

SWACHH BHARAT NEED SWACHH NETAS TOO

The aim of Swachh Bharat Scheme is not only to make India clean, but also make every Indian clean mentally and physically along with his surroundings.

Politics was once considered as a sacred religion, as service to humanity was like service to God. When the political leader is to be a role model to others and keep the society clean, there are allegations that they themselves indulge in corrupt practices, nepotism, even in unruly behavior in public places, as we have seen the recent incident of assault of an Air India staffer that not only tarnish the society but also the image of the representatives of people. Post independent India saw considerable transformation in the political activity in the country when the politics became a lucrative business, resulting in mushrooming of political parties.

According to Chief Election Commissioner of India (CEC) there are over 1900 political parties in India, the largest ever in the world, of which not more than 400 parties never contested in the election. At present parties are exempted from receiving donation less than ₹ 20000/-, even if by cash, in which both the donor and recipient are exempted. According to a report

69 percent of the political parties' income comes from unknown sources.

Even when there is a ceiling on election expenditure most of the candidates are exceeding the limit on which EC has no control. It is well known that cash plays a big role in election which makes the election a farce. This situation also deprives other qualified and efficient candidates from contesting the election.

When the political parties have been enjoying economic freedom, demonetization of 500 and 1000 currency has come like bolt from the blue for them that caught every political party by surprise. When demonetization is also aimed at ending corruption in the electoral system, the CEC has recommended that the limit for accepting anonymous donation be slashed from ₹ 20000/- to ₹ 2000/-. The CEC as well as the Apex Court also had been recommending various electoral reforms in India in order to ensure true and fair election as envisaged in the constitution. Many committees have been formed during the last two decades on electoral reforms who have submitted their voluminous report. A comprehensive electoral reforms bill has been pending before the Parliament for the last two decades, as most of the politicians and

political parties have no intention to change the present system.

It should also be necessary that all political parties make their audited account public and be subjected to public scrutiny or else, EC should have power to derecognize the recalcitrant political parties. According to CEC the candidate should also be made to declare their source of fund as well as the sources of their spouse and dependent along with their assets and liabilities while filing affidavit and accordingly made a submission to this effect before the Supreme Court. Under the existing provisions candidates are required to disclose details of assets and liability of self and the dependents not the source of income.

Whatever the power the CEC presently enjoying is only due to certain landmark judgments passed by the Supreme Court like NOTA striking down the Sec 8(4) of the Representation of People Act that allowed the convicted law makers from contesting the election to end criminalization of politics by disqualifying the convicted legislature. In one of their earlier judgment in the matter of *PUCCL Vs Union of India*, Supreme Court had

declared that a voter has the right to know the antecedents of the candidate. But the political class squirmed and rose against ruling and accordingly passed a law for a status quo that was struck down by the court. Supreme Court in a recent judgment in an appeal also held that any appeal by a candidate in election to voters to vote or refrain from voting for a particular candidate on the ground of his religion, race, community cast or language would constitute a corrupt electoral practice. If enforced it will demolish many political parties. The judgment only widened the scope of Section 123 (3) of the Representation of People Act. Article 25 of the Constitution allows freedom for practicing, professing and propagating religious faith but such freedom has nothing to do with the secular activities of election to legislative bodies. The vote bank politics would be curbed by this decision and the judgment will be a landmark in the political history of the country.

If we are earnestly wish to have Swachh Bharat in all respects, it is necessary that every political leader who are part of the legislature has to be Swachh in their behaviour and action and be a role model to others. ■

INTERNATIONAL WOMEN'S DAY WORK FROM HOME SHOULD BE A REALITY SOON

8th of March of every year is being celebrated as International Women's Day all over the world. It is an opportunity to take a view on the living conditions of the womenfolk all over the world and end all discrimination that is being practiced against them in an organized manner.

2. The idea of seeking equal rights and empowering the womenfolk began with the International Women's Conference during 1910 at Copenhagen. The movement picked up slowly and the decision to observe the International Women's day on 8th March was decided through sustained efforts of American and German Socialists. The idea of equal rights to women germinated through successive meetings and conferences in the western countries. It is most unfortunate that even with all these attempts and efforts both by the National and International organizations, the atrocities on the girl child,

womenfolk is on the increase all over the country. Women are still forbidden from participating in several activities. Education is denied to them in the name of religion, caste, creed etc., and perpetuation of exploitation is seen in several parts of the globe. Hence, it needs a tremendous effort on the part of all concerned in promoting equal rights to women and to ensure total education, participation in the self-governance in democratic countries and to ensure that they are given the right of inheritance, property rights, right of employment in all sectors of the economy etc.

