

A scenic autumn landscape. In the foreground, a grassy hill is covered with fallen yellow and orange leaves. A single tree stands on the crest of the hill. The background features rolling green hills and distant, snow-capped mountains under a clear blue sky. The sun is visible as a bright spot behind the branches of a tree in the upper part of the frame, creating a lens flare effect.

# **OFFICERS' CAUSE**

## **January-2021**





## **WELCOME 2021 YEAR OF HOPE AND CONVICTION**

Let us hope and continue our journey with Conviction that the mankind is capable of handling any type of attack on their existence. Our members have witnessed during the last year ups and downs all over the globe in the lives of the people. The Covid-19 has upset the economy of all the countries in particular the devastating effect was witnessed in the Western countries including the richest and strongest nations amongst them.

The nation went through most difficult period. The economy though was in turmoil, the people withstood the epidemic attack all over the country. The measures taken by the Government in the matter of keeping the people survive the onslaught of the Covid-19 resulted in a series of schemes and packages for the sustenance of the people all over the country. The migrant labourers were locked in their respective work places. The technology came in hand for all those who could work from their residences in particular the IT and BT industries in the country.

The Banking Industry was asked to function as usual. All the transactions were put through to ensure that the economy of the country is not choked. The employees and officers with all the restrictions imposed by the Government to tackle Covid attended the Office and provided the customer service. The Government also utilized the services of the Public Sector banks

in particular State Bank of India for implementation of the various packages announced by them during the period. The RBI directed the banks to work round the clock. The employees and officers in the banking industry were also considered as Corona warriors in extending the essential economic services to the people of the country.

The Federation had a special role to ensure that the issues connected with the banking industry is pursued in particular the salary revision. It was due to sustained effort of the leadership of the Federation along with other Officers organizations a successful agreement could be concluded. The year begins with a happy note of getting the new salary along with the arrears. Let us wish that our members will be happy with the arrears received and have a good beginning of the new year.

We are confident that the new year will provide us a better experience. The industry will be able to overcome the difficulties it went through in regard to the loans and advances. The series of schemes announced by the Reserve Bank will also provide relief to our borrowers and they would be able to resume the normal economic activities during the year.

We are happy that our affiliates have been able to manage their functioning in the normal manner despite the pressures that was created

**NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST**

on their members by the bank in managing the day to day functioning of the bank. We have our task well cut for the new year. All our long pending issues with the Management will be pursued with greater vigor and conviction to take them to the logical end. The Officers' services during the difficult period should be acknowledged and suitably compensated by the Management during the current year. We have also bigger issues which needs revamping of the existing policies to take care of the changing times in particular, the Promotion, Placement, Perks and all the allowances settled with the bank from

time to time. Some of the allowances which are overdue for revision. The Federation will be taking up all those issues with the Management and resolve them to the satisfaction of our members.

We have a big wish list before us during the current year so that the experience of the last year is forgotten at the earliest possible. We take this opportunity to convey to all our members and their families on behalf of the Federation a happy, healthy, and prosperous New Year 2021. ■

---

## **WELCOME 2021**

### **LET IT BE A YEAR OF RENEWED CONFIDENCE AND PRIDE**

Today is the dawn of a new year and as the first rays of the sun lit up the sky, we fervently hope that it ushers in fresh and new resolve to fulfil our expectations and aspirations. Let the sunshine of the New Year eradicate all despondency and let our lives be enlightened with fresh dreams and let us all wake up to a radiant and prosperous New Year.

The year 2020 will probably be relegated as one of the sombre years of the century. The entire world was ravaged by the Covid-19 pandemic, which has brutally exposed the vulnerabilities of some of the best health systems of the world and had a telling effect on the global economy. India, too, faced a crisis. And in this period of gloom and doom, the bankers, who represent the financial army, played a significant role in keeping the wheels of the economy moving amidst constraints. Hundreds of our brethren and comrades have laid down their lives in the line of duty. Yet we continued to keep up the good work unfazed and undeterred.

The only silver lining for us arrived on 11th November 2020 when we inked the historic 8th Joint Note to conclude the protracted wage revision talks. It was indeed a moment to rejoice-fulfilment of aspirations and expectations.

Let us, on the first day of a new year and a new decade, begin with hope. Hope - that standing at the threshold of this New Year challenges will be overcome, knots will be untied and vistas of new opportunities and possibilities are opened up.

Several decisions of the government have thrown up new challenges in the banking industry. The consolidation in the banking space and the threat of privatisation looms large. It is a ploy to turn attention away from the issue of NPA recovery in which the government has floundered and to offer the corporate houses to gain entry into the banking arena. We cannot just sit back and be silent spectators. Let us counter the threat with steely resolve and be prepared to meet adversities head-on.

