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Editorial

ENTERING FY 2026-2027 CHALLENGES AHEAD!

Indian banking is currently at a critical juncture. While the sector boasts robust balance sheet strength, it faces deep structural and policy challenges. Public Sector Banks (PSBs), which are crucial for financial inclusion and economic stability, have shown remarkable resilience through improved asset quality, stronger capital adequacy, and consistent profitability. However, beneath this positive macro narrative lies increasing strain on human resources, rising compliance burdens, technological disruptions, and policy interventions that often overlook ground realities.

One of the most pressing concerns is the growing disconnect between performance expectations and workforce conditions. Bank officers are shouldering expanded responsibilities—from aggressive credit growth to the implementation of government schemes—without a corresponding increase in manpower. Although continuous digitization is necessary, it has not sufficiently reduced workloads; instead, it has added layers of accountability and risk. This imbalance is gradually eroding morale and jeopardizing the sustainability of high performance.

In this context, the introduction and implementation of the Performance Linked Incentive (PLI) scheme in banks have raised serious concerns. While PLI was originally conceived as a fair and motivating mechanism based on mutual understanding, its current form has deviated significantly from the intended spirit. The unilateral changes in its computation and distribution have raised questions about transparency, equity, and adherence to collective agreements.

The most contentious issue is the discriminatory framework in PLI disbursement. By establishing different benchmarks and disproportionately favoring senior management, the current approach risks widening the divide within the managerial cadre. Such a policy not only violates the principle of collective reward but also undermines team cohesion, which is essential for effective banking operations. Incentivizing a select few while marginalizing the majority cannot lead to sustainable institutional growth.

A JUG FILLS DROP BY DROP

Moreover, the shift in PLI methodology reflects a broader trend of policy centralization and the erosion of negotiated settlements. This raises serious concerns about the integrity of bipartite agreements, which have historically ensured industrial harmony in the banking sector. Any unilateral deviation weakens trust and sets a dangerous precedent, potentially opening the door for further erosions of service conditions and the rights of officers.

At the operational level, these developments are compounded by persistent challenges, such as inadequate staffing, increasing accountability pressures, cyber risks, and heightened customer service expectations in a highly competitive environment. Officers are expected to deliver exceptional results under tight regulatory scrutiny, often without adequate institutional support. The absence of a fair and motivating incentive structure only adds to the frustration and sense of injustice among the workforce.

In this evolving scenario, the role of AIBOC becomes more crucial than ever. The organization must assertively defend the principles of fairness, transparency, and collective bargaining. A balanced

strategy—combining dialogue, organizational mobilization, and, if necessary, democratic protest—will be essential to safeguard the interests of bank officers. Unity across various cadres and strengthening grassroots engagement will be key to resisting divisive policies.

Looking ahead, the future course of the movement must be guided by a clear vision: to protect the integrity of public sector banking while ensuring dignity, equity, and motivation for its workforce. AIBOC must advocate for a holistic reform framework that aligns performance incentives with collective efforts, reinforces bipartite mechanisms, and addresses systemic issues such as PLI and the 5-day workweek, etc.

#SavePSBs

#HaltFurtherMergers

#BankingInThePublicSector

#NoTo100PercentFDIInInsurance

#YesToAdequateRecruitment

#MarchOnComrades,

#NationAgainstPrivatisation

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IN THE SKY THERE IS NO DISTINCTION OF EAST AND WEST

SHARED ARTICLE

SHOULD NOT DENY PROMOTION OVER VAGUE RATING ON APPRAISAL, SAYS HC

The Rajasthan High Court has provided interim relief to a forest officer by ruling that a vague “unsatisfactory” rating on his Annual Performance Appraisal Report (APAR) should not hinder his promotion. Justice Munnuri Laxman issued the order on April 9, 2026 while addressing a writ petition from Dinesh Kumar Dotaniya, a range officer from Dausa, contesting adverse remarks made by the accepting authority. Dotaniya’s counsel, Mirza Faisal Baig, argued that the “unsatisfactory” grading was arbitrary and lacked factual basis, failing to detail any specific performance shortcomings and violating principles

of natural justice by not allowing Dotaniya a chance to defend himself. The court noted that the APAR’s key sections were incomplete and the solitary negative remark was inadequately justified. In its ruling, the court stated that any adverse comments influencing an employee’s career must be substantial and backed by a clear reasoning process. It declared that the disputed remark would not be factored into any upcoming Departmental Promotion Committee (DPC) evaluation. The court has issued notices to senior forest department officials for their response within four weeks and has scheduled the next hearing for May 11, 2026. ■

