted a false certificate On verification it was found that the petitioner while submitting the application form for employment, had stated that he had passed third standard and supporting that averment he had submitted a record sheet issued on 14.06.1981 with admission number 1827/77. As per the record sheet it is stated that the petitioner was admitted on 01.06.1977 in the first standard and he had passed third standard on 31.05.1980. In order to verify the same, investigation was conducted by appointing an investigating officer. The present Headmaster through a communication has stated that one Mr. C. Ganesan who did not work in their school as Headmaster and also as per the enquiry it was made that the petitioner has not studied in the said school and the transfer certificate submitted by the petitioner is bogus. In this regard, the respondent Bank has also obtained a certificate from the Headmaster of the said school. Therefore, the petitioner has committed certain acts and misconducts. The petitioner was issued with a charge sheet dated 02.01.2014, as per the Memorandum of Settlement dated 10.04.2002, between the bank and its workmen, it has been stated as under:

> *5 (J) doing any act prejudicial to the interest of the bank or gross negligence or negligence invoking or likely to involve the bank in serious loss.*
>
> *5 (m) knowingly making a false statement in any document pertaining to or in connection with his employment in the bank"*

Following the charge sheet, an enquiry was conducted and after affording opportunity, the petitioner was propsed with a punishment of dismissal without notice. Thereafter, the petitioner preferred an appeal and the appeal was dismissed. The contention of the respondent is that the said Ganesan is not an authorized person to issue a certificate. Moreover, the Headmaster of Chellam Aided School made an endorsement dated 26.05.2013, that the said Ganesan was not a Headmaster of the School and another endorsement dated 24.02.2014 was made stating that the said certificate was not issued by the said School. The contention of the respondent is that the disciplinary authority can also be an enquiring authority as per Clause 14 of the Memorandum of Settlement, dated 10.04.2002, wherein it has been stated that the ***"..disciplinary authority may conduct the enquiry himself or appoint another officer as the Enquiry Officer for the purpose of conducting an enquiry."*** Therefore, respondents prayed to dismiss the writ petition. As far the appeal is concerned, the petitioner has not adduced any fresh evidence and the same was dismissed. Contrary to the above statement, the Investigation Officer revealed that the certificate given by the petitioner was bogus and it has been produced with an ulterior motive, hence a charge sheet was issued. The respondents have stated that the claim of the petitioner regarding submission of the letter for fire accident is denied and no such documents were submitted to the respondents nor it was marked as defence evidence by the petitioner in the enquiry proceedings. As far as the paragraph 7 an 8 of the affidavit is concerned, the said Ganesan who issued a certificate to the petitioner was the Headmaster was denied by respondent Bank. The said Ganesan is not an authorized person to issue a certificate, hence the respondents prayed to reject the writ petition.

5. Heard Mr. Mayilvahana Rajendran, learned Counsel appering for the petitioner and Mr. N.Dilipkumar. learned Counsel appearing for the respondents.

6. It is seen from the records that the petitioner has produced as if he has studied in third standard. Based on the complaint the respondents have conducted an enquiry. The petitioner has submitted that the Tahsildar has confirmed the fact that there was fire accident in the school and the records were destroyed in fire accident. Therefore, this Court is of the considered opinion that there was a fire accident and the records were destroyed.

7. The contention of the respondent is that the petitioner has produced a certificate by one Mr. Ganesan stating that the petitioner has studied in the said school. However, the subsequent Headmaster, namely, Shyamala has given a certificate that the said Ganesan had not worked as Headmaster in the said school. Based on the said certificate, the respondents have initiated the disciplinary proceedings. At the time of enquiry, the petitioner has produced another letter issued by the same school and the same Headmaster, namely Ms. Shyamala and the document is marked as Ex. No. D, wherein it is stated that the said Ganesan has worked as a Secondary Grade Teacher. The entire case revolves around the certificate issued by the said Ms. Shyamala, where it has been stated that the said Ganesan was not working as Headmaster but the subsequent letter says that the said Ganesan has worked as a Secondary Grade Teacher. The respondents have come to the conclusion since the said Ms. Shyamala has issued a letter that the said Ganesan

was not working as Headmaster, the petitioner has produced a bogus certificate. The said stand of Ms. Shyamala was clarified by her subsequent letter, where she has clarified that the said Ganesan had worked as Secondary Grade Teacher. On perusal of the records it is seen that the said Ganesan is not an authorized person to issue the certificate, since he was serving as Secondary Grade Teacher only the Headmaster can issue the certificate. But on that particular date, the said Ganesan was in-charge Headmaster. Since the regular HM was not available, therefore, he has issued the letter. The petitioner has submitted a detailed letter issued by the said Shyamala. However, the said letter was not marked in the enquiry proceedings wherein it has stated as under:

"PLEASE REFER ORIGINAL ORDER COPY FROM THE COURT"

