


Officers' Cause, July -2023

A scenic view of a turquoise lake reflecting a steep, forested mountain and a small village on the shore. The mountain is covered in dense green trees and patches of grass. The lake's surface is calm, creating a clear reflection of the mountain and the sky. A small village with several houses and a church is visible on the right side of the lake.

*Officers' Cause
July -2023*

Editorial

CODE OF ETHICS UPHOLDING ETHICAL STANDARDS SBI's COMMITMENT TO ETHICAL BANKING



For over two centuries, the State Bank of India (SBI) has remained an emblem of trust and integrity in the nation's banking sector. Our enduring legacy is a testament to the unwavering dedication of our employees at every level. As we navigate

through challenges and enticing opportunities, our commitment to maintaining the highest standards of conduct and ethics has fortified our position as the most trusted bank in the country.

Embracing a Code of Ethics:

At SBI, our moral foundation is of utmost importance, and we recognize the significance of a robust code of ethics. The recent release of Version 2.0 of our **"Code of Ethics"** by our Hon'ble Chairman represents a pivotal step in this direction. Aligned with our vision to be the bank of choice for a transforming India and our mission to provide simple, responsive, and innovative financial solutions, the code embodies our core values.

Living the STEPS Values:

Our code revolves around our five core values, aptly named **STEPS: Service, Transparency, Ethics, Politeness, and Sustainability**. It not only outlines the expectations placed upon the bank but also guides us in embodying these values in

our daily conduct. As proud members of the family **"I am the I in SBI"**, it is our collective moral responsibility to imbibe these codes, becoming ambassadors for our esteemed organization and setting new benchmarks for ethical conduct. We must strive to inspire others to follow suit.

Safeguarding Public Trust:

SBI serves as a custodian not only of public funds but also of the trust and confidence bestowed upon us by the public at large. The ethical grandeur of our role demands unwavering commitment from each staff member. It emphasizes the need for honest, transparent, and ethical business dealings, urging us not to succumb to any unethical pressures in the pursuit of targets. The code provides comprehensive guidance, including do's and don'ts and Q&As, enabling us to make informed decisions when faced with ethical dilemmas. Its applicability extends to all staff members and encompasses interactions with third parties, leaving no room for double standards.

Embracing Ethical Decision-making:

Noticeably, the unhealthy strategies adopted by some controllers to achieve targets may place immense stress on the staff. The relentless pressure to sell third-party products may lead to widespread mis-selling and the exploitation of vulnerable customers. Similarly, the relentless pursuit of achieving loan targets in retail may result in approving dubious proposals, leading to quick mortality.

NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST

This relentless pursuit of being the top performer in the MD matrix across all parameters may erode the fundamental principles of our esteemed institution. Our ethos, principles, and core values may be compromised, which is deeply concerning. It is imperative that we take decisive action to put an end to these unethical practices before they cause irreparable damage to the Bank in the long run.

To confront these issues, we firmly believe that these contagious unethical practices must be halted immediately. To ensure this, every staff member must be guided by the spirit of the code and the use of Ethical Decisions, a comprehensive framework designed to support principled choices.

Adopting ethical conduct in our dealings at the Bank has a direct bearing on our career too. We can rest assured that as long as our conduct at the Bank is ethical, we will remain aloof from any wrongdoing and thus avoid falling prey to any disciplinary action against us. This will also aid in boosting our self-

esteem and help in attaining job satisfaction to a great extent.

Upholding the code is a shared responsibility, and each one of us must actively ensure that its guidelines are consistently followed and adhered to. By collectively committing to ethical behavior, we can protect our institution's integrity and continue to serve our customers and community with honesty and trustworthiness

As the financial landscape continues to evolve, SBI remains steadfast in its commitment to upholding ethical standards. Our legacy of over two centuries stands as a testament to the enduring principles that have guided us through challenges and triumphs. With the release of Version 2.0 of our Code of Ethics, we reinforce our dedication to maintaining the highest standards of integrity, transparency, and responsible conduct. Let us embrace these principles, elevate our ethical standards, and continue to serve as a beacon of trust and reliability for our nation.■

THE CODE IN BRIEF

OUR VISION: BE THE BANK OF CHOICE FOR A TRANSFORMING INDIA

SERVICE

Serving our Customers

- ✦ We shall provide our customers with the best-in-class products, services & solutions to suit their needs.
- ✦ We shall treat our customers with empathy to anticipate, meet and exceed their expectations.

Providing Ease of Convenience

- ✦ We shall keep our processes easy, simple and prompt.
- ✦ We shall address and resolve our customer's grievances quickly.

Serving our Nation.

- ✦ We shall strive to make banking accessible to every Indian to build a better India.
- ✦ We shall contribute to the socio-economic development of the country and do our utmost for the nation building.

Growing Together to Deliver Better.