Our esteemed institution has been playing a pivotal role in the economic progress of the nation. Our members have been effectively performing their roles and responsibilities in taking our bank forward. Let us practice the highest level of integrity and diligence while serving our esteemed institution. A lot of 'positive' changes are being ushered in. As a major stakeholder of the bank, we have a definite role to play to foster growth and development. With the growth of the institution, benefits in many forms will be bound to come. The Federation is committed to pursuing all our issues with utmost earnestness and zeal.

Let us also join hands to make our Federation more vibrant and responsive.

On this momentous occasion, we wish you and all your family members a promising and fulfilling New Year 2021.■

**SUCCESS AWAITS AT THE DOOR WHERE DILIGENCE IS**

## **CORONA VACCINE TO FRONT LINE COVID WARRIORS REQUEST TO INCLUDE BANKING WORKFORCE**

*Text of AIBOC Circular No.2020/72 dated 08/12/2020. Reproduce below text of the joint communication dated 08.12.2020 from four officers' organisations -AIBOC, AIBOA, INBOC, NOBO, addressed to the Hon'ble Finance Minister of India on the captioned subject. Copy of the letter has also been sent to the Secretary, DFS, Chief Secretary of Health and Family Welfare, Govt of India and all Chief Secretaries of all States and UTs in India.*

**Smt. Nirmala Sitharaman**  
Hon'ble Minister of Finance & Corporate Affairs  
Government of India  
North Block, New Delhi.

Respected Madam,

### **Corona Vaccine to front line Covid Warriors Request to include Banking Workforce**

Greetings from the four officers' organisations representing the entire banking industry viz. AIBOC/AIBOA/INBOC/NOBO.

At the outset let us express our pride that our country is a few of those countries that are way ahead in the production and supply of Covid vaccine to combat the pandemic.

02. We note from media reports that our Government is expecting at least two vaccines against Covid 19, Bharat Biotech's Covaxin and

Oxford's Covishield to be available possibly in January 2021; and that the Government is planning to inoculate the front line Covid Warriors including those working in healthcare, Police, Sanitary workers, etc.

03. In this connection, you will surely appreciate that the bankers have been providing yeoman service ever since the announcement of lockdown and have continued to provide full and required banking services even during the lockdown and thereafter. The bankers have been instrumental in keeping the wheels of the economy moving despite hazards and constraints. Despite thousands of bankers having contracted the disease and a huge number of fatalities in the sector caused by the contagion, uninterrupted Banking services are being provided by the Banking Workforce. The role of Bankers in facilitating sustained and robust growth by implementing Government policies and advisories have been appreciated by our Hon'ble Prime Minister and your good office too, on many occasions for which we express our gratitude.

04. In the above backdrop, we request you to use your good offices to get Bankers included in the list of frontline workers so that they can be administered the vaccine in a priority manner and Banking Workforce can feel appreciated for the services rendered by them during these most difficult and challenging times. ■

---

## **RESTRICTION ON PAYMENT OF DIVIDENDS**

The Reserve Bank of India has directed all the Commercial Banks including the Public Sector Banks as a measure of strengthening the Balance Sheets of the Banks in the background of the Covid Pandemic that has affected the economy of the country for the year ending 31st March 2020. It is in continuation of series of measures which were announced by the Reserve Bank of India to tackle the recession in the economy due to the Covid-19 which has brought the economic life of

the country to a standstill. The Reserve Bank of India has also come out with a series of measures to protect the interest of the borrowers in the background of total stoppage of commercial activities by them. The first step was to provide a special concession to all those accounts which were standard as on 29th February 2020, in regard to the repayment of their loans and postponement of the repayment schedule by six months as moratorium so that they get some relief in

**ARISE, AWAKE, STOP NOT TILL THE GOAL IS REACHED**

adjusting their repayment schedule and the other step was to provide relief from payment of compound interest in respect of all those borrowers account which are upto Rs.2 crores and in fact the compound interest which was recovered/calculated in respect of all such accounts were recredited to them as per the directives of the RBI by all the banks.

The Reserve Bank of India also rolled a couple of schemes by which the repayment schedule in respect of all those accounts which enjoyed the benefit of moratorium were refixed and the longer period of repayment schedule was fixed so that the banking industry will not carry unnecessary load of NPA's due to over dues from these accounts. In fact it was virtually ever greening of the accounts at the instance of Reserve Bank of India. The Corporate accounts were also provided an option of availing separate loans for repayment of installments which were accumulated due to moratorium extended by the banks which can be repaid upto 12 to 24 months.

