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Editorial

POST-ELECTION PUSH FOR LABOUR CODES: A CHALLENGE BEFORE THE WORKING CLASS!

The conclusion of the Assembly elections in few of the key states has once again highlighted a familiar pattern in the policy direction of the ruling establishment. With electoral pressures now temporarily behind it, the government appears ready to accelerate the notification and implementation of the Labour Codes—a long-pending initiative that has faced consistent opposition from trade unions and employee federations, throughout the country.

For working people, particularly those in the banking and financial sectors, the timing of these changes is neither coincidental nor politically neutral. Historically, anti-labour reforms are often postponed during election periods and reintroduced immediately after a mandate is secured. Current developments suggest that the government may now try to operationalize the four Labour Codes under the guise of “ease of doing business,” labour market flexibility, and investment promotion. However, behind these corporate-friendly terminologies lies a systematic erosion of hard-won rights for workers, achieved through decades of struggle.

The Labour Codes aim to centralize and consolidate labour laws, but in practice, they undermine

collective bargaining, dilute protections against arbitrary layoffs, increase flexibility in working hours in favour of employers, and diminish the effective power of trade union activities. The philosophy underpinning these Codes reflects a broader neoliberal agenda that prioritizes profitability over social justice, treating labour merely as a factor of production rather than as human beings entitled to dignity, security, and democratic participation in the workplace.

For bank employees, these developments pose serious implications. The financial sector has already faced relentless pressure through outsourcing, contractualization, manpower rationalization, and attempts to undermine bipartite settlement mechanisms. Public Sector Banks, which have been strengthened through employees' commitment, are increasingly being pushed toward commercial priorities at the expense of social banking responsibilities and employee welfare.

In this critical moment, the role of the All India Bank Officers' Confederation (AIBOC) becomes immensely important. The organization has consistently advocated against anti-worker economic policies, regardless of the political party in power. AIBOC's response has never been

A JUG FILLS DROP BY DROP

one of opportunistic silence or selective resistance. Its ideological stance has continually aligned with pro-labour values, in alignment which is rooted in the broader trade union movement of the country. This moment demands that this tradition be further strengthened.

AIBOC must continue to influence the United Forum of Bank Unions (UFBU), co-ordinate with the central trade unions, and mass organizations to build a united resistance against any attempts to undermine labour rights. This response cannot be limited to symbolic protests alone; it must include sustained awareness campaigns among employees, grassroots organizational mobilization, engagement with parliamentarians and state governments, and participation in broader working-class movements across various sectors.

Importantly, the challenge we face is not merely

industrial but also ideological. The narrative that labour protections hinder economic growth must be countered politically and intellectually. Economic development cannot be measured solely through corporate balance sheets while unemployment, wage insecurity, and social inequality continue to rise. A nation cannot make progress by weakening those who generate its wealth.

The banking industry itself serves as proof that strong public institutions and organized employees are essential for economic stability. This experience and our legacy of sustained struggle should now be shared over a wider spectrum.

Nation first! Institution Second! Individual Last! Jai Hind!

#March on comrades,
#NationAgainstPrivatisation
#BankBachaoDeshBachao

SHARED ARTICLE

We are sharing an article published in the Deccan Herald by Shri Ashish Tripathi from New Delhi for our readership, where Jharkhand High Court upholds that no disciplinary action after employee retires and orders SBI to release dues.

NO DISCIPLINARY ACTION AFTER EMPLOYEE RETIRES: SC

The Supreme Court ruled that no disciplinary proceedings can be initiated against a delinquent employee who has retired after reaching the age of superannuation or after an extended period of service.

Justices Abhay S Oka and Ujjal Bhuyan explained that a departmental proceeding begins only when a chargesheet is issued, not merely on the issuance of a show-cause notice, as the chargesheet marks the competent authority's formal consideration of the allegations.

The court rejected a plea by the State Bank of India (SBI) against the Jharkhand High Court's judgment,

which quashed the dismissal of employee Navin Kumar Sinha.

The HC noted that disciplinary proceedings were initiated after his superannuation, including the extended period of service. It was alleged that Sinha sanctioned loans to his relatives, deviating from banking norms.

The apex court noted that the employee superannuated on December 26, 2003, after 30 years of service. His service was further extended to October 1, 2010. However, there was no further extension after October 1, 2010.

IN THE SKY THERE IS NO DISTINCTION OF EAST AND WEST

Upholding the HC's order, the bench said that the disciplinary proceeding against the respondent began on March 18, 2011, with the issuance of the charge memo, not on August 18, 2009, when the first show-cause notice was issued.