- ✦ We shall learn continuously, build skills, share knowledge and create a learning organisation together.

- ✦ We shall believe in each other, collaborate, draw strength from teamwork and achieve more together.

TRANSPARENCY

Being Transparent

- ✦ We shall respect the right of our customers and other stakeholders for maximum openness in all their interactions with the Bank.
- ✦ We shall promote transparency, both at personal and collective levels.

Enjoying Public Trust & Confidence

- ✦ We shall act with diligence in keeping with our role as the custodians of public money.
- ✦ We shall conduct our all transactions with probity to confirm with the Bank's fiduciary responsibilities.

Being Responsible with External Stakeholders

- ✦ We shall adhere to the best disclosure standards and keep a complete and accurate record of our accounts.
- ✦ We shall meticulously follow the applicable laws, rules and regulations.

SUCCESS AWAITS AT THE DOOR WHERE DILIGENCE IS

Safeguarding SBI Assets and Resources

- ✦ We shall protect the Bank's assets & resources, tangible as well as intangible, from theft, waste, misuse, loss and damage.
- ✦ We shall use the Bank's assets & resources, both physical and intellectual for approved purposes only.

ETHICS

Conducting Ourselves with Utmost Integrity

- ✦ We shall make sure that integrity permeates our workings and decisions every day.
- ✦ We shall be just and honest to all our stakeholders - customers, colleagues, investors, communities, public and others we deal with.

Handling Conflicts of Interest- Actual, Potential or Perceived

- ✦ We shall avoid situations or positions in which personal interests conflict with our professional duties.
- ✦ We shall be proactive in identifying and managing conflicts of interest between Bank and its other stakeholders.

Accepting and Offering Gifts or Entertainment

- ✦ We shall not accept, offer or give gifts, entertainment or other benefits of value, same as specified in our Code of Ethics.
- ✦ We shall squarely follow our Code and declare the gifts received and given.

Reporting and Preventing Unethical Activities

- ✦ We shall always report a conduct that can be detrimental to the interests of Bank or its stakeholders.
- ✦ We shall always encourage the speaking up and protect the colleagues who escalate concerns.

POLITENESS

Being Polite in Treating Customers

- ✦ We shall strive to provide a polite, courteous and dignified experience to our customers in their interactions with us.
- ✦ We shall listen more than we talk and ensure that we are understanding and understood while dealing with customers.

Being Polite with Peers & Colleagues- Senior or Junior

- ✦ We shall be polite in our workplace relationships and create an enabling work

place where work-life balance nurtures wellbeing and productivity as well.

- ✦ We shall demonstrate care and compassion for each other and foster a high-trust workplace.

Acting with Empathy & Passion for Colleagues

- ✦ We shall treat each other like an internal customer and have the highest regard for the dignity of all colleagues.
- ✦ We shall connect with our colleagues, engage in open dialogues with them and respect each other.

Promoting an Inclusive & Empowering Culture

- ✦ We shall respect different points of view and draw on diversity of thought to stimulate collaboration and innovation.
- ✦ We shall acknowledge the worth of all colleagues and appreciate that there are no unimportant colleagues or unimportant roles and everyone has a valuable contribution to make.

SUSTAINABILITY

Contributing to the Communities Around

- ✦ We shall commit ourselves to produce positive and lasting impacts in our communities.
- ✦ We shall continuously engage with the communities around to promote ecological, social and economic improvements.

Collaborating with Business Partners to Promote a Green Future

- ✦ We shall work together with our partners to find new ways to reduce carbon foot prints.
- ✦ We shall expect our partners to build environmental and social considerations into their business practices.
- ✦ We shall collaborate and drive sustainability for transforming India to a low-carbon and resource-efficient economy.

Being a Responsible Corporate Citizen

- ✦ We shall embrace opportunities to develop eco-friendly products, services and processes for a sustainable corporate management.
- ✦ We shall take on responsibility that extends beyond our business and allows to contribute for promoting social improvements.■

ARISE, AWAKE, STOP NOT TILL THE GOAL IS REACHED

BANK DAY CELEBRATIONS - INSPIRING GROWTH AND TRUST

Dear SBlians,

1st July is a special day, a day that shines a spotlight on the remarkable work we do as members of the State Bank of India family. Bank day is a celebration of our dedication, resilience, and unwavering commitment to serving the needs of our customers and our nation.

2. As SBlians, we take immense pride in delivering excellent customer service, both to our external customers and our internal customers—the employees who rely on us for support. Our commitment to providing a seamless and personalized banking experience sets us apart and strengthens the trust people place in us.

3. We understand that excellent customer service goes beyond fulfilling transactions; it is about building relationships, understanding the unique needs of each individual, and going the extra mile to exceed their expectations. By consistently delivering exceptional service, we nurture long-lasting connections and create ambassadors for the bank who vouch for our integrity and reliability.