WALR TRANSMISSION HIGHER FOR PRIVATE BANKS THAN PSBs IN EASING CYCLE: RBI

RBI Bulletin shows stronger pass-through of rate cuts to lending rates by private banks than PSBs, though overall transmission across sectors remains robust

Transmission of policy rate cuts to lending rates was stronger among private sector banks than public sector banks during the current easing cycle, according to the latest Reserve Bank of India (RBI) Bulletin.

In response to the cumulative 125 basis points (bps) reduction in the policy repo rate between February 2025 and February 2026, scheduled commercial banks lowered both repo-linked external benchmark-based lending rates (EBLRs) and marginal cost of funds-based lending rates (MCLR). The pass-through to weighted average lending rates (WALRs) was significant across sectors, indicating effective monetary transmission.

However, the extent of transmission differed across bank groups. During February 2025–February 2026, the pass-through to WALRs was higher for private sector banks compared to public sector banks. On the deposit side, the transmission was broadly similar across both groups. Foreign banks recorded the sharpest reduction in both deposit and lending rates.

The lending rates of private sector banks on fresh rupee loans were down by 104 basis points, compared to 75 basis points for public sector banks. The WALR on fresh rupee loans for private sector banks was down by 94 basis points, as against 77 basis points on outstanding rupee loans of public sector banks.

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

On the liabilities side, the softening in weighted average domestic term deposit rates (WADTDR) on fresh deposits was driven largely by bulk deposits, reflecting banks' response to surplus liquidity conditions and lower policy rates.

Overall, during the easing cycle, WALRs on fresh rupee loans and outstanding loans declined meaningfully, supported by reductions in benchmark-linked lending rates. The RBI noted that the transmission has been robust across sectors, aided by the increasing share of loans linked to external benchmarks.

In financial markets, Indian equities came under pressure in March amid persistent geopolitical uncertainties, with volatility rising sharply. However, markets recovered in April (up to mid-month), supported by easing global tensions and moderation in crude oil prices.

The RBI's assessment underscores improving monetary transmission in the banking system, although differences remain across bank groups in the pace and extent of lending rate adjustments. ■

Source: Business Standard, Dated 27th May 2026

FINANCE MINISTER ASKS PSBS TO COMPLETE WAGE REVISION PROCESS IN NEXT 12 MONTHS.

The wage revision for employees and officers of public sector banks would be due from November 1, 2027. PSBs are advised to complete the negotiation process within a maximum period of 12 months, the communication dated April 20.

The government has asked public sector banks to initiate the process of negotiations for the 13th Bi-partite settlement in a time-bound manner and finalise it in the next 12 months.

The wage revision for employees and officers of public sector banks would be due from November 1, 2027.

Public sector banks (PSBs) and financial institutions, including insurance companies revise wages of their employees every five years. As part of the settlement, the Indian Banks' Association (IBA) is expected to engage in dialogues with the employees' unions/associations and arrive at a mutually agreeable wage settlement.

As the timely conclusion of the settlements is essential for maintaining industrial harmony, the Department of Financial Services advised Public

Sector Banks (PSBs) in a communication to their heads to initiate the necessary measures to commence negotiations for the impending wage revision.

PSBs are advised to complete the negotiation process within a maximum period of 12 months, the communication dated April 20 said.

Just before the last settlement process, the finance ministry had asked IBA to ensure that all future wage negotiations should be finalised before the beginning of the subsequent period so that the wage revision could be implemented from the due date itself.