3. The Indian history is full of incidents as to how the womenfolk were enjoying the equal rights in the earlier part of our civilization. However, through successive ruling by several groups, the condition of womenfolk in India became worst and they had to suffer a lot of discrimination over a period of

SUCCESS AWAITS AT THE DOOR WHERE DILIGENCE IS

time. Independence brought an opportunity to the Government that the womenfolk should be empowered and given fullest opportunity on par with that of men in India.

4. The right to equality is guaranteed under the constitution to women in our country. However, in practice we see a lot of distortion and discrimination against the women throughout the country. It is in this background, the International Women's Day becomes a meaningful celebration all over the country.

5. The right to participate in the governance of the country through reservation of seats in all structured forums of democracy is a loud thinking of the successive Governments but with no sincere attempts on the part of the various political parties. The women reservation bill is yet to see the light of the day in the Parliament.

6. A large number of organizations have come up to protect the interest of the women in our country. The trade unions in the organized sector have also contributed their mite to organize the women workers and help them in providing leadership to women workers and to espouse their cause with the Government and other agencies.

7. The All India Bank Officers' Confederation and the AISBOF took special initiatives to encourage the women officers to get themselves organized and work for the emancipation of women in our country. We have been continuously organizing various activities from time to time, utilizing the resources that are available in our organization in creating awareness amongst the women officers as well as the general public all over the country. The Government, on its part has declared that it would go all out to ensure equality to women and end all sorts of discrimination that are being practiced against them. The women's contribution to the

economy cannot be ignored. They are the major labour force in agriculture, textile and all the traditional institutions and are subject to a lot of discrimination in regard to the facilities provided, the wages paid etc., despite the close watch of the Government and the series of legislative measures to protect their position in the work place. Apart from the IT Sector, the Banking Industry is one of the major sectors, employing a large number of women who are occupying several high positions in the organization.

8. On the pious occasion of the International Women's Day, the Federation conveyed their good wishes to all the lady comrades in life and career. While wishing the Chairman on the happy occasion they have used the opportunity to take up a few issues of importance as the essence and the spirit of Women's Day does not get confined to just for a day, but is spread throughout the year. It is the duty of all officers to ensure that an atmosphere of confidence is created where the lady comrades, both officers and employees feel 'Safe' and happy to work with honour and dignity, not only in our Bank but in our society as well. They also appealed to all women comrades, also to treat all women, be it their daughter-in-laws or mother-in-laws, their maid servants, and other women in the society with equal respect and honour. Let the essence of womanhood not remain just on paper or through lip sympathies but sink into deeds, and are placed in the high pedestal they deserve to be in.

9. On this occasion let us re-dedicate ourselves to the cause of achieving equality amongst men and women of our country and create an awareness throughout organizational activities and give total support to the efforts of the Government and other agencies in the implementation various programs designed for the emancipation of women in our country. ■

SBI CHAIRMAN ON FINANCIAL EMPOWERMENT OF WOMEN.

According to Smt. Arundhati Bhattacharya, Chairman of State Bank of India, financial independence for a woman is paramount. When it comes to investments, she believes in a diversified portfolio with a mix of deposits, small savings, mutual funds, and exchange-traded funds (ETFs).

Excerpts from the interview given to MINT.

On the importance for women to be financially independent the Chairman said, First and foremost, if you don't have financial independence, then you don't have a place in the household to take part in difficult and important decisions. If you are dependent, you may not be considered to be a person who can contribute to decisions that can make a big difference. If a woman is financially independent,

ARISE, AWAKE, STOP NOT TILL THE GOAL IS REACHED

she can definitely make a bigger contribution in making big decisions and contribute much more. If a woman is financially independent, she can pursue her interests too. It is only after you are able to stand on your own feet, or have the confidence that you can stand on your own feet, should you look at doing things such as marriage or setting up a family.

On taking financial decision by women the Chairman said-

The perception may be because women in India have not been in formal banking or learning systems for a very long time. I have met a lot of women who are good at math.

First, the stereotype that women are not good at math is absolutely misleading and we need to change it.

Second, it is not just women but even men don't know how to handle their money. The reason is that from childhood, since school level, we don't teach children about finances. Finance is something that people learn by chance and not by design. This is one thing we have been propagating –you need to tell people how to handle their finances from a much earlier age.