The SBI's counsel argued that the employee had stated before the inquiry officer, disciplinary authority and appellate authority that he was due to retire on October 30, 2012. He did not claim before these authorities or the high court that he had ceased to be in SBI's service from October 1, 2010, making the disciplinary proceedings initiated on March 18, 2011, void at initio. Therefore, the HC was not justified in accepting the challenge to the penalty order on a different ground.

"We cannot accept such a contention on behalf of

the appellants. Where the disciplinary proceeding itself is without jurisdiction, upholding the same on the specious plea that it was not challenged on the ground of lack of jurisdiction would be tantamount to giving imprimatur to a patently illegal proceeding," the bench said.

After reviewing the rules the SC said that a subsisting disciplinary proceeding initiated before an officer's superannuation may continue after retirement by creating a legal fiction of continued service for concluding the proceeding, as per Rule 19(3) of the Service Rules.

"But no disciplinary proceeding can be initiated after reaching the age of superannuation or after an extended period of service," it said.

PSBs' NET PROFIT RISES 11% TO ALL-TIME HIGH 1.98 LAKH CR IN FY26: FINANCE MINISTER

Improved asset quality, healthy credit expansion and higher income contributed to improved profitability of PSBs during 2025-26, the ministry said

Public Sector Banks (PSBs) have recorded an all-time high net profit of 1.98 lakh crore in 2025-26 fiscal year, marking the fourth straight year of profitability, the finance ministry said.

Improved asset quality, healthy credit expansion and higher income contributed to improved profitability of PSBs during 2025-26, the ministry said.

Aggregate operating profit reached 3.21 lakh crore, while aggregate net profit increased by 11.1 per cent y-o-y to a historic high of 1.98 lakh crore, marking the fourth consecutive year of aggregate profitability for PSBs.

The aggregate business of PSBs increased to 283.3 lakh crore as on March 31, 2026, registering growth of 12.8 per cent over the previous year.

Aggregate deposits rose 10.6 per cent year-on-year to 156.3 lakh crore, reflecting continued depositor

confidence and strong resource mobilisation by PSBs.

Gross advances registered growth of 15.7 per cent year-on-year at 127 lakh crore, indicating sustained credit demand across sectors of the economy.

"Public sector banks (PSBs) continued to register strong financial performance during 2025-26, reflecting sustained business growth, improved asset quality, record profitability and strong capital position.

"The improved performance demonstrates the resilience, stability and enhanced institutional capacity of PSBs in supporting the credit needs of a fast-growing Indian economy," the ministry said in a statement.

Asset quality of PSBs improved significantly during 2025-26, with gross NPA ratio (non-performing assets) declining to 1.93 per cent and net NPA ratio to 0.39 per cent as on March 31, 2026, reflecting historically low levels of stressed assets.

Further, each PSB maintained provisioning coverage ratio of above 90 per cent, indicating

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

prudent provisioning practices, improved underwriting standards, effective risk management mechanisms and strengthened balance sheet resilience, the ministry said.

Fresh slippages continued to decline during FY 2025'26, with slippage ratio reducing to 0.7 per cent. Total recoveries, including recoveries from written-off accounts, stood at 86,971 crore, reflecting improved recovery mechanisms and better credit discipline across PSBs.

The continued improvement in the performance of PSBs reflects the resilience of the Indian economy and the Government's sustained reforms

aimed at strengthening the banking sector through improved governance, technology adoption, enhanced credit discipline and wider access to formal credit. These measures have contributed to lower stressed assets, improved operational efficiency and stronger financial position of PSBs, the ministry said.

"Today, PSBs are well-capitalised, profitable and institutionally stronger, enabling them to effectively support India's growth aspirations and contribute meaningfully towards the vision of Viksit Bharat by 2047," the ministry added.

Source: Business Standard, dated 25/5/2026

INDIAN BANKS RESUME GOLD, SILVER IMPORTS AFTER MONTH-LONG HALT OVER 3% LEVY

The resumption is expected to boost the country's gold imports, widen trade deficit and put more pressure on the rupee, which is among Asia's worst-performing currencies this year

Indian banks have resumed gold and silver imports after a hiatus that stretched for more than a month by agreeing to pay a 3 per cent customs levy that earlier prompted lenders to halt shipments, trade and government sources told Reuters. The resumption is expected to boost the country's gold imports, widen trade deficit and put more pressure on the rupee, which is among Asia's worst-performing currencies this year.