One of the questions that will haunt all the commercial banks will be the question of the norms for the classification of NPA's. In the normal course, the classification of NPA's were those accounts which have overdue for more than 90days. The Banks have been able to manage their Balance Sheet as on 31st March 2020, since the Covid – 19 impact was felt only from the month of March 2020, when the Government introduced a series of measures to stop the onslaught of covid virus all over the country. The stoppage of all economy activities for months together from the month of March 2020 onwards has virtually killed the economic in the country. The working class was the worst affected and they were provided a series of subsidy by the Government including provision of essential commodities to the lower strata of the society. The series of economic packages announced by the Government amounts to more than Rs.20 lacs crores at various stages. The GDP saw a negative growth to the extent of 8 to 9% which was reworked from time to time and fresh indications are that the country can see the

GDP growth only from 2022 onwards. Until, it will be a task to rebuild the losses that our economy has suffered.

In this background, there is a need for Reserve Bank of India to revisit some of its guidelines in particular the classification norms of NPAs. The RBI Monetary Policy Committee has a greater responsibility to see that the Banking Industry will not face a similar position as we have witnessed in the 90's where the NPAs became a big issue when the RBI decided to opt for Basel Norms for Asset classification in the Banking Industry. As a temporary measure the RBI has suggested to the banks for the rescheduling of the repayment of loans and also treat the outstanding installments and interest during the moratorium loan as a separate loan with separate repayment schedule. The present NPA's norms is such that it will create a tremendous pressure on the banks while drawing the balance sheet for the year 2021. The RBI should immediately take pro-active measures so that the banks financials will not suffer a serious damage and the drawing Balance Sheet for the year 2021 becomes a nightmarish exercise for the commercial banks in the country.

One of the interesting phenomena as regards the payment of dividends is concerned, the Government of India has directed all the Public Sector Units for payment of around 30% of dividends as they come under the control of the various departments. The Dividends from the profit making Public Sector Units by the Government is one of the important revenue for them. In fact, there is a need for the strengthening their balance sheet as well so that they are not pushed to such a position that the corporatization of the Public Sector Units becomes an inevitable option for the Government. The unions as well as the political parties have been opposing the move of the Government for corporatization of the Public Sector Units as it is a sinister design of the Government to privatize the Public Sector Units and hand over the same to the Multinationals.■

**WORK IS WORSHIP , DO YOUR DUTY**



## **LOAN RECAST, OTHER STEPS TO CUSHION PSBs FROM SHOCK: DFS SECRETARY**

Loan restructuring and other measures announced by the government to help the industry hit by the coronavirus pandemic may save public sector banks from “shock” in the next year, a top finance ministry official said. Despite the pandemic, the lockdown and the consequent damage done to the economy, there are quick signs of recovery, Financial Services Secretary Debasish Panda told PTI in an interview.

“There is a steady uptick in the credit growth. Retail, home and agriculture loans are doing well, and MSMEs again, with the intervention of the government through the ECLGS and other similar schemes, have also picked up,” he said.

Panda added that with the window for restructuring now made available by the RBI through the COVID-19 resolution plan, which offers resolution for all kinds of loans, the impact may not be that severe as had been projected earlier. However, it is difficult to exactly predict the numbers.

The Reserve Bank of India (RBI) in August permitted one-time restructuring of both corporate and retail loans without getting classified as a non-performing asset (NPA). Restructuring benefit can be availed by those whose account was standard on March 1 and defaults should not be over 30 days. Therefore, he said, “We don’t anticipate a big shock going to hit public sector banks next year on account of high provision coverage ratio, steady

decline in non-performing assets (NPAs), and one-time restructuring of loans among other things.”

Banks have sanctioned loans worth Rs.2,05,563 crore to about 81 lakh accounts under the Rs.3-lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) for the MSME sector. Of this, 40 lakh MSME (micro, small and medium enterprises) accounts have received Rs.1,58,626 crore till December 4.

To withstand headwinds due to uncertainty, the secretary said PSBs have raised Rs.40,000 crore in the form of equity, and also AT1 and tier-2 bonds, and an additional Rs. 25,000 crore would be raised in the next three months.

Besides, the government has allocated Rs. 20,000 crore for capital infusion into PSBs in the current financial year through the first supplementary demand for grants passed by Parliament in September. Of this, the finance ministry has granted Rs.5,500 crore to Punjab & Sind Bank to meet regulatory requirements.

On financial health of banks, Panda said that 11 out of the 12 PSBs have posted profits in the September quarter. Even gross NPAs have gone down substantially and the provision coverage ratio has increased, he said. “There is scope for improvement on return on assets and banks are working on that...”■

*Source: Financial Express, Dated 26/12/2020*

---

## **CO-LENDING IN SME SECTOR HELPS BANKS CHECK RISK: SBI**

SBI Chief Dinesh Kumar Khara says SMEs need funding at present as they will lead the recovery post-Covid

The co-lending model is helping banks assess and mitigate risks associated with lending to small and medium enterprises (SMEs), State Bank of India (SBI) chairman Dinesh Kumar Khara said on Tuesday. SMEs need funding at present as they will lead the recovery post-Covid, he added, speaking at an event organised by the Confederation of Indian Industry (CII). Khara also observed that money from the domestic market

and household savings was not sufficient to fund India’s infrastructure growth and the only way forward was to open up the capital markets further to foreign capital.