Today, I see these youngsters. When they get a job whether it is a man or a woman –the first month they will buy a high –end mobile. If it is a man, the next month he buy the best of motorcycles. Then the third month he doesn't know what to do with his money. It is not something that ails women alone. It ails men as well.

The solution lies in giving people financial training from early childhood. Children should be taught in school that you should have all kinds of asset classes in your portfolio. They should be taught what those asset classes are, and their advantages and disadvantages.

We should get people, even youngsters, to prepare paper portfolios- which are not actual but on paper only- and evaluate them over a period of time to see whether they are getting returns or not. These kinds of things can be done even at school level, to give people a better understanding and a comfort level in dealing with finances. However, in the interim, they don't have the comfort level.

On planning finances and taking financial decisions Chairman said.

We, at SBI, have started a wealth management service aimed at the mass affluent. It is not aimed at the ultra –high net worth individuals. Currently we have rolled out wealth management services in just four centres. This year we are expecting to roll out across the country. When it comes to money management, you need to first set goals. What are your financial goals? It could be child's education, vacations every quarter, a nest egg for retirement or buying a house. Once you set your goals, you need to determine your risk appetite- how much risk you can take.

If I am young and I have a lot of productive years ahead of me, I can take more risks. If I am old and about to retire, I can't take risks. If I am in the middle, I can take a balanced view. Then, depending on your profile. You can decide what are the investment destinations for you.

When you invest money, remember that while you are looking for good returns, you must also have some liquidity. In case of sudden problems, you should be able to have some money in hand. You should not put all eggs in one basket, even though that basket may be doing very well now. You need to have a diversified portfolio. And last but not the least, you must be able to cut your cost as per your cloth – don't spend beyond your means.

If you do these few things, then going forward, you will be in a much better position than you are in today. I would say the earlier your start investing and saving, the better it is because the power of compounding is huge. If you start your savings at the age 25, instead of 35, the difference is huge. You will not be able to bridge that gap even if you save double after 35. Start saving the day you start earning.

On diversified financial portfolio, Chairman said.

First, you should have a bank deposit because it offers liquidity. Next, you should definitely have a Public Provident Fund account because the tax benefits and the returns you get on it are very good. You should begin with these as these are the two primary products. After that you should look at

putting some money into mutual funds.

I would say you should put some money into equities. However, if you are not comfortable with handling money in the stock market directly, you should put money in mutual funds. You can invest in all kinds of mutual funds. There are mutual funds that are equity-oriented, debt –oriented and balanced ones. Depending on your risk appetite you should look at all them. You should also look at having a little gold may be as ETFs and also some real estate. Gold is

supposed to be inflation indexed. If inflation goes up or down, its value can go up and down, its value can go up and down accordingly, which is also important.

You should have money in all of these areas. And if you do that, then more or less you can expect your wealth to grow and not come down over a period of time. Remember that inflation actually brings your purchasing power down. Unless you are investing and ensuring returns, you will have difficulties.■

Source Mint-8/3/17

Banking

LET US BREAK INTO TOP 30 GLOBAL LEAGUE –SBI Chief

After leapfrogging into the league of top 50 global banks following the merger of five associate banks and Bharathiya Mahila Bank with it, State Bank of India has set the target higher, wanting SBI to break into the top 30 global league in the next five years.

In her address to the colleagues, including those from associate banks and BMB, the Chairman said, “Our endeavor is to be in the list of top 30 global banks in the next few years. I am sure that with your participation we will certainly be able to achieve this goal sooner than expected.”

Following the merger of five associate banks- State Bank of Bikaner and Jaipur, State Bank of Mysore, State Bank of Patiala, and State Bank of Travancore and Bharathiya Mahila Bank with it, SBI now has a balance sheet size (deposits plus advances) of ₹41 lakh crore.

With the merger, which is effective from April 1, SBI now has 2.77 lakh employees, 50 crore customers, and more than 25,000 branches and 58,000 ATMs. Further, SBI’s market share will increase to nearly 22 percent from 17 percent. In this regard, the Chairman observed that the SBI is a mammoth but nimble organization that can do wonders.

“After the merger of all associate Banks and with us we are at long last one entity today-the bigger, better and stronger SBI. Our growth, dominant market share, bouquet of products and wide reach are all due to the immense efforts of all of you.

‘The employees are the one who made all these happen and this merger, I promise you, will be a

successful one. The merger process does need efforts at all levels, be it branch or local head office or corporate office, the participation of every individual is essential,” said the SBI chief in her talk to employees.