Worried about mounting pressure on India's balance of payments and the rupee, Prime Minister Narendra Modi on Sunday urged people to avoid buying gold for a year to help preserve the country's foreign exchange reserves. Stronger demand from India, the world's second-largest gold buyer after China, could also support global gold and silver prices and help local jewellers replenish their inventories.

"We paid a 3 per cent integrated goods and services tax (IGST) at customs to clear gold and silver shipments," said the head of the bullion desk at a Mumbai-based private bank. "Banks waited for more than a month for the government to issue an order that annually exempts them from paying the 3 per

cent IGST. But as the government signalled it wanted to curb gold imports, banks gave up hope." Banks, which import most of India's refined gold, halted shipments at the start of the new financial year on April 1 after customs authorities began demanding IGST on the metal. When India adopted the IGST regime in 2017, gold-importing banks were exempted from paying the 3 per cent levy.

Banks have been clearing gold and silver shipments from customs in recent days, a government official said, declining to name as he was not authorised to speak to the media. The trade sources were also not allowed to speak publicly. Banks have cleared about 9 metric tons of gold and 34 tons of silver so far in May after paying the IGST, the official said.

Supply has improved to bank imports, but demand remains weak, leaving gold trading at a discount, said Chirag Thakkar, chief executive of bullion importer Amrapali Group Gujarat. Dealers in India offered discounts of up \$17 an ounce over official domestic prices this week, inclusive of 6 per cent import and 3 per cent sales levies.

India's gold imports in April are likely to have fallen to a near 30-year low of about metric tons, as banks halted shipments after customs authorities began demanding the IGST.

Source: Business Standard, dated 25/5/2026

OVERCOME ANGER BY LOVE, EVIL BY GOOD

CIRCULARS

29 dated 24th April, 2026 :	Text of UFBU Circular No. UFBU/2026/14 dated 24.04.2026 on the Badge wearing on 2nd May, 2026 and our demands.
30 dated 30th April, 2026 :	Dearness Allowance Circular– May 26 to July 26
31 dated 01st May, 2026 :	Celebrating the May Day 2026
32 dated 02nd May, 2026 :	AIBOC – Leadership Development Programme – Inaugural Batch
33 dated 03rd May, 2026 :	AIBOC extends fraternal support to AISBISF in their Agitational programmes including strike action
34 dated 13th May, 2026 :	AIBOC communicates to the Hon'ble Prime Minister of India on the implementation of Five-Day Work Week in the Banking Industry as a measure of national austerity, energy conservation and public efficiency
35 dated 14th May, 2026 :	Launch of Leadership Development Programme (LDP) at AIBOC Learning Academy, Kolkata

JUDICIAL

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
CIVIL APPEAL NO. 375 OF 2020**

UCO BANK & ORS.

... APPELLANTS

VS.

SK SHRIVASTAVA

... RESPONDENT

WITH

CIVIL APPEAL NO. 376 OF 2020

UCO BANK & ORS.

... APPELLANTS

VERSUS

SK SHRIVASTAVA & ORS

... RESPONDENTS

JUDGMENT

J.K. MAHESHWARI, J.

1.The Civil Appeal No. 375 of 2020 is arising out of the judgment dated 07.01.2019 in Writ Appeal No. 824 of 2018 by the High Court of Chhattisgarh, Bilaspur (hereinafter 'High Court') preferred against the judgment dated 28.09.2018 in WP (S) No. 1620 of 2012, wherein the direction for grant of terminal benefits to Respondent No. 1 was issued. Learned

Single Judge was of the view that after completion of the notice period of three months as specified in the notice for voluntary retirement or from the date of stopping to attend the service, the Respondent be treated retired voluntarily. Since he stood retired prior to institution of the disciplinary proceedings, therefore, he is entitled to all consequential benefits as per Rules governing the field. The Division Bench

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

Common Bond, June-2026

reaffirmed the finding of the learned Single Judge inter alia observing that since option of refusal of notice for voluntary retirement was not exercised by the Appellant-Bank before the expiry of notice period i.e. 04.01.2011 or even prior to 16.05.2011 i.e. the date since when the employee decided to sever the master servant relationship, therefore, communication made subsequently to refuse the request of voluntary retirement cannot be given retrospective effect to undo an act which was deemed to have been done.