The said Ms. Shymala has clarified that the petitioner has studied in the said school, but the documents were destroyed in fire accident and on enquiry in the village some of the villagers have said the petitioner has studied in the said school. One DW1/Rajasekaran has deposed that he had studied in the school and he is aware that the petitioner had studied in the school but the enquiry officer has not agreed to the statement of DW1. The reason given in the enquiry report was that the said Ganesan had worked as Secondary Grade Teacher and there is no evidence that he had worked as Assistant Headmaster in the absence of Headmaster. Therefore, he is not competent to issue any certificate in the absence of Headmaster, as claimed by DW1 and the relevant portion is extracted hereunder:

> "Even though DW1 had deposed that Mr. Ganesan who was Asst. Head Master who will officiate as Head master in the absence of Head Master holds no water. As per DE 3, Mr. Ganesan had worked only as secondary grade teacher in Chellam Aided Middle School. This evidence that Mr. Ganesan had never worked as Asst. Head Master of Chellam Aided Middle School and is not competent to issue any certificate in the absence of Head Master as claimed by DW1."

8. This finding cannot be accepted for more than one reason. It is the prerogative right of the administration of the school to officiate anybody as Headmaster in the absence of regular Headmaster. It is not known whether the said Ganesan was given any Assistant Headmaster post because there is no post called Assistant Headmaster in the School Education Department. The senior most Teacher will be assigned to officiate as Headmaster in-charge in the absence of regular headmaster. Admittedly the said Ganesan was working as a Secondary Grade Teacher and he may be the senior most Teacher. These facts cannot be scrutinized in depth. Therefore, this Court is of the considered opinion the benefits of doubt ought to be conferred to the petitioner.

9. By taking into consideration that the petitioner has served in the Bank for more than 22 years in the post of Sweeper, at this stage the petitioner cannot be dismissed from service. Since the benefit of doubt is conferred on the petitioner as stated ***supra*** this Court is of the considered opinion that the petitioner has studied in the said school. This conclusion is based on the subsequent letter issued by the said Shyamala wherein it confirms that the villagers has said that the petitioner

DO NOT DWELL ON THE PAST OR FUTURE. CONCENTRATE ON THE PRESENT MOMENT

COMMON BOND ENGLISH MONTHLY-R.N.I.NO :36648/82 - TOTAL NO. OF PAGES 12 APRIL -2023
REGN. NO. KRNA/BGE - 1122/2023-2025 PUBLISHED ON 25-03-2023
POSTED AT BANGALURU PSO, MYSORE ROAD, BANGALURU - 560 026 / ON 2ND OF EVERY MONTH
LICENCED TO POST WITHOUT PRE-PAYMENT-LICENCE NO. PMG BG/WPP 330/2023-2025

has studied and based on that submissions, the said Shyamala has stated that the petitioner has studied in the said School.

10. Therefore, this Court set aside the impugned order of dismissal. The respondents are directed to reinstate the petitioner with continuity of service. However, the petitioner is entitled to 50% of backwages from the year 2014 to April 2022. The respondents are directed to implement within a period of four weeks from the date of receipt of a copy of this order.

11. With the above direction, the Writ Petition is disposed of. No costs. Consequently, connected miscellaneous petitions are closed.

Petition disposed of.

"COMMON BOND" APRIL 2023
(FORM IV RULE 8)

1. Place of publication	:	Bangaluru -560 001.
2. Period of the publication	:	Monthly
3. Printer's Name	:	Smt Nithya Lakshmi L.V. Press
Whether citizen of India	:	Yes
Address	:	3916, 7th Cross, 4th Main, Gayathri Nagar, Bangaluru-560 0021.
4. Publisher's Name	:	**Shri Rupam Roy**
Whether citizen of India	:	Yes
Address	:	SBI Bldgs.,St. Mark's Road, BANGALURU-560 001.
5. Editor's Name	:	**Shri Rupam Roy**
Whether citizen of India	:	Yes
Address	:	6th Floor, E Block, Samriddhi Bhavan1, Strand Road,Kolkata - 700001
6. Names and addresses of individuals who own the Newspaper and partners or shareholders holding more than one percent of the total capital	:	**All India Bank Officers' Confederation** 6th Floor, E Block, Samriddhi Bhavan, 1,Strand Road, Kolkata - 700001

I. Rupam Roy, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Sd/-
Bangaluru **(RUPAM ROY)**
25.3.2023 **PUBLISHER**

REGISTERED NEWS PAPER

Licensed to Post Without Prepayment

TO

If Undelivered Please Return To
The All India Bank Officers' Confederation
SBI Buildings, St.Mark's Road, Bangaluru - 560 001.

Printed & Published/Edited by Shri Rupam Roy on behalf of AIBOC, at State Bank Building, St.Mark's Road Bangaluru-560 001. Printed by Smt. Nithya Lakshmi, at L. V. Press 3916, 7th Cross, 4th Main, Gayathri Nagar, Bangaluru - 560 021