Customer focus

Emphasizing that the customer is at the centre of the bank’s activity (what the bank is now and where it shall be in the future is dependent on the customers and how they are served), the Chairman said the bank’s services have to reach the highest possible level, comparable to one of the best in the world.

This is all the more relevant now as SBI is currently in the league of the top 50 banks of the world.

‘Let us all pledge on this day that we shall continue to be customer –centric with special emphasis on digital and anytime channel banking.” Said the Chairman.

As an employee and as an individual, facing the customers, Chairman felt that employees’ inputs will be very crucial in improving the services and enhance customer experience.

During the course of this merger process, if any employee faces any difficulties or has any issues, they should let her know through the internal ‘Aspirations’ platform or by email said the Chairman, as she assured the employees that their difficulties / issues will be examined on a priority basis.■

Source: Business Line-dated 3.4.17

LET CUSTOMER SERVICE BE OUR MOTTO

Federation had requested the corporate centre that the Concept of work from home be introduced to help the officers who are on sabbatical leave, sick leave and are unable to attend office for various reasons, but also capable of working from home or elsewhere. During the CNC meeting this

issue received a very positive response from the management. Federation also referred certain specific areas where the concept of work from home can be introduced as an International Women's Day Gift to all officers which they expect that will be considered soon by the management. ■

NATURE CONDUCTS 2 DAY PROGRAMME ON CADRE DEVELOPMENT

The NATURE conducted their 2 days programme on Cadre Development at Chandigarh on 11th and 12th February 2017 wherein more than 50 young active participants from all parts of the circle.

2. The programme was inaugurated by Shri. Anil Kishora, the Chief General Manager, Chandigarh Circle. He was happy about the activities undertaken by the Federation and the Circle Association at Chandigarh. He also appreciated the role played by the Circle Association in extending total co-operation to the Management in achieving the corporate goals.

3. Com. Deepak Sharma, the General Secretary extending a warm welcome to the Chief General Manager and the faculty who were present on the occasion to conduct the training programme. Com. G. Subramaniam, the senior vice president of the Federation and the General Secretary of SBIOA, (Hyderabad Circle) and also one of the faculty members in his address traced the history of the NATURE and its contribution to the bank officer's movement in the country in training the leaders as

well as the defense representatives and preparing cadres through various programmes.

4. The members of the faculty who were present on the occasion included Sarvashri. G. Muthuswamy, former General Secretary, SBIOA (K), D. Shyamsunder Rao, Former President, SBIOA (K). Later in the afternoon Com. G. D. Nadaf, Former General Secretary, AIBOC & AISBOF joined and handled the sessions.

5. The valedictory programme was conducted on 12th February, 2017. Shri. Abhijit Majumdar, the General Manager, was present on the occasion and delivered valedictory address. He lauded the efforts of circle Association and appealed to all participants in helping the circle to grow to greater heights.

6. Com. G. D. Nadaf, former General Secretary of AISBOF and AIBOC expressed his happiness over the keen enthusiasm shown by the participants & requested them to strengthen the hands of General Secretary. The programme concluded with a vote of thanks by Shri. K. K. Triikka who compered the programme excellently. ■

MEMORANDUM OF UNDERSTANDING (MoU) SIGNED BY 10 BANKS

From the text of the AIBOC Circular No. 2017/19 dated 28th March 2017.

QUOTE:

You are all aware that the Department of Financial Services (DFS), GoI has instructed 10 Banks to sign an MoU for infusing capital and for a turnaround plan to be signed by the Associations/ Unions. We immediately called for a meeting

which was held on 24.03.2017 at Kolkata. It was decided that we can sign the MoU only if some changes are made and our concerns are addressed. We also wrote to the Finance Ministry on this issue and sent copies to Indian Banks' Association (IBA). We also gave a press release which was widely covered in the media. We were contacted immediately by the IBA and on 27.03.2017; many rounds of talks took place with IBA over phone. We were also in touch with the

BE TRUTHFUL, BE FEARLESS

other constituents of United Forum of Bank Unions (UFBU). The meeting of UFBU has been convened on 29.03.2017 at Mumbai.

In spite of tremendous pressure, our affiliates in these banks stood very firm, which culminated in forcing the government to amend and also accept a letter as Annexure to the MoU, expressing our concerns. Initially, a detailed letter was submitted to the respective managements, followed by another letter expressing our reservations about the content of the MOU. In every Bank detailed discussion took place with the top management. Today, the revised MoU was received by the Banks and our affiliates were advised to sign the MoU

along with a letter to be submitted as annexure. We also advised them to coordinate with the other associations / unions and take a common stand. At our level, we were in touch with many of the other constituents of UFBU, which helped us to stand strong and ensure certain modifications in the MoU. All our concerns have been conveyed to the management, IBA and the Govt. in clear terms.