4. Our dedication to maintaining the highest standards of ethical conduct is the cornerstone of our success. We adhere to the SBI Code of Ethics, which guides us in making sound decisions, treating every customer with fairness and respect, and upholding the principles of transparency and accountability. It is this unwavering commitment to ethical practices that has earned us the trust of millions and positioned us as a bank people can rely on.

5. Today, let us reflect on the trust we have earned through our actions and renew our commitment to upholding it. Trust is not given; it is built over time,

brick by brick, through consistent delivery of promises and unwavering integrity. Let us continue to be the custodians of this trust, maintaining the highest standards of professionalism and ethics in every interaction.

6. Furthermore, let us not forget the invaluable contribution of our retired employees. They have dedicated their years of service to the growth and success of the State Bank of India. Their wisdom, experience, and guidance continue to shape our institution and inspire us to achieve greater heights. We acknowledge their immense contributions and express our gratitude for the strong foundation they have laid for us to build upon.

7. As SBlians, we have played a pivotal role in establishing the State Bank of India as a prime institution in the banking sector. It is through our collective efforts that we have achieved this remarkable position, and it is through our continued dedication that we will retain it. Let us strive for excellence in everything we do, embracing innovation, and staying ahead of the curve to meet the evolving needs of our customers.

8. On this Bank day, I extend my heartfelt gratitude and admiration to each one of you, including our retired employees. Your commitment to exceptional customer service, adherence to the code of ethics, and dedication to maintaining the trust of the people are the pillars that support our success. Together, let us continue to be the driving force behind the State Bank of India's remarkable journey.

Stay motivated, stay determined, and continue to make us proud.■

WELFARE ACTIVITIES

FELICITATION OF RETIRED EMPLOYEES/OFFICERS INTRODUCTION OF MILESTONE AWARD

We invite a reference to our Circular No. 41 dated 14.06.2019 regarding communication to the corporate centre on the captioned subject. In the aforementioned communication, we brought to the attention of the top management the path-breaking HR initiative undertaken by certain Public Sector

Undertakings to recognize the contributions of their retired personnel by presenting a cash memento upon reaching the age of 70 years, with subsequent intervals of 5 years.

2. Recognizing the innovative approach of

WORK IS WORSHIP , DO YOUR DUTY

acknowledging the services rendered by employees/officers who dedicated their prime years to the organization, we impressed upon the management to develop a progressive welfare policy for SBI Seniors to honour and appreciate our esteemed veterans who have played an instrumental role in shaping our institution to its present stature. The issue was also deliberated in detail in Central Negotiating Council meeting.

3. We are pleased to share that the Central Board of the Bank has approved the disbursement of a one-time Ex-Gratia amount under the “SBI SALUTE” program to staff pensioners and family pensioners who have reached or will reach the age of 75 by 31st August 2023. This payment of ex-gratia to our retired employees is a part of the celebration of “Azadi Ka Amrit Mahotsav” as well as the Bank’s performance during the financial year 2022-23. The eligible staff pensioners/family pensioners have been categorized into three

groups based on their age: 75 to 79 years, 80 to 89 years, and 90 years and above. The amount of ex-gratia is determined by the scale/grade of the pensioners at the time of their retirement from the Bank’s service.

4. During their tenure at the Bank, our retired employees displayed exemplary professionalism and unwavering dedication. Their hard work and commitment have greatly contributed to the success and growth of our organisation. Their invaluable contribution will always be remembered and cherished.

5. We are extremely grateful and extend our sincere appreciation to the top management for approving the payment of Ex-Gratia under SBI SALUTE, which serves as a testament to their commitment towards recognising and honouring our retired employees. ■

PENSION RELATED ISSUES: SUGGESTIONS

Text of AISBOF Letter No. 6724/31/23 Dated 03.07.2023 addressed to the Dy. Managing Director (HR) & Corporate Development Officer, State Bank of India, Mumbai.

We most humbly invite your kind attention to a few crucial points regarding the pension-related concerns of State Bank of India (SBI) retirees for making improvement in Pension Scheme. The concerns have been communicated earlier also and discussed in detail many times including CNC meetings. We understand that HR team, under your able guidance, is already working diligently to present these matters before the committee constituted by the Government of India, Ministry of Finance.

However, we would like to emphasize the following points for your consideration:

1. Non-inclusion of SBI Pension Issues in Wage Negotiations:

It is important to note that SBI pension issues are not discussed during wage negotiations. Any amendment in the SBI Pension Fund Regulations has to be made after consultation with the Reserve Bank and with the previous sanction of the Central Government, by the Central Board of SBI. The

ceiling on pension has been revised in SBI in the past by duly following the same procedure.

2. Historical Background of Pension Ceiling:

The monetary ceiling on pension has been prevalent in the SBI Pension Scheme since the presidency days. The initial ceiling on pension for Senior Officers was fixed at ₹ 750/- and ₹1,000/-, adopting the ceilings fixed by the Bank of Bombay, which was linked to the maximum salary of the Senior Grade Officer in the Bank.