“The financing of SMEs in today’s context is more of a clarion call. If at all employment has to be generated in this economy, the mainstay of the post-Covid recovery is going to be SME. For that, as the largest lender, we are certainly concerned about how to ensure that the process of recovery begins and it’s on the right track,” Khara said. One way of doing this is the co-lending model,

**LET CUSTOMER SERVICE BE OUR MOTTO**

which helps banks get insights into customer behaviour with the help of analytics. At the same time, weaker firms must bring in more equity in order to access bank funding. "Of course, those who are lower down the curve will have to strengthen themselves financially, more equity has to be brought in," Khara said, adding, "Going forward, all markets, whether it is NBFCs (non-banking financial companies), banking or microfinance, are very cognisant of the risk and how to manage it."

Khara said for India to kick-start sizeable infrastructure investments, the capital markets must be opened up to allow and encourage the inflow of more foreign capital. Many steps have been taken in the recent past to shore up the interest levels of foreign capital in the Indian economy. "May be the data and financial reporting, which is one of the critical components for shoring up the confidence of international investors, has improved significantly. But, I think this is only the beginning," the chairman said. He added that India must do more to accelerate the pace of improvements in areas like reporting and corporate governance. Money with insurance and pension funds must also flow into infrastructure financing, he said.

Even if a development finance institution (DFI) is set up, there will be no room for it to access funds from the government or its agencies. It, too, would have to rely on international flows. "All this while, the domestic market and household savings were the major source of savings for the economy. With that kind of savings, the growth trajectory we have chalked out for ourselves may not be easy to

accomplish," Khara said.

The debt capital markets have a limited contribution to growth as the pool of participants there is very small. As a result, the yield curve that India has is not a representative one, said Khara. "Until and unless we have broad participation coming in both in terms of issuance and buyers, a more sustainable yield curve becomes a challenge," he said. There was some activity soon after the Covid-19 outbreak, amid efforts by the government and the RBI to provide liquidity to all kinds of instruments. The number of issuers rose marginally as a result of those measures. Many corporates, who had never issued debt papers, did so when they saw that there was liquidity available for such papers. "Probably with the commitment which people get from the market, we'll get to see better traction. We as a financial institution would be very happy to see a yield curve developing and also broad-based participation because we see that the opportunity is huge," Khara said.

He emphasised that SBI is in no position to freeze funding to some sectors of the economy on the sole grounds that they are ecologically unsustainable. Rather, the aim is to be carbon-neutral in a "transitioning economy", Khara said. "So if at all we are financing like that (for water-guzzling rice cultivation in Punjab), we'll also have to finance many green projects, which we are doing. Going forward, when we have alternate means available, we can go beyond neutrality and be in a position to reduce carbon emissions," he said. ■

*Source: Financial Express, dated.16.12.2020*

## **NEARLY 87% OF INDIAN FIRMS ARE PLANNING SALARY HIKE IN 2021**

As many as 87% of Indian companies plan to raise employee salaries in 2021, up from 71% this year, underscoring optimism among India Inc. about a potential turnaround in fortunes after the widespread turbulence caused by the covid-19 pandemic.

These companies are expected to offer an average 7.3% salary hike to their employees in 2021, rising from a dismal 6.1% average increase this year, according to the India Salary Increase Trend Survey by global human resource consultancy Aon issued wednesday. The proportion of companies among those surveyed who will not offer any pay

hike next year is likely to more than halve to nearly 14%, compared to the 29% of companies that did not hike pay this year.

Next year's expected 7.3% increase would still be the lowest in 14 years excluding this year and 2008-2009 when the world was engulfed by the global financial crisis.

The survey, which collated data from more than 1,050 companies across 20 industries, said employees still won't receive a high salary increase and only 47% are expected to offer more than 8% increment next year against 44% this

year. As of September-October 2020, 61% of the companies' surveyed plan to offer salary increases between 5% and 10% next year. This compares with only 46% who issued 5%-10% increases this year, according to the Aon survey.

"Despite the gravity of the covid-19 pandemic in India and its deep impact on the economy, organizations in the country have shown tremendous resilience and a mature view on talent," said Nitin Sethi, a partner at Aon, and CEO of the firm's performance and rewards solutions practice in India.

Industries that aim to offer the highest salary increases belong to the hi-tech, information technology (IT), IT Enabled Services (ITeS), life sciences, e-commerce, chemicals, and professional services sectors, as per the survey.