It has been observed that on previous occasions, consequential amendments to the permanent regulations have been effected after a considerable delay following the settlement, it said.

OVERCOME ANGER BY LOVE, EVIL BY GOOD

“As negotiations for the upcoming settlement are now being initiated in a timely manner, it is underscored that the consequential amendments to relevant regulations should also be completed prior to scheduled date of the next wage settlement,” it said.

It is a known fact that the banking sector is the backbone of the Indian economy and healthy and adequate compensation keeps morale of employees high.

Public sector banks have generated record profits in FY25 and is expected to continue the momentum in FY26. Combined PSB profits crossed Rs 1 lakh crore to reach ₹ 1.05 lakh crore in FY23, before rising to ₹ 1.41 lakh crore in FY24, and to ₹ 1.78 lakh crore in FY25.

The improvement has been driven by stronger asset quality, sustained credit growth,

comfortable capital buffers and rising return on assets.

PSBs’ balance sheets continue to show improvement. Gross non-performing assets stood at a record low of 2.30 per cent at the end of September 2025, while net NPAs were around 3 per cent. The provisioning coverage ratio improved to 94.63 per cent, and the capital adequacy ratio remained healthy at 15.96 per cent at the end of the first half of FY26.

Wage settlement talks normally benefit employees of public sector banks, old generation private banks and some foreign banks.■

(Only the headline and picture of this report may have been reworked by the Business Standard staff; the rest of the content is auto-generated from a syndicated feed.)

Source: Business Standard, Dated 27/05/2026

CIRCULARS

- 26 dated 10th April, 2026** : Text of UFBU Circular No. UFBU/2026/12 dated 10.04.2026 on the UFBU Meeting held on date to continue the protest programmes on our demands to introduce 5 days banking and to Resolve PLI Scheme through Bilateral Talks
- 27 dated 16th April, 2026** : Text of UFBU Circular No. UFBU/2026/13 dated 16.04.2026 on Bipartite Meeting with IBA
- 28 dated 17th April, 2026** : AIBOC Working Committee Meeting dated 12.04.2026 and the implementation of 5-Day Work Week and the resistance to divisive DFS imposed PLI Formula

THREE THINGS CANNOT BE LONG HIDDEN: THE SUN, THE MOON AND THE TRUTH

Common Bond, May-2026

JUDICIAL

IN THE SUPREME COURT OF INDIA CIVIL APPELLATE JURISDICTION CIVIL APPEAL NO. 847 OF 2026

PUNJAB & SIND BANK

... APPELLANT

VS.

SH. RAJ KUMAR

... RESPONDENT

J U D G M E N T DIPANKAR DATTA, J.

The greater the trust reposed, the stricter the scrutiny imposed.

1. The present appeal, by special leave, at the instance of Punjab and Sind Bank takes exception to the judgment and order dated 11th September, 2024 of the High Court of Delhi. Vide the impugned order, a writ appeal filed by the P&SB was dismissed and the judgment and order of the Single Judge, allowing a writ petition filed by the respondent, affirmed. The Single Judge modified the punishment of 'dismissal from service' imposed upon the respondent to 'compulsory retirement' on the ground of discrimination in imposition of punishment thereby offending Article 14 of the Constitution.

2. Facts, triggering this appeal, are these:

- a. Respondent joined the P&SB as a Clerk/Cashier in the year 1987 until he was placed under suspension in December of 2011, followed by disciplinary action of dismissal from service on 25th November, 2024. At the time of dismissal, the respondent held the post of "Senior Manager in MMGS-III Scale".
- b. The punishment of dismissal imposed on

the respondent (senior manager at the relevant time) was preceded by a show cause notice, a chargesheet and an inquiry in accordance with the Punjab and Sind Officer Employees' (Conduct) Regulations, 1981 on the allegation that the respondent connived with two others (one officer and a gunman) to misappropriate money of the customers for their personal gain, stealing bank records, etc. The disciplinary authority imposed the penalty of compulsory retirement on the co-delinquent gunman while the co-delinquent officer was awarded "lowering by two stages". The precise import of the said punishment remains unclear; however, we assume that the expression denotes a reduction in 'pay' by two stages.