The revision of the pension ceiling for 4th and 5th BPS retirees was based on 50% of the maximum salary of the Senior Grade Officer (DMD’s) at the material time. The logic behind the fixation of a 50% ceiling on pension was to ensure uniformity and avoid sub-classification among employees. However, this pattern was changed for retirees from 6th BPS onwards, leading to an anomaly that could have been rectified by the Murmu Committee.

3. Illogical and Discriminatory Fixation Pattern:

The decision to link the fixation of the ceiling on pension to the maximum salary of Junior Management Officer (JMGs-I) in year 2006 is

arbitrary and illogical. This has created two separate classes of pensioners within the same organization, which goes against the principles of natural justice. Approximately 85% of the pensioners, including subordinate staff, clerical staff, and junior officers, are already drawing a 50% pension. However, the remaining 15% of SBI officers are deprived of this benefit, resulting in an unjust disparity.

The Murmu Committee justified the concept of a 40% pension instead of 50% after a certain pay ceiling by citing the three retiral benefits in SBI, including the employer's 10% contribution in the Provident Fund. However, this provision results in discriminatory treatment, as it provides non-contributory pension to some categories of employees and contributory pension to others. The fixation of the pension ceiling through arbitrary changes in the pattern is not permissible by law and is violative of Article 14. It leads to a sub-classification of pensioners and discriminates against the rules regulating all pensioners.

The pension ceiling should be set at 50% of the maximum salary of the Senior Grade Officer (DMD). It is worth mentioning that pensioners of all Public Sector Banks, Reserve Bank of India, NABARD, State Governments, and Central Government are already drawing a 50% pension.

4. Neutralisation of Dearness Allowance (DA) on pension for those who retired before 01.05.2005

The issue of neutralizing Dearness Allowance (DA) on pension for those who retired before 01.05.2005 remains unresolved, despite the introduction of 100% neutralization of Dearness Relief from 01.05.2005 onwards. This has resulted in a significant number of retirees who retired prior to the effective date being paid Dearness Relief based on the earlier tapered/slab system. As a consequence, these retirees are deprived of the necessary relief to cope with the escalating cost of inflation on essential commodities. Furthermore, this disparity in treatment of pensioners based on the date of retirement creates a division among pensioners.

It is worth noting that retirees from the period between 01.11.2002 and 30.04.2005 covered

under the same settlement have also not received the revision of pension to rectify this anomaly. It is pertinent to mention that e- ABs employees were paid arrears on the difference in Dearness Relief between the points of Consumer Price Index (CPI) 1684 and 1616 for the period between 01.11.2002 and the respective dates of retirement. Therefore, it is imperative that employees who retired before 01.05.2005 should receive 100% neutralization of Dearness Relief.

By ensuring the 100% neutralization of Dearness Relief for all retirees, regardless of their date of retirement, the Bank can alleviate the financial burden caused by inflation and treat all pensioners fairly and equitably.

5. Introduction of Special Allowance:

In the 10th BPS, a specific allowance called the **"Special Allowance"** was introduced to address the superannuation burden for the Management. This decision was imposed by the Indian Banks' Association due to their inability to provide sufficient cushion towards the Basic Pay, considering the substantial provision required for the Pension Fund and the industry's financial constraints. Consequently, the IBA agreed to allocate only 2% towards the load on the basic pay, while the remaining amount was granted as an Allowance. It was explicitly stated in the agreement that this allowance would attract Dearness Allowance (D.A) and would not be considered for the purpose of payment of superannuation benefits. The Special Allowance was designed as a universal allowance, provided to all officers working in the bank. It was not specific to any duty or functional role but rather extended universally across the organization.

However, a landmark judgment by the Supreme Court, while considering a batch of cases filed at various courts, clarified the treatment of allowances for the purpose of superannuation benefits. The Supreme Court's ruling established that any special allowance linked to the basic pay or forming a part of the basic pay, paid to all employees without any specific responsibility or duty attached, and paid perpetually along with the basic pay, should be considered as part of the pay. As a result, employees are entitled to receive superannuation benefits calculated inclusive of such special allowances.

Therefore, the decision of the Supreme Court holds the force of law and is applicable nationwide. Any agreement or provision that contradicts this interpretation is considered null and void, requiring appropriate action on the part of the Management to regularize the situation. It is essential for the Management to acknowledge and comply with the Supreme Court's ruling, as it sets a binding precedent and establishes the legal framework for determining superannuation benefits. By taking appropriate action to rectify any inconsistencies with the court's decision, the Management can ensure fair and just treatment for all employees in accordance with the law of the land.