2. In Civil Appeal No. 376 of 2020, the judgment dated 12.07.2019 in Writ Appeal No. 321 of 2019 is under challenge, whereby, the judgment dated 24.04.2019 passed in WP (S) No. 5109 of 2012 was assailed. Learned Single Judge while allowing the writ petition opined that the employee stood retired with effect from the date of severance of master servant relationship i.e. 16.05.2011, therefore, the chargesheet issued on 05.03.2012 after retirement is liable to be quashed. In view of the judgment dated 28.09.2018 delivered in WP (S) No. 1620 of 2012 which was affirmed by the Division Bench, the learned Single Judge quashed the chargesheet and the consequential order of dismissal along with costs of Rs. 25,000/-.

3. In the present two appeals filed by the Appellant-bank, the Respondent herein was the petitioner before High Court. The former writ petition relates to grant of terminal benefits to him and the latter relates to challenge to chargesheet and his dismissal from service. Consequent upon the decision in the previous writ petition, the latter writ petition was allowed. Since both the appeals have been filed in relation to the same employee, therefore, both the Civil Appeals are heard analogously and being decided by this common judgment.

4. The issue pertaining to the voluntary retirement is governed by the UCO Bank (Employees') Pension Regulations, 1995 (hereinafter referred to as '**Pension Regulation**') as stood on the date on which notice for voluntary retirement was submitted by the Respondent. The service conditions of the employee are governed by the UCO Bank (Officers') Service Regulations, 1979 (hereinafter referred to as '**Service Regulation**') applicable for termination

or discontinuation from employment of the Bank. The said Regulation was later amended on 30.04.2011.

FACTUAL MATRIX

5. The facts unveiling the controversy are that the Respondent was appointed as Clerk-cum-Godown Keeper in UCO Bank on 10.09.1983 and promoted as an Assistant Manager with effect from 01.01.2000. He was further promoted as Manager w.e.f. 26.04.2007. In July 2010, while working as Branch Manager at Raipur Branch, some suspicious transactions in the account of M/s. Bhanu Road Carriers and M/s. Progressive Exim Ltd. came to the knowledge of the Appellant. Internal correspondence was made from Head Office to Zonal Office regarding the same. In the meantime, Respondent sent a notice of voluntary retirement on 04.10.2010 to the General Manager, Kolkata. In response, Zonal Office asked for fresh application under the Pension Regulation. The Head Office also sought information regarding vigilance, nonvigilance or court case and an undertaking to the effect that he would not accept any commercial employment for two years from the date of acceptance of his voluntary retirement.

6. In the interregnum, the Zonal Office issued a show-cause notice dated 11.11.2010 and asked explanation regarding alleged transactions and suspicious entries in the accounts as referred above. An internal communication between the Head Office and the Zonal Office dated 11.12.2010 indicates that voluntary retirement of Respondent was not considered because of proposed changes in Pension Regulation, therefore, the Respondent was advised to continue in service, and a communication from Zonal Office to the Chief Manager, UCO Bank, Bilaspur was made on 20.12.2010 to that effect. The Head Office wrote another letter to Zonal Office on 06.04.2011 stating that since show cause notice has been issued on 11.11.2010 to the Respondent, therefore his request for voluntary retirement cannot be considered, and the same was communicated to the branch office.

7. On 09.05.2011, reply to the show cause notice was submitted, and in the meantime, an undertaking was furnished by the Respondent on 11.04.2011 that

he shall not take any commercial employment. Since the period specified in the notice for voluntary retirement had elapsed, hence, after writing a letter dated 14.05.2011, Respondent stopped working with the bank w.e.f. 16.05.2011. Later, vide communication dated 29.06.2011 it was informed to the Respondent by post sent from Bilaspur Branch that his request for voluntary retirement is not being accepted. As per information supplied by the Postal Department, the said letter was never delivered to the Respondent and the High Court has also taken note of the said fact.

8. After about eight months from the date when he severed his employment with the Appellant, the Respondent was charge-sheeted on 05.03.2012 alleging the suspicious transactions as mentioned hereinabove. Challenging the non-acceptance of voluntary retirement and consequent initiation of inquiry and dismissal, the Respondent filed the respective writ petitions, which were allowed by the learned Single Judge and confirmed in writ appeal by the High Court vide impugned order. Hence, the present two appeals.

9. In the course of hearing, both the parties have placed reliance on the judgments of this Court in **UCO Bank v. Rajinder Lal Capoor** (hereinafter '**R.L. Capoor - I**'), **UCO Bank v. Rajinder Lal Capoor** (hereinafter '**R.L. Capoor - II**') and the judgment of Three Judge Bench in **Canara Bank v. D.R.P. Sundharam**. All the said judgments deal with Regulation 20(3)(iii) of the Service Regulation, consequential effect of show cause notice and meaning of deemed pendency. Considering the peculiar facts of the case and that the Respondent himself was appearing in person as well as looking to the questions of law as involved, Mr. Gaurav Agrawal, learned senior counsel, was appointed as amicus curiae to assist the Court, who agreed to assist us in examining the legal issues involved in these two appeals.