- c. Dejected, the respondent unsuccessfully filed an appeal and subsequently a review against the order of the disciplinary authority but to no avail. Seeking his reinstatement, the respondent then approached the writ court by filing a writ petition.
- d. Initially, the said writ petition was disposed of by a Single Judge vide order

BETTER THAN A HUNDRED YEARS OF IDLENESS IS ONE DAY SPENT IN DETERMINATION

dated 12th December, 2017. After rejecting the claim of the respondent on the merits of the disciplinary proceedings, the Single Judge directed the appellate authority to impose an appropriate punishment upon the respondent keeping the principle of parity in mind. Respondent carried the said order in an intra-court appeal, which was disposed of by a Division Bench (vide order dated 8th January, 2019) by setting aside the order under appeal and directing the Single Judge to decide the writ petition on merits.

- e. Apart from challenging the decision on merits, the respondent's claim before the High Court was also that he was discriminated against in imposition of punishment; while one of the co-delinquents was compulsorily retired and the other awarded punishment of "lowering by two stages", he was dismissed from service. Later, before the Single Judge who decided the writ petition on remand, the respondent limited his challenge only to the quantum of punishment, on the ground of parity with the co-delinquents. The Single Judge proceeded to allow the writ petition after noting that for similar charges, different punishments were imposed on the co-delinquents with the respondent having been given the most severe punishment without any difference in their roles.

XXXXX

11. XXXXX
16. XXXXX
20. XXXXX
23. XXXXX
f. This order was carried in an intra-court

appeal by the P&SB which has been dismissed vide the impugned order. The Division Bench found no perversity in the order of the Single Judge.

3. Mr. Rajesh Kumar Gautam, learned counsel for the P&SB cited authorities to buttress his point as to how interference with the order of punishment by the High Court is contrary to settled principles of law and, thus, merits interdiction by this Court.
4. Per contra, Mr. G.S. Chaturvedi, representing the respondent, supported the impugned order upholding the decision of the Single Judge by referring to the invidious discrimination that he was subjected to. Additionally, he invited attention to an observation made by a Division Bench of the High Court in its order dated 8th January, 2019 to the following effect:

9. It appears that on 2nd January, 2012 while he was still under suspension, the Appellant wrote a letter to the Bank in Hindi stating that if there was any mistake on his part while working as the Branch Manager at Roshanpur, he was prepared to make good the loss incurred by the Bank. He further stated that on that date he had deposited ₹ 2 lacs. It appears that a police complaint was also filed. This led to the Appellant submitting another handwritten letter in Hindi which was received by the Bank on 19th May, 2012 whereby upon the direction of the police, he deposited demand drafts worth Rs. 4,19,214.00/-. The last few lines of the said letter are significant where he stated "sriman ji meri koi galti nahi hai bahut dabav ke karan paise jama kar raha hu. Samaaj mein apni izzat bachae rakhne ke liye kar raha hu". Prima facie, therefore, appears that on both the occasions, the Petitioner was depositing money under pressure and neither of his letters could be actually viewed as an admission of guilt by the Appellant.

(italics in original, underlining ours)

The plea advanced (though abandoned before the benches of the High Court) touches upon the merits of the respondent's claim of innocence and that he was unfairly punished.

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

5. Counsel for the parties have been heard and the materials on record perused.

6. The disciplinary action taken by the P&SB having not been assailed on its merits by the respondent before the Single Judge except the quantum of punishment, we are tasked to decide a limited point.

7. In light of the facts and circumstances of the present case, we are reminded of the consistent line of decisions of this Court delineating the circumstances in which judicial interference is warranted in matters concerning imposition of punishment by disciplinary authorities.