6. Updation of Pension after every Wage Revision:

Currently, pension computation is based on the average monthly substantive salary drawn during the last twelve months of pensionable service. However, if the ceiling on pension is not revised after every wage revision, the resulting pension amount would be significantly lower than the eligible amount based on the revised pay scales and allowances. The employees, both Officers and Award Staff, who retired during earlier wage revision periods such as prior to 1993, 1993-1997, 1997-2002, 2002-2007, and so on, are currently receiving considerably lower pension amounts compared to their counterparts who retired during the most recent wage revision period. This situation is particularly challenging for lower cadre employees who are struggling to make ends meet due to significantly reduced pension amounts.

The Government has previously acknowledged and addressed a similar grievance raised by its employees by accepting the need to update pensions with each revision as per the recommendations of Pay Commissions. Even in the Reserve Bank of India (RBI), pension has been updated and revised to benefit all pensioners and family pensioners of pre-01.11.2017 retirees.

We believe that the same principle should be applied to State Bank employees, given that the Government plays a pivotal role in establishing the provisions under Service/Pension Rules for them. It is crucial to recognize that every pensioner is in the final phase of their life and requires a prompt

resolution of their grievances, as well as a sympathetic and compassionate approach from the Government in addressing their concerns.

Similar to government employees, it is essential to update the pension with every wage revision or settlement. State Bank employees, who fall under the quasi-government category, should be entitled to this benefit as well. This measure would ensure fairness, parity, and an improved quality of life for all State Bank pensioners.

7. Commutation of Pension:

In the case of SBI, when an officer surrenders 180 months of pension (1/3rd), they receive a commutation amount equivalent to 78 months of pension (1/3rd). This implies that SBI officers pay a higher rate of discount compared to officers in other banks. Consequently, for the same amount of pension surrendered, SBI officers receive a significantly lesser amount compared to their counterparts in other banks. It is important to note that there is no financial outlay required from either the Bank or the Government in this process. The commutation amount is derived from our own pension funds, which are discounted at two different rates - one for SBI and another for other banks.

This discrepancy in the discount rates creates an inequitable situation where SBI officers are at a disadvantage compared to officers in other banks. By establishing a uniform discount rate for commutation, the Bank can ensure fairness and equality for its officers in line with industry standards and practices.

8. Availability of Sufficient Funds:

It is important to note that there is no cost implication to the Government of India, as sufficient funds are available in the Pension Fund(corpus)-more specifically known as the State Bank of India Pension Fund.

We believe that addressing these concerns would bring about significant improvements in the pension scheme for SBI retirees, ensuring fairness, equality, and justice for all. We trust in your wisdom and compassion to consider these points and take appropriate actions to rectify the existing disparities.■

REQUEST FOR PAY PARITY AND SPECIAL PAY FOR OFFICERS

Text of AISBOF Letter No. 7508 /27/23 date: 03.06.2023 addressed to The Chairman, State Bank of India Corporate Centre Mumbai-400 021.

Hope this communique finds you in good health, accomplished and excellent frame of mind. We, at the outset would like to convey our heartiest congratulations for an excellent financial upshot that our organization could achieve under the superlative stewardship of your gifted self. This unprecedented success on the other hand, as you will surely appreciate, is a testament to the dedication, hard work, and expertise of all the bank's employees, including officers and award staff and this achievement will surely put our zeal on a high node to perform even better, resulting in our organization attain new heights.

However, amidst all the celebrations of such a boastful performance, we are constrained and would like to draw your kind attention to a matter of grave concern that is being felt imminent considering the wide-ranging frustration tiptoeing amongst the officers' cadre.

Sir, as you are aware, a huge disparity between officers and workmen in terms of pay had emerged in our organisation on account of the 'special pay' granted to the later as per Career Progression Scheme of the Bank with service eligibility criteria (1 year, 8 years, 16 years, 24 years) resulting in erosion of the differences in 'pay' and superannuation benefits between an officer and a workman substantially. While undermining the principles of higher pay for higher responsibility, such disparity also goes against the dignity of an officer and defeats the very purpose of being up in the career ladder. The inherent anomalies in pay and superannuation benefits again on the one hand is resulting in huge dissatisfactions amongst the rank and file and on the other is acting as a demotivating factor for taking promotion and to take additional responsibilities apart from it betraying the thumb rule of compensation being in commensuration to work and responsibilities, which surely has been overlooked while outlining the pay differences of an officer with that of a workman employee of the bank.

Sir, we reiterate our assertive statement that this industry is an officer-driven industry and you will surely appreciate that officers, within our bank, are entrusted with greater responsibilities, ranging from managerial duties, decision-making processes, and ensuring the smooth functioning of various banking operations apart from a commitment of being available for the bank 24/7. The ambit of our roles demands a higher level of expertise, experience, and accountability. While we acknowledge the hard work of our award staff, we firmly believe that the pay structure should reflect the level of responsibility, skill and commitment required for each of the positions that steers up the bank to a different orbit of excellence.