ARGUMENTS ADVANCED BY THE PARTIES

10. XXXXX

11. XXXXX

12. Mr. Gaurav Agrawal, learned senior counsel and amicus, has placed all the facts in detail in his brief note of submissions and argued that Regulation 29 of the Pension Regulation would apply for voluntary retirement on completion of 20 years of service in case the notice to that effect proposing a date of not less than three months has been given in writing to the appointing authority. As per the proviso to Regulation 29(2), such notice shall become effective if not refused during the notice period. He submits that Clauses (i), (ii) and (iii) of Regulation 20(3) of the Service Regulation operate in different spheres and the judgments referred hereinabove only deal with the contingency of Regulation 20(3)(iii), therefore, Regulation 20(3)(ii) of the Service Regulation, particularly in facts of the present case, requires independent consideration. As per his contention, show cause notice dated 11.11.2010 does not indicate the institution of disciplinary proceedings and satisfy the requirement contemplated in Regulation 20(3)(ii) of the Service Regulation. It was also stated that nothing has been placed on record to indicate that the competent authority fulfilling the requirement of clause 20(3)(ii) of Service Regulation and Clause 29(2) of Pension Regulation has passed any order refusing voluntary retirement within the notice period. Lastly, it was submitted that the judgment of the High Court is just, equitable and in accordance with law, therefore, warrants no interference.

13. XXXXX

14. Learned amicus has drawn a distinction between "notice to retire" and "request seeking permission to retire" placing reliance on the judgment of this Court in **State of Haryana & Ors. v. S.K. Singhal**. It is his contention that any refusal to accept notice within the period specified in the notice has not been placed before the Court. Therefore, in terms of proviso of Regulation 29(2) of the Pension Regulations, the voluntary retirement is deemed to come into force immediately after expiry of the date as specified in the notice. In support, reliance was also placed on **Tek Chand v. Dile Ram**.

15. In the facts of both these Appeals, the following four questions falls for our consideration - (a) Under Regulation 29 of Pension Regulation, a notice of voluntary retirement if not refused within the

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

prescribed period of three months or before the date as specified in the notice, whether such notice would be deemed to be accepted on expiry of such period? (b) Whether issuance of show cause notice dated 11.11.2010 by the Appellant may fall within the purview of institution of the disciplinary proceedings and such proceedings be treated as pending in terms of Regulation 20(3)(i) & (ii) of the Service Regulation? (c) Whether further action taken by the Appellant in issuing chargesheet to conduct an inquiry and pass consequential order of dismissal from service would withstand the scrutiny of law? (d) In the facts and looking to the legal position discussed, whether the judgments of the High Court warrant interference?

ANAYISIS

16. On appraisal of the rival contentions and to deal with the questions posed above, for ready reference, it is necessary to first refer the relevant provisions of the Pension Regulation applicable as on the date, governing the issue of voluntary retirement. Regulation 29 of Chapter V of the Pension Regulation is relevant therefore reproduced as under:

“29. Pension on Voluntary Retirement. – (1) On or after the 1 st day of November, 1993 at any time after an employee has completed twenty years of qualifying service he may, by giving notice of not less than three months in writing to the appointing authority retire from service;

Provided that this sub-regulation shall not apply to an employee who is on deputation or on study leave abroad unless after having been transferred or having returned to India he has resumed charge of the post in India and has served for a period of not less than one year; a. Bhagat Ram v. State of Himachal Pradesh:

Provided further that this sub-regulation shall not apply to an employee who seeks retirement from service for being absorbed permanently in an autonomous body or a public sector undertaking or company or institution or body, whether incorporated or not to which he is on deputation at the time of seeking voluntary retirement;

Provided that this sub-regulation shall not apply to an employee who is deemed to have retired in accordance with clause (I) of regulation 2.

(2) The notice of voluntary retirement given under subregulation (1) shall require acceptance by the appointing authority;

Provided that where the appointing authority does not refuse to grant the permission for retirement before the expiry of the period specified in the said notice, the retirement shall become effective from the date of expiry of the said period.”

