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JULY - 2026

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REQUISITION AND DEPLOYMENT OF BANK OFFICERS AND EMPLOYEES FOR NON-BANKING DUTIES

Text of AIBOC Circular No. 2026/36, dated 4.06.2026, Reproduced UFBU has sent a communication to the Secretary, Department of Financial Services ,Letter No. UFBU/2026/03, Dated:04.06.2026,Adddressed to The Secretary,Department of Financial Services, Ministry of Finance, Government of India,Jeevan Deep Building, Sansad Marg, New Delhi – 110001.

Dear Sir,

Subject: Requisition and deployment of Bank Officers and Employees for non-banking duties

On behalf of the United Forum of Bank Unions (UFBU), the apex coordinating body of the nine major officer and workmen organisations in the banking industry, through the communique seek to place before your good office a matter of growing and serious concern regarding the increasing tendency to requisition officers and employees of Public Sector Banks for non-banking duties.

The immediate occasion for this representation is to express our concern on appointment of serving Bank Officers / Employees as an 'Enumerator' or 'Supervisors 'for conduct of Census 2027 in various parts of the country. As an illustration, we would like to refer the orders issued by the Office of the Election & Census Department, Surat Municipal Corporation and by the Chief District Census Officer / District Magistrate, Ghaziabad, among several others asking for immediate release of officers/Employees enlisted for requisition enumerating the consequences on failure to report. While we Bankers hold the Census as an exercise of fundamental national importance, in the highest regard, this appointment is symptomatic of a wider pattern of routinely diverting bank personnel from their core duties without adequate consideration of the operational realities of the banking sector.

This concern is not relating to any one-time affair or an isolated instance but the fact remains that the Bank Employees are of late being requisitioned for such duties of and on causing a humongous distress to individual career progress as well as the Bank businesses. As evidenced in the case of engagement of bank employees in Special Intensive Revision (SIR) exercise in west Bengal for an extended period from December 2025 till February 2026 to perform the role of Electoral Roll Micro Observers (ERMO) made an irreparable dent in the performance matrices of the officers and tolled heavily in the performance of the Bank as a whole. The particular deployment for the SIR, involving more than 600 employees was marked by prolonged absence from duty during the critical quarter-end and year-end cycles causing opportunity loss for the bank in a very critical juncture. Further, the inconsistent and inequitable payment of compensation and TA/DA across phases, absence of clear reimbursement and insurance protocols, short-notice movement to distant and unfamiliar locations and a lack of protective safeguards for Banking related individual performance evaluation has caused enormous setback in the individual career of the Bank employees as well. It might not out of place to mention that these deployments are contrary to the instructions of the Election Commission of India (ECI) vide their letter No. 464/ INST/EPS/2023(Election Official) dated 07.06.2023, which specifically state that employees of banks and LIC should be drafted for regular election duty only to the minimum extent possible, so that the regular activities of these institutions are not hampered and the spirit of such instruction to find its application in any such duties allocated to bankers which are otherwise outside the ambit of his defined duties and when bank employees/officers are obliquely responsible for upholding the economic prosperity of the nation.

We find genuine ground to apprehend that the same pattern of ad hoc and prolonged requisitioning is being extended to Census Duties and to other non-banking assignments across States as well. It is in this context that we respectfully submit the following for your kind and holistic consideration.

1.Public Sector Banks are already functioning under severe staff constraints while delivering critical national responsibilities.

As you are aware, Public-Sector Banks are already operating under severe staff constraints. Despite shortages in manpower, bank employees are continuously discharging critical responsibilities and implementing numerous flagship schemes and public welfare initiatives of the Government of India, including Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Mudra Yojana (PMMY), Stand-Up India Scheme, PM SVANidhi Scheme, Atal Pension Yojana (APY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Direct Benefit Transfer (DBT) programmes, Social Security and Financial Inclusion initiatives, Digital Banking and Digital Payment promotion and Credit-linked Government-sponsored schemes for MSMEs, agriculture, and priority sectors.