We, therefore, are possessive in our demand for a favorable consideration and immediate action towards achieving pay parity for officers in our bank. A just and equitable compensation package will not only boost morale and motivation among officers but also will foster a harmonious working environment throughout the organization.

With this aspiration, we urge your good office to consider the implementation of a special pay for officers in commensuration with their experiences, skills, and level of responsibilities that they are expected to shoulder. Should it find a prompt implementation, this would surely acknowledge the specialized roles the officers undertake in the bank and shall act as an incentive for professional growth and organizational excellence.

Given the remarkable financial performance of our bank in the last fiscal year, we believe that the timing is opportune to address these longstanding concerns and bring about a fair and transparent compensation structure. We are confident that meeting our demands will contribute to the overall growth and success of the bank and ensure a motivated and dedicated workforce.

In the light of the aforesaid, we earnestly request an audience of yours to delve deeper into this matter and discuss potential solutions that align with the bank's vision, values, and long-term objectives. We assure you of our commitment to the success of the bank and look forward to a positive resolution that addresses the concerns raised by the Federation. ■

LET US BUILD A STRONG AND SELF RELIANT INDIA

RBI'S DECISION TO ALLOW COMPROMISE SETTLEMENT FOR WILFUL DEFAULTERS & FRAUDSTERS

Text of AIBOC Circular No. 2023/24, dated 13.06.2023 reproduced the Press Release issued jointly by AIBOC & AIBEA.

PRESS RELEASE

Date: 13.06.2023

AIBOC & AIBEA STRONGLY OPPOSE RBI'S DECISION TO ALLOW COMPROMISE SETTLEMENT FOR WILFUL DEFAULTERS

All India Bank Officers' Confederation and All India Bank Employees Association, representing the collective voice of more than 6 lakhs bank employees, vehemently criticise the recent move by the Reserve Bank of India (RBI) to allow Banks/lenders to settle loans of wilful defaulters under compromise settlement. We view the recently released RBI's **"framework for compromise settlements and technical write-offs"** as a detrimental step that may compromise the integrity of the banking system and undermine the efforts to combat wilful defaulters effectively.

As key stakeholders in the banking industry, we have always advocated for strict measures to address the issue of wilful defaulters. We firmly believe that allowing compromise settlement for accounts classified as fraud or wilful defaulters is an affront to the principles of justice and accountability. It not only rewards unscrupulous borrowers but also sends a distressing message to honest borrowers who strive to meet their financial obligations.

RBI in its '**Prudential Framework for Resolution of Stressed Assets**' (June 7, 2019), made clear that the borrowers who have committed frauds/malfeasance/wilful default will remain ineligible for restructuring. Now this sudden change in the framework by the Central Bank to grant compromise settlements to wilful defaulters came as a shocker and it will not only lead to erosion of public trust in the banking sector but also undermines the confidence of depositors. It fosters an environment where individuals and entities with the means to repay their debts choose to evade their responsibilities without facing appropriate consequences. Such leniency serves to perpetuate a culture of non-compliance and moral hazard, leaving banks and their employees bearing the brunt of the losses.

It is worth noting that wilful defaulters have a significant impact on the financial stability of banks

and the overall economy. By allowing them to settle their loans under compromise, the RBI is essentially condoning their wrongful actions and placing the burden of their misdeeds on the shoulders of ordinary citizens and hardworking bank employees.

Moreover, as per the framework, the Bank Boards have been authorized to grant such leniency as they deem fit, for compromise settlements of wilful defaulters. The Standing Committee on Finance recommended in Feb 2016 for accountability of nominee Directors of RBI / Ministry on the Bank Boards as well as the CMDs / MDs of Banks. The list of top wilful defaulter as suggested by the Standing Committee is yet to be published. It is pertinent to note that none of the Boards of these Banks have Employee/Officer Director appointed by the Government. Despite the statutory & regulatory provisions, the Government is yet to appoint the Workmen & Officer Directors on Bank Boards. Many other vacancies in the Banks' Boards are also kept unfilled. Are these crucial posts kept unfilled deliberately so that the truncated Boards can approve all these compromise proposals without any opposition?

The All-India Bank Officers' Confederation and All-India Bank Employees Association call upon the RBI to review and withdraw this ill-advised decision and instead focus on implementing robust measures to hold wilful defaulters accountable for their actions. RBI should make list of the wilful defaulters public, introduce stricter penalties, enhanced scrutiny, and a more proactive approach to identify and prevent potential defaulters.

Additionally, we urge the RBI to prioritize the protection of the interests of honest borrowers and depositors who rely on the integrity of the banking system. The banking sector plays a crucial role in the nation's economic growth, and any compromise that undermines its stability and credibility is undesirable. ■

DUTY FIRST, RIGHT NEXT

MEETING OF UFBU WITH IBA ON RESIDUAL ISSUES HELD ON 21.06.2023

Text of AIBOC Circular No. 2023/25, dated 22.06.2023 reproduced the text of Letter No. UFBU/ 2023/08 dated 22.06.2023.