(emphasis supplied)

17. Upon reading, it is quite clear, if an employee on or after 1st day of November 1993 completes twenty years of qualifying service, and furnishes a notice of not less than three months to the appointing authority, he may retire voluntarily. Provisos of Regulation 29(1) of the Pension Regulation deal with the contingencies which are not relevant for the present case. Regulation 29(2) makes it further clear that notice for voluntary retirement is required to be given as per Regulation 29(1), which is required to be accepted by the appointing authority. Regulation 29(2) of Pension Regulation applies subject to proviso to the said sub-regulation, whereby in case the appointing authority does not refuse the permission of voluntary retirement before the period specified in the notice, the voluntary retirement would be effective ipso facto from the date specified in the notice. Therefore, in Regulation 29(2), voluntary retirement is qualified by an act of the appointing authority to refuse within the notice period. Otherwise, the notice of voluntary retirement shall be deemed to be accepted from the date or period as indicated in the notice.

18. In view of the discussions made regarding provisions contained in Pension Regulation and to understand the import of the said provision, we may take guidance from judgments delivered by this Court dealing with pari materia provisions and interpretation thereto.

19. XXXXX. 20. XXXXX. 21. XXXXX. 22. XXXXX. 23. XXXXX. 24. XXXXX.

25. XXXXX

26. XXXXX if we look into the language of Regulation 29(2) of the Pension Regulation which deals with the voluntary retirement, acceptance of the notice by the appointing authority is subject to compliance of proviso, whereby refusal to let the employee retire voluntarily ought to be ordered before expiry of the notice period, and communicate, otherwise, in terms of proviso to Regulation 29(2), voluntary retirement shall be deemed to be effective on lapse of the notice period. Therefore, a positive act of passing an order of refusal is required to be undertaken by the appointing authority.

27. XXXXX. 28. XXXXX

29. There may be three contingencies for the employees with respect of retirement. First is on attaining the age of superannuation; second would be a situation of compulsory retirement in public interest and third is where an employee sought retirement voluntarily indicating his intention to cease the master servant relationship. In the third contingency, subject to applicable regulations or rules, where an employee voluntarily ceases the employment and indicates his intention in the notice of voluntary retirement, until it is refused or withheld by an order within the notice period, the intention of the employee would become effective from the date as specified by him. Meaning thereby, if an employee voluntarily wishes to sever his relationship with employer, and by virtue of rule, the prescription is not followed, i.e., requiring the authorities to indicate their intention to refuse the request, as per deemed approval clause, in our opinion, the request becomes effective ipso facto.

30. In the case at hand, the notice of three months indicating intention to retire voluntarily was given on 04.10.2010 and the period was supposed to expire on 04.01.2011, to which refusal was not ordered within the notice period. The non-approval communicated on 29.06.2011, after expiry of the notice period and cessation of work vide notice dated 14.05.2011 with effect from 16.05.2011, is of no avail to the bank.

31. Reverting to the arguments as advanced by the

Appellant, relying upon Regulation 20(3)(ii) of Service Regulation, it sets forth an embargo upon an officer against leaving or discontinuing or resigning from service of bank without giving a notice in writing.

XXXXX

32. XXXXX, it is discernable that if disciplinary proceedings against an officer are pending and he wishes to leave/discontinue or resign, he may be permitted to do so by prior approval of the competent authority in writing. Such notice, if any, given by the officer before or during the disciplinary proceedings, shall not be given effect unless accepted by the competent authority. The pendency of the disciplinary proceedings would include suspension or issuance of a show-cause notice for institution of the disciplinary proceedings. Regulation 20(3)(iii) of the Service Regulation applies where the disciplinary proceedings were initiated prior to attaining the age of superannuation, and prescribes the recourse to the bank after attaining the age of superannuation, which is not of much relevance in the facts of this case.

33. The argument as advanced to apply Regulation 20(3)(i) and 20(3)(ii) of the Service Regulation may have some relevance as it imposes embargo upon an officer against 'leaving or discontinuing or resigning' from service without the prior approval of the authority if disciplinary proceedings are pending. It also provides what would mean by pendency of disciplinary proceedings. As discussed, Regulation 29 of Pension Regulation governs the voluntary retirement and its acceptance until refused by the appointing authority within notice period, otherwise it would become effective on lapse of the time specified in the notice.

34. Looking at the provision of Regulation 20(3)(i), (ii), (iii) of Service Regulations and Regulation 29(1) and (2) of the Pension Regulation, it ought to be read in tandem harmoniously. Regulation 20(3)(i) & (ii) of the Service Regulation deals with cessation of service and when it would not affect the pendency of disciplinary proceedings. It puts an embargo only in two specific contingencies, first, where the officer

is placed under suspension, second, where a show-cause notice has been issued for institution of disciplinary proceedings. In either of the situation, an officer would require prior approval of the competent authority. Indeed it is true that voluntary retirement is also a mode to 'leave or discontinue' service, therefore to such extent, Regulation 20(3)(i) & (ii) may have relevance.