8. We consider it apt to note the relevant passages from a few of these decisions, hereunder:-

a. Bhagat Ram v. State of Himachal Pradesh:

15. ...It is equally true that the penalty imposed must be commensurate with the gravity of the misconduct, and that any penalty disproportionate to the gravity of the misconduct would be violative of Article 14 of the Constitution. ...

b. Ranjit Thakur v. Union of India:

25. Judicial review generally speaking, is not directed against a decision, but is directed against the "decision-making process". The question of the choice and quantum of punishment is within the jurisdiction and discretion of the court-martial. But the sentence has to suit the offence and the offender. It should not be vindictive or unduly harsh. It should not be so disproportionate to the offence as to shock the conscience and amount in itself to conclusive evidence of bias. The doctrine of proportionality, as part of the concept of judicial review, would ensure that even on an aspect which is, otherwise, within the exclusive province of the court-martial, if the decision of the court even as to sentence is an outrageous defiance of logic, then the sentence would not

be immune from correction. Irrationality and perversity are recognised grounds of judicial review... .

(emphasis ours)

c. B.C. Chaturvedi v. Union of India (three-Judge Bench):

18. A review of the above legal position would establish that the disciplinary authority, and on appeal the appellate authority, being fact-finding authorities have exclusive power to consider the evidence with a view to maintain discipline. They are invested with the discretion to impose appropriate punishment keeping in view the magnitude or gravity of the misconduct. The High Court/Tribunal, while exercising the power of judicial review, cannot normally substitute its own conclusion on penalty and impose some other penalty. If the punishment imposed by the disciplinary authority or the appellate authority shocks the conscience of the High Court/Tribunal, it would appropriately mould the relief, either directing the disciplinary/appellate authority to reconsider the penalty imposed, or to shorten the litigation, it may itself, in exceptional and rare cases, impose appropriate punishment with cogent reasons in support thereof.

d. Union of India v. G. Ganayutham (three-Judge Bench):

Punishment in disciplinary matters: Wednesbury and CCSU tests

32. Finally, we come to the present case. It is not contended before us that any fundamental freedom is affected. We need not therefore go into the question of "*proportionality*". There is no

contention that the punishment imposed is illegal or vitiated by procedural impropriety. As to **"irrationality"**, there is no finding by the Tribunal that the decision is one which no sensible person who weighed the pros and cons could have arrived at nor is there a finding, based on material, that the punishment is in "outrageous" defiance of logic. Neither *Wednesbury* nor *CCSU* tests are satisfied. We have still to explain "Ranjit Thakur [(1987) 4 SCC 611 : 1987 SCC (L&S) 1 : (1987) 5 ATC 113]".

33. *In Ranjit Thakur [(1987) 4 SCC 611 : 1987 SCC (L&S) 1 : (1987) 5 ATC 113]* this Court interfered with the punishment only after coming to the conclusion that the punishment was in outrageous defiance of logic and was shocking. It was also described as perverse and irrational. In other words, this Court felt that, on facts, *Wednesbury* and *CCSU* tests were satisfied. In another case, in *B.C. Chaturvedi v. Union of India [(1995) 6 SCC 749 : 1996 SCC (L&S) 80 : (1996) 32 ATC 44]* a three-Judge Bench said the same thing as follows.....

34. In such a situation, unless the court/tribunal opines in its secondary role, that the administrator was, on the material before him, irrational according to *Wednesbury [(1948) 1 KB 223 : (1947) 2 All ER 680]* or *CCSU [1985 AC 374 : (1984) 3 All ER 935]* norms, the punishment cannot be quashed. Even then, the matter has to be remitted back to the appropriate authority for reconsideration. It is only in very rare cases as pointed out in *B.C. Chaturvedi case [AIR 1961 SC 418 : (1961) 2 SCR 343]* that the Court might — to shorten litigation — think of substituting its own view as to the quantum of punishment in the place of the punishment awarded by the competent authority. (In *B.C. Chaturvedi [AIR 1961 SC 418 : (1961) 2 SCR 343]* and

other cases referred to therein it has however been made clear that the power of this Court under Article 136 is different.) For the reasons given above, the case cited for the respondent, namely, *State of Maharashtra v. M.H. Mazumdar [(1988) 2 SCC 52: 1988 SCC (L&S) 436 : (1988) 6 ATC 876]* cannot be of any help.