While Banks are expected to maintain uninterrupted customer service, financial inclusion activities, credit delivery, government transactions, pension payments, and compliance-related functions, these responsibilities have substantially increased in recent years without a corresponding increase in manpower.

2.Bank employees already work well beyond normal banking hours; additional non-banking duties would impose an excessive burden.

It is pertinent to mention that bank employees routinely work well beyond normal banking hours to complete customer service, regulatory compliance, reporting, reconciliation, and government-related assignments. Requiring them to undertake additional census duties would impose an excessive burden and may adversely affect both employee welfare and banking services. Further, such additional deployment raises serious concerns regarding working hours, employee welfare, and the ability of banks to discharge their statutory and public obligations efficiently.

3.Bankers have always risen to the call of the Nation.

The banking fraternity has never been found wanting whenever the Nation has called upon it. Bankers worked as financial soldiers through the most demanding national exercises, be it demonetisation, where branches and staff bore an extraordinary load, or the COVID-19 pandemic, when bank employees kept counters open and credit flowing while much of the country remained at a standstill. They have also driven unprecedented financial inclusion through record Jan Dhan account openings. This proven commitment, however, makes it all the more important that their goodwill is not stretched into routine and prolonged diversion from essential banking work.

4.Non-banking deployment harms both the individual officer and the Bank's measured performance.

Prolonged deployment of bank officers and employees for non-banking duties has serious adverse consequences at both the individual and institutional levels. At the individual level, the officers and employees concerned are often compelled to incur personal expenditure towards travel, accommodation, food, and other incidental requirements. In addition, they face avoidable mental stress, disruption of their routine official responsibilities, and difficulty in discharging their regular duties effectively apart from achievement of budgetary growth in their respective assignments. At the institutional level, such diversion of manpower directly affects the operational and business performance of the Bank. The performance parameters applicable to officers, branches, and administrative offices are not correspondingly relaxed during the period of such deployment. Business targets, compliance obligations, audit preparedness, reporting requirements, customer-service standards, and other measurable deliverables continue to be assessed on the same benchmarks, even though the concerned officer or employee remains physically unavailable at the workplace for extended periods.

This results in an unfair and demoralising situation wherein officers and employees are made answerable for outcomes over which they have no effective control. Consequently, the Bank's overall efficiency, customer service, business growth, and competitive position are adversely affected, particularly when private sector competitors are not subjected to similar diversion of manpower.

In light of the above, we earnestly request your good office to take a holistic view of the entire issue of deploying bank officers and employees for non-banking duties, whether census, election, or other Government assignments, and to consider issuing appropriate directions so that:

1. Requisitioning of bank personnel for non-banking duties is restricted to the minimum extent genuinely necessary, treated as a measure of last resort, having regard to the prevailing manpower constraints in Public Sector Banks. We request that the instructions in the above mentioned ECI letter be followed in letter and spirit in terms of requisition of Bank officials for Census related job as well.

2. Officers and employees so deputed are protected in their performance assessment, with explicit rationalisation of targets and non-penalisation under performance parameters for the period of engagement. The period of deployment should be treated as duty for all purposes, and no adverse entry, performance penalty, or loss of promotional opportunity should arise on account of such forced diversion.

3. DFS issue comprehensive advisory to all State Governments, District Magistrates, Municipal Corporations, Census authorities, and Election authorities that bank personnel should not be requisitioned routinely and that any unavoidable requisition must follow uniform safeguards.

We wish to reiterate that the banking community remains fully committed to its national and constitutional responsibilities. Our submission is only that this commitment cannot be allowed to come at the cost of citizens' banking services, the operational stability of the Bank, and the welfare of its officers and employees. A balanced and holistic approach will serve the larger public interest far better than continued ad hoc diversion.

We shall be grateful for your kind and early intervention in the matter.