Nonetheless, voluntary retirement is not a mere act of leaving or discontinuing, rather, a distinct right of an employee that is available on completion of the requisite number of years of service, etc. For exercising the option of voluntary retirement, Regulation 29 of the Pension Regulation is the main provision. Given the situation, without considering both provisions harmoniously, otherwise, this leads to an anomalous situation. We say so because as per intent of Regulation 20(3)(i) & (ii), the employee cannot leave without approval of the competent authority pending the disciplinary proceedings irrespective of the fact that he has tendered notice to that effect. However, on literal reading of proviso to Regulation 29(2) of Pension Regulation, the intent thereof seems to be otherwise i.e., unless refused by the competent authority within the period prescribed in the notice, the voluntary retirement shall become automatically effective. It is in this context provisions of both regulations ought to be harmoniously constructed.

35. Under Regulation 20(3)(i) & (ii) of Service Regulation, competent authority can retain the employee against whom disciplinary proceedings are pending, unless permitted. At the same time, Regulation 29(2) of the Pension Regulation requires acceptance of the notice of voluntary retirement by authority.

Nonetheless, its proviso contemplates that the notice for voluntary retirement becomes effective unless positively refused by the competent authority. On said reading, the intent can be gathered that while drafting Regulation 29 of Pension Regulation, the intent of Regulation 20(3)(i) and (ii) of Service Regulation has been duly taken care of, albeit in a different language. While Regulation 20(3) (i) & (ii) of Service Regulation permits the authority to not grant 'approval' where disciplinary proceedings are

pending; Regulation 29 of Pension Regulation also achieves the same effectively, through its proviso, by permitting the authority to 'refuse' voluntary retirement, but within the notice period. Therefore, essence and intent are the same subject to some restrictions. In this manner, said provisions are to be applied harmoniously.

36. Now reverting to the argument of issuance of the show cause notice dated 11.11.2010 is concerned, such notice must indicate the intention of institution of disciplinary proceedings, to trigger the embargo under Regulation 20(3)(ii) of the Service Regulation. For understanding the nature and context of the show-cause notice dated 11.11.2010, its relevant operative part is reproduced hereunder: -

“Due to above action M/s. Progressive Exim Ltd. Is aggrieved on the Bank and the Bank’s image has suffered. Since money was withdrawn from Current account of M/s.Bhanu Road Carriers, which was not belonging to them, the Bank was out of fund for a period from 08/10/2008 to 02/06/2010.

You are advised to submit your explanation within seven days from the receipt of this letter. If no reply received from you it will be construed that you have nothing to say in the matter and further course of action will be taken against you.”

37. After reading the operative portion as above, it is clear, an explanation vis-à-vis allegations was sought from the officer and in absence of which, bank was to take further recourse. In our view, the aforesaid content of show cause notice, is not suggestive of the intention to institute disciplinary action. Mere mention of 'further course of action' cannot be construed as intention to institute disciplinary proceedings. Therefore, even said contention of the Appellant falls flat.

38. Insofar as reliance is placed on the judgments of ***R.L. Kapoor – I*** (Supra) and its review in ***R.L. Kapoor – II*** (Supra), it is necessary to understand its factual matrix. In the said case, the employee was working as a Branch Manager in UCO Bank and was allowed to superannuate on 1-11-1996. Prior to his

retirement, only show-cause notices were issued to him on 24-10-1996 and 30-10-1996 in connection with alleged irregularities committed while sanctioning and disbursing loans under the PMRY Scheme. A charge-sheet was issued only on 13-11-1998, nearly two years after his superannuation, and upon conclusion of enquiry, the penalty of removal from service was imposed, which was also affirmed in appeal. The Respondent's writ petition was allowed in part by the High Court, which converted the penalty into compulsory retirement, and the LPA preferred by the Bank was dismissed, taking the matter to this Court.

39. In the judgment of **R.L. Capoor – I** (Supra), this Court dismissed the Bank's appeal and held the entire disciplinary proceeding is illegal and without jurisdiction on the ground that Regulation 20(3)(iii) of the Service Regulation could be invoked only when disciplinary proceedings had been initiated prior to superannuation, and since initiation of a proceeding is only upon issuance of a charge-sheet and not merely upon a show-cause notice, the legal fiction thereunder could not be attracted.