1. UFBU meeting: Meeting of the UFBU was held yesterday in Mumbai preceding the meeting with the IBA. All the constituent unions were present. The meeting discussed the important issues which are pending resolution viz. introduction of 5 banking days per week, updation of pension, restoration of old pension scheme for employees/officers joined the Banks after 1-4-2010, commencement of negotiations on our charter of demands for next wage revision settlement/Joint Note, need for adequate recruitment of clerical staff, sub-staff and part time employees. The opinion emerged in the meeting that since there is delay over these issues being resolved and IBA not taking serious efforts, we should take a decision for agitational programmes. However, it was felt that the decision can be taken in the next meeting in view of the slated discussions with the IBA in the afternoon and looking to the response of the IBA during the discussion.

2. Discussions with IBA: In the afternoon, as scheduled, there were discussions between IBA and UFBU on various issues:

Medical Insurance Scheme: Regarding medical insurance scheme, in continuation of our letter to IBA, we submitted our suggestions in detail like clubbing the policies of in-service employees and retirees, working out a base policy with defined risk coverage, graded bed charges, cap on reimbursement for certain specified treatments like cataract operation, old age ailments, etc., and premium for this base policy to be borne by the Banks and further Top Up schemes on optional basis for which the additional premium will be paid by the retirees, method to avoid GST on the premium, etc. IBA assured to examine these suggestions.

IBA suggested that in order to involve more insurance companies/bidders which will result in their quoting more favorable premium rates, we may consider working out a uniform policy for the retirees along with a uniform policy for the in-service employees

and the quotations may be obtained at each Bank level or alternatively reimbursement of hospitalization expenses by the management instead of taking a policy cover. We have informed that these issues require further discussions before taking a decision. IBA informed that they would further discuss among themselves.

TPAs: We brought to the attention of the IBA about the problems faced by employees, officers and retirees with some of the TPAs whose services are not satisfactory. We informed the IBA that while finalizing the Policy with the Insurance Company, these problems should be properly addressed. Regarding complaints that TPAs are again and again asking for original bills even after the same is already submitted to them. IBA agreed to evolve a separate system in the HRMS where the original bills can be uploaded online and authorized by the Managers.

5 Banking Days per week: We informed the IBA there seems to be no development with regard to our demand for introduction of 5 banking days per week after the mutual discussions held on 28-2-2023 and there is growing anxiety amongst the rank and file over the delay in resolving this important issue. IBA assured that the matter is receiving their best attention and the same is very much in process. We conveyed our dissatisfaction over the delay and that it is difficult to keep further patience in this regard.

Updation of Pension and improvement in Pension Scheme: We raised the issue of updation of pension and also referred to the Committee set up the Government in regard to various pension-related issues in SBI. IBA informed that they are quite seized of the matter and to discuss the issue further. We also took up the issue of DA neutralization on pension for pre-November, 2002 retirees and emphasized that this issue also needs to be resolved amicably.

Charter of Demands for 12th BP Wage Revision: We informed the IBA that despite the assurances during the conciliation meeting and

subsequent discussions with IBA, the IBA has not commenced the negotiations on our Charter of Demands and the delay is a matter of concern to us. After discussion, IBA indicated that the negotiations may commence by mid-July, 2023.

Adequate Recruitments in Banks: We pointed out that there is acute shortage of staff in clerical, sub-staff and part-time cadres which is resulting in heavy workload on the staff, pressure on the

officers, deficiencies in customer services, etc. and hence Banks should resort to adequate recruitments. IBA stated that recruitments is a bank-level issue and hence IBA has no role in the matter. We did not agree with the IBA.

Further developments will be informed in due course. It has also been decided to hold the next meeting of the UFBU at the earliest to decide further on these issues.■

163rd WORKSHOP ON DISCIPLINARY AND VIGILANCE PROCEEDINGS BY “NATURE”

The 163rd Workshop on Disciplinary and Vigilance Proceedings organized by NATURE, a wing of AISBOF, on 10th & 11th June 2023 was successfully conducted in the beautiful city of Chandigarh. The workshop was attended by a vibrant team of 41 senior defense representatives from 14 circles. It was a remarkable event that provided valuable insights and practical knowledge on disciplinary proceedings.