Thanking you.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
AIBEA	AIBOC	NCBE	AIBOA	BEFI	INBOC	INBEF	NOBW	NOBO

Com. M. Balakrishnan, Former President, AISBOF – A Towering Trade Union Leader bids adieu

It is the sunny morning of June the 12th that overshadowed by the cloud of eternal grief, accentuating an untimely sunset heralding the sadful demise of Com. M. Balakrishna, the champion of trade union movement who dared to mark a footprint on the roads less travelled and at times unexplored.

The sadful event left our heart choked and tongue wanting to convey the message to our members just to enable them pay a last homage to the connoisseur Com. M. Balakrishnan the former President of AISBOF, General Secretary of SBIOA (Chennai Circle) and one of the most distinguished crusaders of the Officers' Trade Union Movement. With his attaining the eternal peace, the trade union movement as a whole and the Bank Officers' fraternity in particular has lost one of its most galactic leaders, an accomplished negotiator, a gifted orator, a committed organizer and above all, a tireless champion of the cause of bank officers.

Com. M. Balakrishnan joined the State Bank of India on 16th July 1962 as a Clerk and was promoted to the Officers' Cadre on 11th November 1968. From the very beginning of his banking career, he displayed an exemplary commitment to the trade union movement and dedicated his life for safeguarding the interest of the officers' fraternity and for strengthening the organization.

He served SBIOA, Chennai Circle, in various capacities and was elected as General Secretary in May 1986, a position he held with exceptional distinction and dedication. His archetypal leadership and organizational abilities earned him recognition all across the country. He was co-opted as President of AISBOF on 1st September 1997 and was subsequently elected to the position by the General Council. Throughout his illustrious journey in the trade union movement, Com. Balakrishnan held several important positions, including Vice President of AISBOF, State Secretary of AICOBOO, Executive Committee Member of AIBOC, and Joint Secretary of AIBOC. His profound understanding of service conditions, wage structures, and industrial relations enabled him to effectively resolve members' issues and secure significant collective bargaining gains for officers. A master strategist and an exceptional negotiator, he possessed the rare ability to combine deep technical knowledge with practical wisdom. His contributions towards improving service conditions, addressing anomalies and protecting officers' rights remain landmarks in the history of our movement.

As a Defence Representative, he guided and defended countless of officers during difficult times and trained numerous activists in disciplinary proceedings and defence representation. His expertise extended beyond our organization and benefited the broader banking trade union movement.

An eloquent speaker and inspiring educator, Com. Balakrishnan was a respected faculty member and resource person in several educational and training institutions. He also played a significant role in the growth of the SBIOA Trust and the SBIOA Institute for Trade Union Education and Research, where he nurtured future generations of trade union leaders.

His lifelong commitment to cooperative institutions and his active participation in the historic struggles of the banking fraternity, including the Indefinite Strike of 1969, reflected his resolute dedication to the principles of trade unionism. The life of Com. M. Balakrishnan stands as a shining example of commitment, sacrifice, integrity and service. His immense contributions have left an indelible imprint on AISBOF and the officers' movement across the country. His demise has created a void that will be difficult to fill. However, his ideals, wisdoms, and contributions will continue to inspire generations of trade union activists. His name shall forever remain etched in golden letters in the glorious history of our Federation. AISBOF pays its respectful homage to this legendary leader and dips its Federation Flag as a mark of mourning and respect. We convey our heartfelt condolences to the bereaved family and pray to the Almighty to grant them strength and courage to bear with this irreparable loss. Com. M. Balakrishnan will continue to live in our hearts, shall remain ever fresh in memories and in every struggle, we venture into, he shall be one of the guiding ideals that shall lead us to the light of dignity. ■

CAREER PROGRESSION POLICY FOR SPECIALIST OFFICERS AIBOC SUBMITS DETAILED REPRESENTATION TO SECRETARY, DFS

Text of AIBOC Circular No. 2026/38, dated 10.07.2026,

The Department of Financial Services (DFS), Ministry of Finance, vide its letter dated 17.03.2026, circulated a Career Progression Policy for Specialist Officers to all Public Sector Banks, forwarded by the IBA vide Circular No. HR & IR/PLI/2025-26/3095 dated 27.03.2026 for adoption with Board approval.