Companies in hospitality, retail, real estate, and infrastructure sectors will be laggards in raising

employee salaries in 2021. Some of these sectors were among the worst hit by the pandemic.

"Business and human resource leaders made hard decisions in second and third quarters of 2020 and are now betting on the green shoots of improving consumer demand. They see the need to invest in talent as a critical part of their recovery and growth prospects," Sethi said.

Navneet Rattan, director at Aon in India's performance and rewards solutions practice, said the impact of covid-19 has been "varied on different sectors and organizations."

"We see high differentials in salary increases, both intra and inter-industry. The difference between industries with highest increase to lowest increase hits 7.2% points as compared to a mere 2.4% points in 2019," he said.■

*Source: The Mint Date: 5.10.2020*

---

## **SBI TO BOOST RETAIL BOOK, SEES BETTER EARNINGS**

State Bank of India (SBI) will accelerate retail loans and expects most lenders to post stronger-than-anticipated earnings as the economy revives faster than expected, according to Chairman Dinesh Khara.

"The banks were expecting worse, so they strengthened risk management significantly," Khara, who took charge as head of the country's largest lender in October, said in an interview with Bloomberg Television on Monday. "That's why we are expected to see much better results than at the beginning of the pandemic."

SBI's bad loan ratio fell to 5.28% at the end of September from 5.44% three months earlier, but the bank warned that it expects a further Rs. 20,000 crore (\$2.7 billion) of loans to sour over the next six months as the pandemic hurts borrowers. However, the bank has provided for its potential bad loans in advance, which will prevent

significant pressure from building, Khara said last month.

SBI is not in a hurry to divest its stake in its home-grown digital application Yono, which has 28.5 million registered users, Khara said. His predecessor had estimated that it could be worth \$40 billion a few months ago. "At some stage we will consider this aspect," Khara said. "We had introduced Yono as a delivery platform within the bank. It was in sync with our ambition, with our digitisation."

SBI has raised \$900 million of deposits and extended \$400 million of loans through the app, Khara said. Yono contributed Rs. 200 crore to the bank's profit as of July and is expected to add Rs. 1,000 crore for the full financial year, according to the bank's latest investor presentation.■

*Source: Financial Express, Dated 8/12/2020*

---

## **STAGE SET FOR BANK INVESTMENT COMPANY**

The government is likely to set in motion the process of establishing a Bank Investment Company (BIC) to hold its stake in public sector banks (PSBs) following substantial consolidation in the space and clean-up of banks' balance sheet

in the last couple of years. With the banking space seeing fast-paced changes in terms of business models and technology, top bankers feel now is the right time to set up a BIC so that decisions can be taken quickly without the fear of the 3Cs



— Central Vigilance Commission, Comptroller and Auditor General, and Central Bureau of Investigation.

BIC was mooted in 2014 by the Reserve Bank of India's (RBI) PJ Nayak committee report to review the governance of bank boards.

While the government, as per one of the committee's recommendations, has already set up a Bank Boards Bureau (in 2016) for selecting the top management of PSBs, it has kept the BIC proposal on hold so far.

"PSBs are very large commercial organisations. We have to take quick calls. Currently, the 3Cs are holding us back to an extent. The holding company (holdco) structure has to be formed now. The government is believed to be evaluating this. This is the right time as our (PSBs) balance sheets are adequately provisioned," a top banker said.

#### **Giving autonomy**

Referring to the practice in several countries, including Singapore, the UK and Belgium, of having intermediate investment companies hold the equity in banks, the RBI report observed that this has operationally distanced the governments

from the banks. This has discouraged direct intervention and suasion, and has helped align the governments' role as that of the principal shareholder in the banks, focussed on financial returns, it added.

The report noted that the status of SUUTI (Specified Undertaking of the Unit Trust of India) in relation to Axis Bank is broadly similar. The character of BIC's business would make it resemble a passive sovereign wealth fund for the government's banks. "Today, things are moving so fast that in one year the business model can change completely. The technology can change. So, we can't wait for a year or one-and-a-half years for vigilance clearance to finalise a vendor," the banker quoted above said.