35. For the aforesaid reasons, we set aside the order of the Tribunal which has interfered with the quantum of punishment and which has also substituted its own view of the punishment. The punishment awarded by the departmental authorities is restored. In the circumstances, there will be no order as to costs.

(emphasis ours)

e. *Om Kumar v. Union of India:*

67. But where an administrative action is challenged as **"arbitrary"** under Article 14 on the basis of *Royappa [(1974) 4 SCC 3 : 1974 SCC (L&S) 165]* (as in cases where punishments in disciplinary cases are challenged), the question will be whether the administrative order is **"rational"** or **"reasonable"** and the test then is the *Wednesbury* test. The courts would then be confined only to a secondary role and will only have to see whether the administrator has done well in his primary role, whether he has acted illegally or has omitted relevant factors from consideration or has taken irrelevant factors into consideration or whether his view is one which no reasonable person could have taken. If his action does not satisfy these rules, it is to be treated as arbitrary. [In *G.B. Mahajan v. Jalgaon Municipal Council [(1991) 3 SCC 91]* (SCC at p. 111).] XXXXX. In *Tata Cellular v. Union of India [(1994) 6 SCC 651]* (SCC at pp. 679-80), *Indian Express Newspapers Bombay (P) Ltd. v. Union of*

India [(1985) 1 SCC 641 : 1985 SCC (Tax) 121] (SCC at p. 691), Supreme Court Employees' Welfare Assn. v. Union of India [(1989) 4 SCC 187 : 1989 SCC (L&S) 569] (SCC at p. 241) and U.P. Financial Corpn. v. Gem Cap (India) (P). Ltd. [(1993) 2 SCC 299] (SCC at p. 307) while judging whether the administrative action is "**arbitrary**" under Article 14 (i.e. otherwise than being discriminatory), this Court has confined itself to a Wednesbury review always.

68. Thus, when administrative action is attacked as discriminatory under Article 14, the principle of primary review is for the courts by applying proportionality. However, where administrative action is questioned as "**arbitrary**" under Article 14, the principle of secondary review based on Wednesbury principles applies.\

Proportionality and punishments in service law

69. The principles explained in the last preceding paragraph in respect of Article 14 are now to be applied here where the question of "**arbitrariness**" of the order of punishment is questioned under Article 14.

70. In this context, we shall only refer to these cases. In Ranjit Thakur v. Union of India [(1987) 4 SCC 611 : 1988 SCC (L&S) 1] this Court referred to "**proportionality**" in the quantum of punishment but the Court observed that the punishment was "**shockingly**" disproportionate to the misconduct proved. In B.C. Chaturvedi v. Union of India [(1995) 6 SCC 749 : 1996 SCC (L&S) 80 : (1996) 32 ATC 44] this Court stated that the court will not interfere unless the punishment awarded was one which shocked the conscience of the court. Even then, the court would remit the matter back to the authority and would not normally substitute one punishment for

the other. However, in rare situations, the court could award an alternative penalty. It was also so stated in Ganayutham [(1997) 7 SCC 463 : 1997 SCC (L&S) 1806]. (**emphasis ours**)

f. Union of India v. R.K. Sharma:

XXXXX

g. Chairman and Managing Director, United Commercial Bank v. P.C. Kakkar:

XXXXX

XXXXX

h. State of Gujarat v. Anand Acharya:

XXXXX

i. S.R. Tewari v. Union of India :

XXXXX ...

j. Rajasthan SRTC v Bajrang Lal:

XXXXX

XXXXX

9. What follows from the precedents noted above is that courts should exercise restraint while interdicting orders of punishment. Normally, no court in exercise of its power of judicial review should interfere with an order of punishment imposed on a delinquent as a measure of disciplinary action by the competent authority and substitute its own judgment for that of the former. This is premised on the reason that the disciplinary authority is the best judge of the situation, and the requirements of maintaining discipline within the work force. While it is not the law that the courts should invariably stay at a distance when legality and/or propriety of a particular punishment is questioned, judicial scrutiny of the disciplinary

action by way of punishment could arise only if the circumstances are such that no reasonable person would impose the punishment which is questioned and/or such punishment has the effect of shocking the conscience of the court. To put in simpler words, interference could be warranted if it appears to the court that the disciplinary authority has 'used a sledgehammer for cracking a nut'. A punishment, which is strikingly or shockingly disproportionate and is not commensurate with the gravity of misconduct, proved to have been committed in course of inquiry or otherwise, would border on arbitrariness and offend Article 14 of the Constitution.