The Confederation has examined the policy in depth, along with the bank-level implementing circulars and the representations received from Specialist Officers across affiliates. While its stated objectives of uniformity and transparency are unexceptionable, several provisions are restrictive and retrograde, and the complete silence on recruitment into the specialist cadre is unacceptable. Accordingly, we have submitted a comprehensive representation to the Secretary, DFS, with a copy to the Chairman / Chief Executive, IBA, seeking that the policy be kept in abeyance and referred to the IBA for structured consultation with the officers' organisations, together with a clear specialist recruitment and succession plan. The full text is reproduced below for the information of members.

Affiliates and State Committees are requested to circulate this widely, particularly among Specialist Officers, and to forward any bank-level implementing circulars and members' representations to strengthen our follow-up. The Confederation shall pursue the matter earnestly with DFS and IBA at every appropriate forum, and developments shall be advised in due course.

Ref. No. AIBOC/2026/14, DATED 10.07.2026,Addressed to,The Secretary, Department of Financial Services,Ministry of Finance, Government of India, Jeevan Deep Building, Parliament Street, New Delhi – 110 001.

Respected Sir,

Sub: Career Progression Policy for Specialist Officers circulated vide DFS letter dated 17.03.2026 and IBA Circular No. HR & IR/PLI/2025-26/3095 dated 27.03.2026 - request for review, withdrawal/ modification of restrictive provisions and consultative finalisation.

At the outset, we acknowledge the stated objectives of the policy, uniformity, transparency and enhanced career opportunities for Specialist Officers across Public Sector Banks. These are objectives the Confederation wholeheartedly shares. It is precisely because we share them that we consider it our duty to place before you, certain provisions which, in our considered assessment, may operate contrary to those very objectives, as well as our respectful concerns regarding the manner of the policy's finalisation.

1. Human resource matters, including promotion and career progression policies, have traditionally been formulated by the Boards of individual banks in consultation with the officers' organisations. This arrangement is consistent with the statutory scheme of the Banking Companies (Acquisition and Transfer of Undertakings) Acts, with the Government's own vision of "Minimum Government, Maximum Governance", with the assurance of non-interference recorded in the Department's Office Memorandum dated 13.01.2015 following the Hon'ble Prime Minister's interaction with the chiefs of Public Sector Banks, and with the recommendations of the P. J. Nayak Committee on Board empowerment, which the Indradhanush framework and the EASE agenda have sought to carry forward.

2. When a largely finalised policy framework is forwarded to the Boards for adoption, with substantive issues having been determined centrally and only procedural aspects left to the Boards' discretion, the effective role of the Boards under the statute, as well as under the Government's own reform vision may get somewhat constrained. We would, therefore, respectfully urge that the framework be treated as indicative in nature, leaving its substantive design to the respective Boards through the established bipartite machinery.

3. On the substance of the policy, we request a review of the following provisions:

a. **Mandatory CAIIB for conversion [Cl. 3.4]:** Officers recruited for their domain expertise are required to qualify in an examination outside their discipline. The existing qualifications, coupled with the prescribed years of service and field experience, would adequately serve the purpose; JAIIB/ CAIIB may appropriately be incentivised rather than mandated.

b. **Three-year standstill after conversion [Cl. 3.3 & 3.4]:** Rendering converted officers ineligible for further promotion for three years operates, in effect, as a fresh probation upon serving officers, disturbs their seniority vis-à-vis their batchmates, and discourages the very mobility the policy seeks to enable. Officers recruited under earlier norms also merit a protective (grandfathering) provision, as the policy presently applies retrospectively to them.