#### **Recap burden**

In the context of the government facing fiscal constraints and its reported plan to have a maximum of four public sector units and a minimum operating unit in each of the 18 identified strategic sectors, top bankers opine it may be apposite to put in place a BIC. They reason that allowing more retail and private participation in the ownership of PSBs will bring down the recapitalisation burden of the government.■

*Source: Business Line. Date: 29-12-2020*

---

### **2020-IV-LLJ-31 (Mad) LNINDORD 2020 MAD 67 IN THE HIGH COURT OF MADRAS**

**Present:**

**Hon'ble Mr. Justice D.Krishnakumar**

**W.P.No. 11679 of 2013**

**S.Prema**

**Versus**

**Tribunal for disciplinary Proceedings, Coimbatore and Others**

**3rd June, 2020**

**Petitioner**

**Respondents**

*Removal of service-Misconduct-Petitioner appointed as Noon Meal Organizer in Panchayat Union Elementary School –After enquiry, charges against Petitioner and co-delinquent-Block Development Officer proved –Respondent 3-Government in its proceedings, removed Petitioner from service-Petitioner appeal before Respondent 3 rejected, hence this petition –Whether, in absence of any evidence on record, report of enquiry officer, which results in removal of service of Petitioner by appellate authority was valid or not –Held, while pending consideration of further representation*

**LET US BUILD A STRONG AND SELF RELIANT INDIA**

*submitted by block Development Officer, he permitted to retire from service on attaining age of superannuation by district Collector-Punishment imposed on said Block Development Officer modified by government by Taking into considering views of Service Commission that no documentary proof for collection of money as orally instructed by said Block Development Officer-No documentary evidence to substantiate allegation – Charges leveled against said block Development Officer and Petitioner, one and same-It appropriates to modify punishment imposed on Petitioner as Compulsory Retirement enabling him to get retirement benefits as applicable to Rules-Impugned order passed by Respondent 2 liable to be quashed directing him to modify punishment awarded to Petitioner as Compulsory Retirement and grant monetary-retirement benefits within certain period*—Petition allowed.

## ORDER

The prayer sought for in the Writ Petition is to call for the records of the respondents in connection with the impugned order passed by 1st respondent in TDP DE 17/2008 dt 29.5.09 and by the 2nd respondent in Na. Ka. No. N1/5697RD/2008 dt 22.9.10 and 2nd respondent in Na. Ka. No. N1/5697RD/ 2008 dt 25.3.2013 and quash the same and direct the respondents to reinstate the petitioner into service and grant him all consequential service and monetary benefits.

2. Brief facts leading to the writ petition is that the writ petitioner was appointed as Noon Meal Organiser in the Panchayat Union Elementary School, Salem Panchayat Union, Salem on 08.05.1988. The petitioner has put in more than 22 years of service. While serving as Noon Meal Organiser, charges were framed against the petitioner and the Block Development Officer, Salem Panchayat Union as per report of the V & AC Department, for the allegation that the writ petitioner had collected a sum of Rs.200/- from the other Noon Meal Organisers on the instructions of the BDO, while disbursing the VI Pay Commission arrears as illegal gratification. After enquiry, the charges against the petitioner and the codelinquent have been proved. Finally the Government in its proceedings dated 27.07.2010 recommended to remove the petitioner from service and communicated the same to the District Collector, who in turn issued order dated 22.09.2010, removing the petitioner from service in Ref.No. N1/5697RD/2008. Against the said order, the petitioner has preferred the appeal before the 3rd respondent. But the said appeal was rejected by the 2nd

respondent, who is not an appellate authority as per directions of the 3rd respondent, which contains no valid reasons, except stating that there is no fresh point for consideration, which according to the petitioner is a non-speaking order. Challenging the same, the present writ petition is filed.

3. Heard the learned Senior Counsel appearing for the petitioner and the learned Additional Government Pleader appearing for the respondents and perused the documents available on record.

4. The learned Senior Counsel for the petitioner submitted that the said amount of Rs. 200/- was collected from each of the Noon Meal Staff based on the Resolution passed by the Noon Meal Organisers Association, for payment to the family members of the deceased noon meal organisers who had no death or pensionary benefits. Further during the course of enquiry, out of 27 witnesses, 8 witnesses who have been cited to speak to the fact that the amount was collected as illegal gratification did not support the prosecution case and they have turned hostile and the witnesses were cross examined. It is further submitted that except 2 official witnesses who came for surprise inspection, none of them have supported the prosecution case.

5. The learned Senior Counsel further submitted that when there is no evidence available on record, the enquiry officer without considering any of the points raised in the defence statement, has accepted that the amount has been collected from the noon meal organisers in order to make payment to the deceased members of the noon meal organisers family, who have no benefits, but the enquiry officer held that the petitioner and the codelinquent have no authority to collect the amount,

besides they have not issued any receipt for such amount and finally held that the charges against the petitioner and the co-delinquent have been proved and submitted report to the Disciplinary Authority. The petitioner has also submitted a further representation on the enquiry officer's report, but without considering the same, the Government had passed the impugned order dated 22.09.2010, removing the petitioner from service. 6. It is further submitted by the learned Senior Counsel for the petitioner that the petitioner has preferred an appeal to the 3rd respondent on 30.09.2010. The said appeal was forwarded to the 2nd respondent by the 3rd respondent. Since no action has been taken, the petitioner has preferred a writ petition before this Court in W.P. No. 16878 of 2011 and by order dated 24.01.2011, directed the 2nd respondent to pass orders on the appeal petition. Without considering the said order of this Court, the 3rd respondent, who is not the appellate authority had passed an order on 30.09.2010, rejecting the appeal preferred by the petitioner.