The battle has just begun. We have still many serious issues which have to be addressed. These issues will be discussed in the UFBU meeting tomorrow and the developments will be shared with you all. ■

A Report

11TH TRIENNIAL GENERAL COUNCIL OF AIBOC A GRAND SUCCESS – NEW LEADERSHIP TAKES OVER

The historic 11th Triennial General Council of the All India Bank Officer's Confederation which had completed the 3 decades of the service to the banking industry and entered the 4th decade of its meaningful existence was held on 17th, 18th and 19th of March 2017 at Jaipur, the capital of Rajasthan.

2. All the dignitaries were invited to the dais and felicitated. Apart from the guests, the former Presidents and General Secretaries were also invited to occupy their positions on the dais.

3. The Conference was inaugurated by the guests who were present on the beautifully decorated dais consisting of Sri. Dibakar Mohanty, MD, SBBJ, Sri. Ashok Lahoti, Mayor, Jaipur Nagar Nigam, Com. Y.Sudarshan, President, AIBOC, Com. Harvinder Singh, General Secretary, AIBOC, Com. B.L. Goyal, Chairman Organising Committee, Com. Vinay Kumar Bhalla, Vice President, AIBOC Rajasthan State Unit, Com. Dilip Saha, Sr. Vice President, AIBOC, Com. G.V.Manimaran, Sr. Vice President, AIBOC, Com. D.T.Franco Rajender Dev, Sr. Vice President, AIBOC, Com. Debashish Ghosh, Sr. Vice President, AIBOC, Com. S.D.Bali, Sr. Vice President, AIBOC, Com. Sunil Kumar, Sr. Vice President, AIBOC, Com. S. Roychoudhary, Advisor, AIBOC, Com. Harshavardhan.M, Advisor, AIBOC,

Com. S.K.Bhattacharjee, Advisor, AIBOC, and Com. Pankaj Kapoor, Treasurer, AIBOC. Com. B.L.Goyal, the Chairman of the Organizing Committee and President of Rajasthan State Unit of AIBOC extended a warm welcome to the members who were present on the occasion along with the dignitaries on the dais. Thereafter, the guests on the dais symbolically lit the lamp in order to signify the commencement of the 11th Triennial Conference. The General Secretary of the Confederation presented his views on behalf of the Confederation requiring the immediate attention of the Government and the need to support the cause of the Public Sector Banks in serving the common man of the country in his introductory address. Thereafter, Shri.Ashok Lahoti, Honourable Mayor of Jaipur Nagar Nigam covered in his address the valuable services rendered by the Officers Community in the Banking industry and their special contribution in implementing various schemes of the Government. Shri.Dibankar Mohanty, Managing Director, SBBJ in his address covered the various issues affecting the banking industry and the positive contribution made by the Confederation in handling several important issues connected with the government schemes from time to time.

4. Com.Y.Sudarshan, in his spirited presidential address gave the full picture of the contribution of

OUR LIFE IS WHAT OUR THOUGHTS MAKE IT

the members of the Confederation in serving the country through the various schemes formulated by the Government. He considered the august assembly as a symbol of unity and solidarity of the entire people of the country who had come in a large number from all parts of the country to partake in this historical occasion and also decide the future course of the organization.

5. The occasion was also utilized to honour the former Presidents and General Secretaries in recognition of their valuable contributions made to the Confederation during their leadership in the organization.

6. The inaugural function concluded with the vote of thanks presented by Com. Vinay Kumar Bhalla,

the Vice President of the State Unit of Rajasthan of the Confederation.

7. The General Secretary in his report covered very extensively the various issues concerning the national, international developments.

The following office-bearers were elected on the occasion for the next triennial period viz..

Com. Dilip Saha - President

Com. D.T. Franco Rajendra Dev - General Secretary

The "Officers' Cause" congratulates the newly elected office-bearers of the Confederation and wish them all success in their future endeavour to take the organization to a greater heights. ■

From the Desk of General Secretary - AIBOC

TOGETHER WE MARCH FORWARD

From the Text of AIBOC Circular No.2017/18 dated 23rd March, 2017

QUOTE:

Thank you for electing us as President and General Secretary of this mighty Confederation. We believe in collective leadership. The challenges ahead are huge. But when we march together we can surmount any challenges. We have already done some follow up with Labour Ministry on gratuity. The Save Public Sector Movement had a March to

the parliament yesterday which was addressed by your General Secretary. (AIBOC could not participate in great strength as we had our triennial). Tomorrow we are having a meeting at Kolkata to discuss the MOU proposed for 10 banks by the Finance Ministry.