2. The workshop commenced with the inaugural ceremony presided by Com. Rupam Roy, President AISBOF, General Secretary North East Circle, and General Secretary AIBOC. The event was inaugurated by lighting the traditional lamp, symbolizing the enlightenment of knowledge. We were honored to have amongst us esteemed dignitaries Dr. P S Jaswal, Vice Chancellor of SMR University NCR Delhi-Haryana Sonapat, and Dr. Nistha Jaswal, Vice Chancellor of Himachal Pradesh National Law University Shimla for adding great value to the event. A special mention goes to Com. G Kishore Kumar, Sr. Vice President Federation & President Amarvathi Circle, and the Dy. General Secretaries of the Federation, Com. S. Appa Swamy (President Hyderabad Circle), Com. Asitava Kundu (President, Bengal Circle) and Com. T. Biju (President Kerala Circle) for their active participation.

3. Com. Deepak Kumar Sharma, the General Secretary of the Federation, extended a warm welcome to all the guests and participants, expressing his hopes for a memorable and productive workshop. He emphasized the

significance of the workshop, which aimed to provide valuable insights and practical knowledge on disciplinary proceedings. The esteemed speakers, Professor (Dr.) Paramjit Singh Jaswal and Professor Nistha Jaswal, were introduced by him as authorities in disciplinary and staff matters, with vast experience and knowledge in the field.

4. Professor (Dr.) Paramjit Singh Jaswal, the Vice Chancellor at SRM University, Haryana-Delhi-NCR, Sonapat, has expertise in Constitutional Law, Administrative Law, Human Rights, and Environmental Law. His immense knowledge on staff matters and experience made him an invaluable asset for the workshop. Professor Nistha Jaswal, the first woman Vice-Chancellor of Himachal Pradesh National Law University, Shimla, has specialization in Constitutional Law, Administrative Law, Human Rights, and Environmental Law. Her extensive administrative experience and research contributions enriched the workshop.

5. The esteemed guests were honored and recognized for their contributions to the workshop, and Sh. Sanjiv Sharma (Banka), the former Vice President of SBIOA Chandigarh Circle, was felicitated for his selfless services and pivotal role in making the event a reality.

6. Com. Deepak Kumar Sharma also expressed his sincere appreciation for the President, General Secretary, and the entire committee of SBIOA Chandigarh Circle for their exceptional hospitality and impeccable arrangements.

7. Disciplinary proceedings, being a complex and multifaceted area, demand careful consideration and expertise. The workshop aimed to equip participants with innovative ideas, a pragmatic approach, and a comprehensive understanding of the legal aspects governing disciplinary cases. The guidance and wisdom of Com. Rupam Roy, the young, dynamic, and innovative President of the Federation, in his opening remarks was instrumental in providing fresh perspectives and valuable strategies to navigate the challenges in disciplinary matters.

8. The workshop included enlightening sessions by Professor (Dr.) Nistha Jaswal on the principles of natural justice, organizational biases in disciplinary proceedings, and the impact of trauma on individuals and their families on account of suspension. Professor (Dr.) P. S Jaswal, in his unique style, briefed participants on the disciplinary proceedings process, essential elements of charge sheets, evidences, hearings, punishments, and other crucial aspects.

9. Participants actively engaged in discussions and an open house session where the esteemed speakers responded to queries and cited examples and court judgments. A case study was also

conducted to evaluate various aspects of disciplinary proceedings.

10. The workshop concluded on a high note with the distribution of certificates to all participants. Com. S. Appa Swamy and Com. Jagdish Pal shared their feedback on behalf of the participants. The Vote of Thanks was presented by Com. Sanjay Kumar Sharma, the General Secretary of the Chandigarh Circle.

11. We extend our gratitude to all the participants, speakers, and organizers for their active involvement and valuable contributions. This workshop has undoubtedly strengthened the Federation and paved the way for enhanced knowledge and growth. It was yet another milestone traversed by the Federation in its relentless effort to equip, train and to infuse cutting-edge technical expertise in an army of defense representatives who can provide aid to the charge sheeted officers in their hour of distress and bring relief and succor to their traumatised families.

12. Let us continue to uphold the principles of fairness and justice in our organization and make a significant difference in the lives of our members. Together, we can resolve disciplinary issues with integrity and compassion in an effective manner.■

Subscribe to		<i>Registered news paper</i>
OFFICERS' CAUSE	DOMESTIC ENQUIRY	
SUBSCRIPTION	SUBSCRIPTION	
<i>Annual : ₹.40/-</i>	<i>Annual : ₹.40/-</i>	To:
<p><i>Drafts should be drawn in favour of</i></p> <p>All India State Bank Officers' Federation</p> <p>and mailed to</p> <p>The General Secretary</p> <p>ALL INDIA STATE BANK OFFICERS' FEDERATION</p> <p>State Bank Buildings, St.Mark's Road, Bangaluru-560001</p> <p>☎ : 080 22211006: Fax : 080 22214959</p> <p>E-mail: aisbofbangalore@gmail.com</p> <p>Website: http://www.aisbof.org</p>		<p>If Undelivered please return to:</p> <p>ALL INDIA STATE BANK OFFICERS' FEDERATION</p> <p>St.MARK'S ROAD, BANGALURU - 560 001</p>