7. On the other hand, the learned Additional Government Pleader appearing for the respondents the Deputy Superintendent of Police, V&AC Department, Salem along with the District Inspection Cell Officials have conducted a surprise check on 01.03.2004 at Panchayat Union Office. At that time, they found that the petitioner was collecting money from the Noon Meal Organisers. They sent report against Thiru A.Pachagoundan, former Block Development Officer, Salem Panchayat Union and the writ petitioner herein on the allegations of collection of illegal gratification. Accordingly, a case was registered in TDP Case No. 06/2006 at Tribunal for Disciplinary Proceedings, Salem with the charge that the petitioner violated Rule 20(1) of Tamil Nadu Government Servant Conduct Rules 1973. Thereafter the above case was transferred to Commissioner of Disciplinary Proceedings, Coimbatore on administrative reasons in D.E. No. 17/2008 and the enquiry was concluded on 29.05.2009. After considering the prosecution witnesses and evidence, came to the conclusion that the charges framed against the petitioner are

proved.

8. The learned Additional Government Pleader has brought to the notice of this Court the letter of the 3rd respondent in Lr.(D) No. 597 Rural Development and Panchayat (E2) Department dated 09.12.2011, wherein it is stated that as per G.O. Ms. No. 606, Social Welfare and Nutritious Meal Programme Department dated 18.12.1990, the second respondent herein is the ultimate appointing authority/disciplinary authority in respect of the Nutritious Meal Organisers of the School Centers and that powers of dismissal/removal of such Nutritious Meal Organisers shall vest with the second respondent herein and shall lie no appeal against such orders. Further, it is also stated that the 2nd respondent is empowered to review and modify any orders passed, if deemed necessary. Hence, the impugned orders passed by the 2nd respondent are valid in law and does not require any interference by the Court.

9. On perusal of records, it is seen that the charge memo was issued by the Commissioner of Disciplinary Proceedings, Salem in Case No. 6 of 2006, dated 25.04.2007 for a specific charge under Tamil Nadu Civil Services (DPT) Rules against one A.Pachagoundan, Block Development Officer, Edapady Panchayat Union, Salem District and V. Nagaraja, Noon Meal Organizer, Salem and the petitioner herein for the allegation of collection of illegal gratification of sum of Rs. 200/- from the Noon Meal Organisers for disbursing final installment of VI Pay Commission Arrears. On completion of enquiry, the charges framed against the above three persons were held proved as they violated the Rule 20 of the Tamil Nadu Government Servants' Conduct Rules, 1973. Subsequently, the petitioner and the co-delinquent V. Nagaraj were removed from service by the District Collector, Salem by order dated 22.09.2010, without considering the further representation submitted by the petitioner.

10. It is the contention of the learned senior



counsel for the petitioner that it is an admitted case of prosecution that on the date of the surprise inspection, one Lalitha of Kamanaickenpatty was collecting money from the noon meal organisers while disbursing the VI Pay Commission arrears and after she collected the amount, she gave it to the writ petitioner, who in turn kept it in a rexine bag. The above said Lalitha was writing the names of the individuals who paid the amount after collecting the amounts. The writ petitioner herein neither demanded nor received or asked to pay the individual. Further, the witnesses viz., PW3 to PW14 have turned hostile and did not support to the prosecution case. Further no charges were framed against the said Lalitha.

11. In view of the above, this court has to decide whether in the absence of any evidence on record, the report of the enquiry officer, which subsequently results in removal of service of the petitioner by the appellate authority is valid or not.

12. It is also brought to the notice of this Court that while pending consideration of the further representation submitted by the said A.Pachagoundan, Block Development Officer, Edapady Panchayat Union, Salem, he was permitted to retire from service on attaining the age of superannuation on 30.04.2005 by the District Collector, Salem District.

13. The Government/3rd respondent herein after considering the views obtained from the Tamil Nadu Public Service Commission, by its order dated 02.05.2013, modified the punishment of cut in pension of Rs. 1000/- per month for a period of three years instead of withholding the entire pension permanently. The relevant of the said order is extracted below;

"5. In the letter seventh read above the Tamil Nadu Public Service Commission has referred as follows;

"Even though the charge was proved against the delinquent officer, there is no documentary proof for collection of money

as orally instructed by delinquent officer and there is no other documentary evidence also. The delinquent officer had already retired in 2005 from Government service. The Commission is of the opinion that the punishment proposed to be imposed by the Government does not commensurate with the nature of the delinquency committed by the delinquent officer and as already all the pensionary benefits were given to the delinquent officer, the proposal of the Government to stop the entire pension of the delinquent officer permanently seems to be against natural justice. Hence the Commission is of the view, that considering his age, the punishment proposed by the Government may be modified as cut in pension of Rs.1000/- per month for a period of 3 years instead of withholding the entire pension permanently and advises the Government accordingly."