10. Where a court, upon due consideration, arrives at the conclusion that the punishment imposed is disproportionate, its intervention is circumscribed in nature. Judicial scrutiny and interference, if at all, has to be based on reasons in support of the court's ultimate satisfaction that the disciplinary authority has faltered in the exercise of his discretion. In such a situation, the court may adopt one of two courses: it may remit the matter to the competent authority for reconsideration of the punishment; or, in the rarest of cases, it may substitute the punishment while supporting such a course with cogent reasons.

11. After refreshing our memory with these well-established principles, the only question that arises for consideration is whether interference by the Single Judge with the order passed by the Disciplinary Authority, in the facts and circumstances of the present case, satisfied the requisite threshold. If we find that such interference was not called for, then the impugned order (which upheld the view taken by the Single Judge) will have to be set aside.

12. Whether the imposition of lighter punishment on the co-delinquents while imposing the punishment of 'dismissal from service' upon the

respondent is in outright defiance of logic? We think not.

13. Sight cannot be lost of the fact that the respondent, when he committed the offence, was holding the post of "Senior Manager in MMGS-III Scale", which is obviously much higher than the co-delinquents (officer and gunman). Authority carries accountability; higher the authority, higher the accountability. The rank of the respondent was not merely titular; it carried with it an increased degree of responsibility and integrity. The role of the respondent not only necessitated personal obedience but also supervision of the actions of the subordinates. The co-delinquents, having limited powers and authority, could not have been equated with the respondent. The gravity of the misconduct necessarily had to be measured with the nature of the misconduct. Thus, grant of the benefit of parity to the respondent by the High Court merely because the co-delinquents were given lighter punishment was entirely misconceived. The differentiation in rank coupled with the increased trust of the employer on the respondent certainly constituted a compelling ground for a more stringent punishment to be imposed on him.

14. Taking an overall view, the fact that the disciplinary authority found it prudent in the circumstances to impose a harsher punishment on a higher-ranking official is neither disproportionate, nor shocks our conscience. The High Court clearly fell in error in the course of adjudication of the lis.

15. Quite apart, equating a branch manager of a bank with its gunman seems to us to be in outrageous defiance of logic and reason. This is not a case akin to Sengara Singh v. State of Punjab where this Court interfered with disciplinary action finding that some out of several, guilty of the same misconduct, were picked and chosen for

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

harsher punishment leaving aside others without any convincing reason.

16. Reference to the observation made by the Division Bench, noted in paragraph 4 supra, is of no real consequence. Manifest as it is, the Division Bench while remanding the writ petition for a fresh decision recorded only a prima facie finding that the respondent might have been pressurized to make deposit of a portion of the misappropriated amount. Even the Single Judge, on remand, did not finally record similar such finding to rule in favour of the respondent. The argument made in desperation to salvage the situation is, thus, rejected.

17. Considering the facts of the present case, we do not find any perversity or irrationality with the punishment imposed. We have, therefore, reached the irresistible conclusion that interference by the Single Judge with the decision of the disciplinary authority, since affirmed by the Division Bench vide

the impugned order, was uncalled for.

18. Thus, the impugned order (upholding the order of the Single Judge) is set aside together with the order that it upheld. The punishment imposed by the disciplinary authority (namely, dismissal from service) imposed on the respondent is restored.

19. The appeal is allowed on the aforesaid terms.

20. Parties shall, however, bear their own costs.

.....J.
(DIPANKAR DATTA)

.....J.
(SATISH CHANDRA SHARMA)

**New Delhi;
April 02, 2026.**

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