We are going to have Working Committee and Executive Committee on 11th and 12th of April to chalk out an action plan based on the delegate session discussions in our triennial. The organization will always remain apolitical and take up issues of the Banking Sector and Trade Union Movement. ■

**LOAN WAIVER IS NO SOLUTION
TO FARMERS' WOES- SBI Chairman**

Smt. Arundhati Bhattacharya, Chairman of State Bank of India, recently said loan waiver of the farmers "disrupt" credit discipline" among borrowers as they expect future loans to be waived as well, leading to protest by some of the political parties. The Chairman felt that while it is important for banks to make credit available to the farmers, maintaining credit discipline is equally important. "For the time being, we will get our money back as the government will pay for it. But the farmers

will keep waiting for the next elections for the next round of waiver," the Chairman said.

She in fact, echoed former Reserve Bank of India (RBI) governor Raghuram Rajan's concerns 'Repeated loan waivers by various state governments distort credit pricing, thereby also disrupting the credit market.'

Some of the political parties in Maharashtra have been demanding a loan waver in the case of around 3.1

LET US BUILD A STRONG AND SELF RELIANT INDIA

million farmers in Maharashtra who owe ₹ 30,500 crores to the banking system.

The Bharatiya Janatha Party's (BJP) election manifestos in Uttar Pradesh and Uttarkhand and the Congress manifesto in Punjab have committed to write off loans of small and marginal farmers. In the recent past, Tamil Nadu had waived off loans of small and marginal farmers. The ousted Samajwadi Party government in Uttar Pradesh had in 2012 announced a waiver of crop loans up to ₹ 50,000 taken from state cooperative banks. There are many more such instances.

The mother of all farm loan waivers happened in 2008 when the Congress –led United Progressive Alliance announced a ₹60,000-crore debt waiver package for small and marginal farmers in the budget which was later extended to the large farmers as well and the amount increased to ₹71,600 crore. It benefited at least 36.9 million small and marginal and 5.97 million large farmers. The small farmers are those who have a land holding of up to one hectare (2.5 acres'), while the marginal farmers have land holding between 1-2 hectares. Around 80% of all land holdings in India are with the small and marginal farmers.

This is not the first time the Indian government has doled out concessions to farmers. In 1989, the Janata Dal government, a coalition of several parties representing socially underprivileged and lower castes and farmers, floated the first-ever agriculture loan write –off scheme. A brainchild of the then deputy Prime Minister and minister of agriculture Devi Lal, the scheme waived loans up to ₹ 10,000 issued to farmers, landless cultivators, artisans and weavers by state run banks. Till 1992 more than 44 million farmers benefited from this scheme to the tune of ₹ 6,000 crore.

Incidentally, the Chairman's comment was made a day after the State Bank announced a one-time settlement scheme for around ₹6,000 crore farm equipment and tractor loans. Such one-time settlements, where banks settle for less than what the borrowers are to repay or take a haircut, is a commercial decision and part of the bad loan recovery process. However, when loan waivers are

decided by the political parties and thrust upon the banks, it destroys the credit culture as the borrowers (in this case, the farmers) are encouraged to think that they don't need to repay bank loans even when they are not distressed. Indeed the government reimburses the banks for such loans waived but the damage to the credit culture is irreparable. Any delay in the government's reimbursement and borrowers' refusal to repay their loans hurts the cooperative banks the most. Typically, the commercial banks have funds to disburse new crop loans but the cooperative banks which use their entire deposit base to lend to agriculture and depend heavily on recovery of loans to give fresh loans- find it difficult to remain in business when farmers stop paying. Also, the farmers stop getting fresh loans.

In November –December 2016, when the demonetization exercise was on, RBI relaxed the bad loan recognition norms for small loans as many borrowers in the informal sector were temporarily affected by the currency shortage but many politicians misinterpreted this as a payment holiday for the farmers, leading to a partial halt in repayment of loans in parts of Uttar Pradesh, Madhy Pradesh and Maharashtra.