40. The Bank thereafter filed a Review Petition, giving rise to the judgment of **R.L. Capoor – II** (Supra), seeking to rely upon Regulation 20(3)(ii) of the Service Regulation. The review petition was dismissed and this Court held that the legal fiction of deemed pendency under Regulation 20(3)(ii) of the Service Regulation is of limited scope, operating only to prevent an officer from resigning during such proceedings, and cannot be extended to constitute initiation of disciplinary proceedings for purposes of Regulation 20(3)(iii).

41. In both of these cases, therefore, this Court primarily examined the scope and import of Regulations 20(3)(i), 20(3)(ii) and 20(3)(iii) of the Service Regulation, and elaborated upon the meaning of the legal fiction as created by the expression 'deemed to be pending'. Therefore, both these judgements only dealt with a very specific issue i.e., applicability of legal fiction contained in Regulation 20(3)(ii) for the purpose of Regulation 20(3)(iii). As such, we find ourselves in agreement with the submission made by the learned amicus that

R.L. Capoor – I (Supra) and **R.L. Capoor – II** (Supra) only deals with the contingency of Regulation 20(3)(iii) and do not apply on the facts of the present case.

42. The view taken in **RL Capoor – I** (Supra) and **R.L. Capoor – II** (Supra) has also been reiterated in the judgment of **D.R.P. Sundharam** (Supra) by a Three-Judge Bench of this Court. It is to observe here that in neither of these judgements the effect of the Regulation 29 of Pension Regulation has been considered. More so, all the judgments relate to the Regulation 20(3)(iii) of the Service Regulation without dealing with the purport of Regulation 20(3)(i) & (ii) of Service Regulation which is applicable to the facts of the case at hand. Judgements of this Court in **State Bank of India & Ors. v. Navin Kumar Sinha and UCO Bank & Ors. v. M.B.Motwani (Dead)** thr. L.Rs and Ors, dealt with the cases involving retirement on attaining the age of superannuation and the dispute was adjudicated in light of **R.L. Capoor – I** (Supra), **R.L. Capoor – II** (Supra) and **D.R.P. Sundharam** (Supra). As such, these judgements will not have any implication on the fact of the present appeals.

43. In light of the discussions made above and by applying the rule of harmonious construction with respect to the interplay of the said provisions of the Pension Regulation and the Service Regulation, the situation as emerges is that the officer submitted his notice of voluntary retirement on 04.10.2010, giving three months' notice as required, which would be effective till 04.01.2011. In the meantime, a show cause notice was issued by the Appellant on 11.11.2010 and as discussed, it would not indicate the intention to institute disciplinary proceedings in terms of Regulation 20(3)(ii) of the Service Regulation. Nonetheless, the existence of such a show cause notice itself is not sufficient without refusal by competent authority to stop the automatic operation of the notice of voluntary retirement. In absence, the notice of voluntary retirement would take its course. In the present case, no such order of refusal or order of withholding was passed by the competent authority within the stipulated period. The notice of voluntary retirement, therefore, became effective

automatically by efflux of time upon the expiry of the three-month period on 04.01.2011. This Court, accordingly, finds no infirmity in the view taken by the High Court, which is liable to be upheld.

44. Before parting with this judgment, we deem it necessary to place on record our appreciation for the invaluable assistance rendered by learned Amicus Curiae Mr. Gaurav Agrawal, Senior Advocate by way of filing erudite submissions, therefore, we acknowledge his assistance and place the same on record.

CONCLUSION

45. In the light of discussion made hereinabove, in our view, while passing the impugned judgment, the High Court has not committed any infirmity. The judgment rendered by the High Court is after a thorough examination of facts and applicable regulations, therefore, the conclusion drawn as such is in right perspective. In our view, it is correct to hold that when an employee decides to sever master servant relationship and serves a notice

indicating such intention specifying the period, by operation of law it will become effective in absence of any order of refusal. The subsequent act of issuing chargesheet and consequential order of dismissal is also not justified in law. As directed by the High Court, the Respondent shall be entitled to all consequential post-retiral benefits in terms of this order as well. The Bank is directed to settle all the dues within a period of three months along with applicable interest rate.

Accordingly, the appeals filed by the Appellant-Bank fail and are, hereby, dismissed.

46. Pending application(s), if any, shall stand disposed of.

.....J.
(J.K. MAHESHWARI)
.....J.
(VIJAY BISHNOI)
New Delhi;
April 07, 2026.

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