c. **Conversion subject to absolute discretion [Cl. 3.4]:** Conversion is expressly stated not to be a right of the officer, the window opens only once in three years, and the selection criteria remain open-ended. We request annual windows, objective and published criteria, and due weightage for field experience already rendered. Implementing circulars issued at the bank level pursuant to the policy already illustrate the difficulty: residual clauses such as "any other criteria as decided by the Bank" leave otherwise eligible officers in a state of continuing uncertainty regarding their prospects.

d. **Progression ceilings and vacancy-linked stagnation [Cl. 3.2]:** Several categories are capped at Scale V, and the residual "Others" category at Scale IV, while progression even within these ceilings is contingent upon vacancies identified administratively. Where vacancy identification is decentralised, a single administrative determination can foreclose the career path of an entire cadre in a region. Officers may instead be afforded the option either to continue in the specialist stream, with clearly defined roles at higher scales, or to convert, according to their choice.

e. **Qualification weightages [Cl. 5.3]:** Early bank-level formulations confine additional marks to full-time courses, thereby disregarding distance and part-time qualifications acquired by serving officers, and assign only nominal marks to CA, CS, CFA, ICWA and Ph.D. A serving officer can seldom pursue full-time study; the framework may expressly recognise duly accredited part-time, distance and professional qualifications.

f. **Eligibility and assessment norms [Cl. 4, 5.4, 5.6 & 7]:** The 75% APAR threshold, a single merit-only channel, the introduction of Group Discussion as an additional layer, and the residual service requirement, taken together, exclude a large number of competent officers from consideration. Field specialists attached to multiple branches further contend with appraisal systems that capture the performance of only one branch, understating their actual contribution. We request suitably calibrated thresholds and appraisal safeguards for field cadres.

g. **Absence of provisions on recruitment:** The policy provides for conversion out of the specialist cadre but contains no corresponding provision for recruitment into it. In several banks and cadres, there has been no specialist recruitment for years; each conversion and retirement will further deplete the cadre, increase the workload of the remaining officers and affect their work-life balance, at a juncture when supervisory expectations on risk management, information technology and compliance are steadily rising. A recruitment and succession plan may therefore accompany the policy.

4. We would further respectfully submit that wherever service conditions of officers are affected, a well-established structure

of bilateral negotiation exists between the officers' trade unions and the Indian Banks' Association, a mechanism that has, for decades, delivered industry-level settlements and joint notes with mandates drawn from the Boards of member banks. Career progression, conversion and promotion norms squarely affect service conditions, and rightfully belong within that framework. The Confederation represents more than 3.25 lakh officers of the banking industry, among whom are tens of thousands of Specialist Officers who today find their legitimate career aspirations curtailed by the provisions indicated above, and who await a positive change in the policy and the removal of these retrograde clauses. We accordingly request the Department to keep the policy in abeyance for the present and refer the matter to the IBA for structured consultation with AIBOC and other officers' organizations, along with a clear specialist recruitment and succession plan. The Confederation assures of its fullest constructive cooperation in evolving a policy that genuinely advances the careers of Specialist Officers and thereby strengthens the Public Sector Banks.

With best regards,
Sd/-
Rupam Roy
General Secretary

AIBOC, AIBEA AND NCBE WRITES TO DFS ON INSTRUCTION TO HOLD IR MEETINGS AT BANKS WITH RECOGNISED UNIONS

Text of AIBOC Circular No. 2026/39, dated 14.07.2026,

The Department of Financial Services (DFS), Ministry of Finance, vide its letter dated 10.07.2026, instructed all Public Sector Banks including State Bank of India to hold IR meetings with all recognised unions/ associations in the banks. Three major unions/ associations viz. AIBEA, AIBOC and NCBE has sent a communication today to the Secretary, DFS protesting their illogical and autocratic instruction, copy of which has also been given to IBA, the Chairman of SBI and MD & CEOs of all Public Sector Banks.

The full text is reproduced below for the information of members. With revolutionary greetings,

Yours comradely,
Sd/-
Rupam Roy
General Secretary

Text of Letter dated 14.07.2026, Addressed to the Secretary, Dept. of Financial Services, Ministry of Finance, Govt. of India New Delhi.