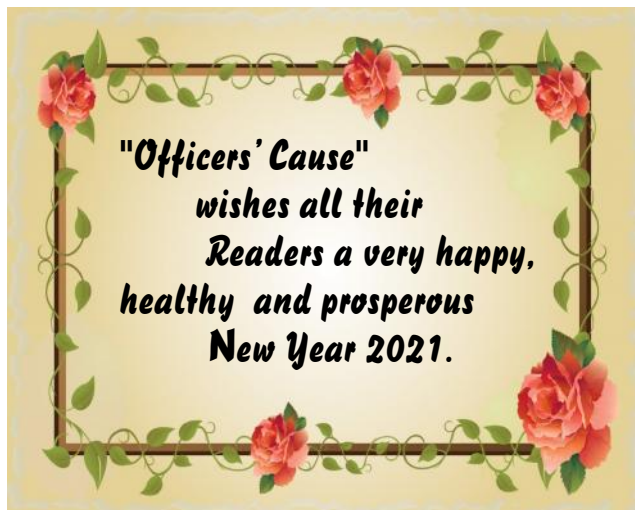
6. The Government have further examined the case carefully and independently with all connected records in the light of the view of the Tamil Nadu Public Service Commission against Thiru A.Pachagoundan, formerly Block development Officer, Edapady Panchayat Union, Salem District and decided to impose the punishment of cut in pension of Rs.1000/- per month for a period of three years instead of withholding the entire pension permanently. The Government accordingly do and hereby order that the punishment of cut in pension at the rate of Rs. 1000/- (Rupees Thousand only) per month for a period of three years from the pension payable to Thiru A.Pachagoundan for the charge held proved against him."

14. In the aforesaid order, the punishment imposed on the said A.Pachagoundan, then Block Development Officer was modified by the Government by taking into considering the views of the Tamil Nadu Public Service Commission that there are no documentary proof for collection of money as orally instructed by the said A.Pachagoundan and no documentary evidence to

substantiate the allegation.

15. The learned Senior Counsel appearing for the petitioner has made a submission before this Court that since the writ petition had already crossed the age of superannuation, the punishment of removal from service imposed on the petitioner by the respondent may be modified to any other punishment, so as to enable the petitioner to get retirement benefits.

16. Considering the submissions made by either side and also considering the fact that the charges levelled against the above A.Pachagoundan and the writ petitioner herein (S.Prema) are one and the same and also the fact that the said A.Pachagoundan was permitted to retire from service and the punishment imposed on him was



also subsequently modified, this Court finds it appropriate to modify the punishment imposed on the petitioner as 'Compulsory Retirement', enabling the petitioner to get retirement benefits as applicable to the Rules.

17. Accordingly, the impugned order passed by the second respondent in Ref. No. N1/5697RD/2008, dated 22.09.2010 is

quashed and the second respondent is directed to modify the punishment awarded to the petitioner as 'Compulsory Retirement' and grant monetary/retirement benefits to the petitioner as expeditiously as possible, within a period of twelve (12) weeks from the date of receipt of a copy of this order. The Writ Petition is allowed to that extent. No costs.

Petition allowed.■

<b>Subscribe to</b>			Registered news paper  To:          If Undelivered please return to:  ALL INDIA STATE BANK OFFICERS' FEDERATION  <b>St.MARK'S ROAD, BANGALORE - 560 001</b>
<b>OFFICERS' CAUSE</b> <b>SUBSCRIPTION</b> Annual : ₹.40/-	<b>DOMESTIC ENQUIRY</b> <b>SUBSCRIPTION</b> Annual : ₹.40/-	<b>LABOUR RESEARCH</b> <b>SUBSCRIPTION</b> Annual : ₹.30/-	
<p style="text-align: center;"><i>Drafts should be drawn in favour of</i></p> <p style="text-align: center;"><b>All India State Bank Officers' Federation</b></p> <p style="text-align: center;">and mailed to  <b>The General Secretary</b>  <b>ALL INDIA STATE BANK OFFICERS' FEDERATION</b>          State Bank Buildings, St.Mark's Road, Bangalore-560001  <b>☎ : 080 22270619: Fax : 080 22214959/22214956</b>          E-mail: <a href="mailto:aisbofbangalore@gmail.com">aisbofbangalore@gmail.com</a>          Website: <a href="http://www.aisbof.org">http://www.aisbof.org</a></p>			