Agriculture in India is facing a tough time because of its dependence on the monsoon. Over 50% of the crop area does not have any irrigation facility and almost three –fourth of the annual rainfall is concentrated in four months a year, between June and September. A deficit monsoon for two consecutive year in 2014 and 2015 and unseasonal showers ahead of the winter harvest in 2015 have hit the farmers hard. Entire south India is bearing the brunt and Tamil Nadu is facing the worst drought in 140 years. Farmers from the southern state last week staged protests at Delhi's Jantar Mantar carrying skulls of fellow farmers who have committed suicides. More than 5,500 farmer suicides were recorded in 2014 and the figure rose at least 40% in 2015, with Maharashtra contributing the most, according to the National Crime Records Bureau.

Indeed the situation is grim but is the farm loan waiver the right solution? Or, should the government look at diversifying the cropping pattern and

developing new technology to fight drought? Incidentally, the latest Karnataka budget has chosen to focus on managing water. There was pressure on the chief minister to waive crop loans but the state budget while continuing the interest-free, subsidized loans for farmers, raised allocations to water ₹18,028 crore or 11.2% of the budget. After a gap of more than a decade, the state government will also do cloud seeding. Similarly, the Maharashtra government has refused to buckle under pressure for farm loan waiver and instead allocated close to ₹14, 000 crore to the agriculture sector, primarily for irrigation.

damage insurance scheme approved by the Union cabinet in January 2016, is also a vast improvement on the old crop insurance mode in vogue since 1970s. The new scheme which has the lowest premium so far has proposed use of remote sensing, smart phones and drones for quick estimation of crop loss and speedy claim process. The focus should be more on making this a success. Conserving water, improving the irrigation facilities, and developing agriculture markets and competition can be the building blocks for growth in agriculture and mitigating farmers' woes. State governments are barking up the wrong tree by resorting to loan waivers. ■

The Pradhan Mantri Fasal Bima Yojana, the new crop

Source: Mint-20.3.17

Judicial Verdict

2016-II-LLJ-576 (P&H)

LNIND 2015 PNH 21608

IN THE HIGH COURT OF PUNJAB AND HARYANA,

Present:

Hon' ble Mr. Justice Rajiv Narain Raina

C.W.P. No. 10267 of 2012

4th December, 2015

Maghar Dass

... Petitioner

Versus

Industrial Tribunal Patiala and OthersRespondents

Termination — Illegal Termination Re-instatement - The Industrial Disputes Act, 1947 - Section 25-F - The Constitution of India, 1950 (Constitution) - Articles 14 and 16 — Petitioner, daily wager, working for more than seven years with Respondent Department was terminated without following mandatory provisions of Act, 1947 Labour Court awarded compensation in lieu of reinstatement — Challenging award of Labour Court, Petitioner filed present writ petition — Whether award of Labour Court granting compensation in lieu of reinstatement of Petitioner sustainable -Held, plea that appointment of Petitioner was made in violation of scheme of appointments taken before Writ Court first time - if Plea not taken before Labour Court then it is not open to be taken before Writ Court for first time - Labour Court erred in applying high standards of Articles 14 and 16 of Constitution to employment of daily wagers — Daily wagers do not hold any civil posts in service of State — Jurisdictional facts of satisfying concept of 240 days satisfied — Lack of observance of procedural safeguards in provisions of section 25-F of Act, 1947 in breach - Termination of Petitioner ex-facie illegal and abinitio void - Award cannot be sustained when compensation of paltry sum has been granted to workman for illegal termination, same adds insult to injury – Award set aside Petitioner reinstated in service with back wages and continuity of service Petition allowed.

NEVER BEND BEFORE THE INSOLENT MIGHT

ORAL

Mr. RAJIV NARAIN RAINA, J

The learned Presiding Officer, Industrial Tribunal, Patiala, by his award dated 11.11.2011 had declined the relief of reinstatement and instead granted compensation of ₹40,000/- in lieu of reinstatement. The amount has been ordered to be paid within four months from the date of award failing which it will earn interest @ 6 % per annum till the date of realization.

2. The position on the admitted facts is that the petitioner- Maghar Dash served on daily wage basis as a Beldar with the Forest Department for 7 odd years from 1993 to October 1, 2000 when his services were terminated without complying with the law in Section 25-F the Industrial Disputes Act, 1947 (for brevity 'the ID Act '). The Labour Court has applied the law in **Secretary, State of Karnataka and Others v. Uma Devi and others**, AIR 2006 SC 1806 : (2006) 4 SCC 1 LNIND 2006 SC 261 : (2006) 2 MLJ 326 : 2006-II-LLJ-722, to non-suit the petitioner on the ground that proper procedure has not followed while offering him employment.

3. Learned counsel for the petitioner submits that the Forest Department did not take the plea before the labour court that the appointment of the Maghar Dass was *de hors* the rules and in violation of the scheme of appointments to public service in Article 16 of the Constitution of India. If the plea was not taken before the Labour Court in the pleadings then it is not open to be taken up for the first time in writ jurisdiction as ruled in **Harjinder Singh v. Punjab State Warehousing Corporation**, AIR 2010 SC

1116 : (2010) 3 SCC 192 LNIND 2010 SC 16 : (2010) 3 MLJ 127 : 2010-II-LLJ-277. The decision

in **Secretary, State of Karnataka and Other (supra) v. Uma Devi and Others (supra)** has been explained by the Supreme Court in **Maharashtra State Road Transport Corporation Ltd. v. Casteribe Rajya P. Karmchari Sanghatana**, AIR 2009 SC 2656 : (2009) 8 SCC 556 : LNIND 2009 SC 1741 : 2009-IV-LLJ-286, that the principle laid down in **Secretary, State of Karnataka and Others v. Uma Devi and Others (supra)** does not apply to resolution of disputes before the Labour Courts and Tribunals. Moreover, engagement on daily wages is not against public posts and such engagements stand on no rule territory which method of appointments is permitted to the State to make them to meet exigencies of work as has been recognized in para 2 in **Secretary, State of Karnataka and Others v. Uma Devi and Others (supra)** case itself, the Supreme Court observing at the outset that "A sovereign government, considering the economic situation in the country and the work to be got done, is not precluded from making temporary appointments or engaging workers on daily wages.

4. The Labour Court, therefore, fell in error in applying the high standards of Article 14 & 16 of the Constitution of India to employment of daily wagers who do not hold civil posts in the service of the State.

5. In the present case, the jurisdictional facts are satisfied with respect to the satisfying the concept of 240 days and lack of observance of procedural safeguards in the provisions of Section 25-F of the ID Act in breach. The termination is *ex facie* illegal and *ab initio* void and the principles laid down by the Supreme Court in **Hindustan Tin Works Pvt. Ltd. v. Employees of Hindustan Tin Works Pvt. Ltd.**, AIR 1979 SC 75 : 1979 SCR (1) 56 (1979) 2 SCC 80 : LNIND 1978 SC 227: 1978-II-LLJ-474, would apply as reinforced by the

Supreme Court in *State of U.P. v. Charan Singh*, 2015 (2) SCT 597 : (2015) 8 SCC 150 : LNIND 2015 SC 210 : 2015-II-LLJ-366, holding that in such a case it would not be appropriate to apply the law that reinstatement would not follow automatically to deprive the petitioner of his livelihood which is a facet of the right to life. In the presence of these noticeable flaws in the reasoning of the Labour Court which are fundamentally wrong, the award cannot be sustained when compensation of a paltry ₹40,000/- has been granted to the workman for illegal termination which only to add insult to injury. I have no doubt keeping in view the law laid down in *Harjinder Singh v. Punjab State Warehousing Corporation (supra)* *Anoop Sharma v. Executive Engineer, Public Health Division No. 1, Panipat (Haryana)*, (2010) 5 SCC 497 : LNIND 2010 SC 336 2010-III-LLJ- 1 ; *Devinder Singh v. Municipal Council, Sanaur* AIR 2011 SC 2532 :(2011) 6 SCC 584 : LNIND 2011SC 406 : 2011- III-LLJ-1; *Deepali Gundu Surwase v. Kranti Junior Adhyapak*

Mahavidyalaya (D. Ed.) and Others, (2013) 10 SCC 324 : LNIND 2013 SC 800 *Jasmer Singh v. State of Haryana and Another* (2015) 4 SCC 458 : LNINDU 2015 SC 5 and *Tapash Kumar Paul v. BSNL and Others*. 2014(3) SCT 106 : AIR 2015 SC 357 (2014) 15 SCC 313 : LNINDORD 2014 SC 5562, that the award does not deserve to be sustained. Consequently, the petition is allowed. The award is set aside. The petitioner is reinstated in service with back wages. He will take continuity of service as well. The back wages be calculated and paid to the petitioner within three months from the date of receipt of certified copy of this order, failing which it will earn penal interest @ 18% per annum till realization to ensure speedy compliance and not fan further litigation in execution etc. except appeal against this order, which is a right, and towards that end the reasonable period of three months is granted. ■

Petition allowed.

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