Dear Sir,

Reg: Industrial Relations meetings with the Recognised Unions

This has reference to the communication No. eF.No.6/8/2014-IR dated 10th July, 2026 issued by your office to all the Public Sector Banks.

Under this communication, all the Public Sector Banks have been advised to hold periodical structured IR meetings with all the Recognised Unions in the Banks on a quarterly basis.

Public Sector Banks have long-standing bank-specific arrangements for recognition, membership/support verification and structured dialogue. These arrangements now operate subject to the Industrial Relations Code, 2020 and applicable rules. For Trade Unions, Section 14 identifies either a Sole Negotiating Union or, where no union has 51% verified support, a Negotiating Council.

Registration of a Trade Union does not by itself confer negotiating status. Trade Unions registered under the former Trade Unions Act are deemed registered under Section 9(4) of the Industrial

Relations Code, 2020, while their status as Sole Negotiating Union or constituent of a Negotiating Council is governed by Section 14 of the Code. Bank-specific recognition at different levels or for different categories may also exist under the applicable arrangements.

In this background, we request clarification that the expression "recognised unions/associations" refers to bodies validly recognised under the applicable statutory or bank-specific framework, at the relevant level and for the relevant subject, and that the DFS communication does not by itself confer recognition or negotiating status or right to hold discussions to any and every trade union in a Bank.

Existing arrangements distinguish collective or policy matters at the central/head-office level from individual grievances and local matters at circle, zonal, regional, module or other designated levels. Section 4 of the Industrial Relations Code provides a statutory grievance redressal mechanism and permits an aggrieved worker to pursue conciliation through the Trade Union of which the worker is a member.

These arrangements have evolved through long-standing bipartite negotiations, settlements, recognition agreements, verification exercises and established practice. They should continue insofar as they are consistent with the Industrial Relations Code, 2020 and the applicable rules.

Further, Government has already enacted the new Labour Codes and under the Industrial Relations Code, there are clear provisions under Section 14 which provides for Sole Negotiating Union and Negotiating Council.

The Industrial Relations Code, 2020 has been brought into force with effect from 21 November 2025. Section 14 provides for recognition of the Sole Negotiating Union, subject to prescribed criteria; a Sole Negotiating Union where one Trade Union has 51% or more verified support; or, where no union reaches 51%, a Negotiating Council comprising qualifying Trade Unions with at least 20% verified support. The matters for negotiation, verification procedure and facilities are governed by the applicable rules.

The statutory and voluntary frameworks distinguish collective bargaining from individual grievance representation. Section 4(8) permits an aggrieved worker to proceed to conciliation through the Trade Union of which the worker is a member, while Section 14 identifies the Sole Negotiating Union or Negotiating Council on prescribed collective matters.

Hence the communication of DFS under reference on holding IR meetings with all Unions other than Recognised Majority Union/Sole Negotiating Union/ Negotiating Council is violative of the IR Code.

You are aware that All India Bank Employees Association, All India Bank Officers Confederation and National Confederation of Bank Employees are the three major Apex level Trade Unions in the Banking sector and together our three organisations represent more than 80% of total number of employees and officers in the public sector Banks. Under the Code of Recognition and by bilateral agreements, our affiliated Unions are also the Recognised Majority Union in the various Banks.

Under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, there are provisions to declare the Majority Union in every Bank and there is no provision for any other recognised unions in any Bank under this Act. Hence the DFS communication under reference has created avoidable apprehensions and may lead to serious industrial disputes and conflicts.

In view of this, we request you to re-visit the decision and instruction under reference and issue revised instructions.

Thanking you,

Yours sincerely,

Sd/-	Sd/-	Sd/-
C H Venkatachalam	**Rupam Roy**	**L Chandrasekhar**
General Secy	**General Secy**	**General Secy**
AIBEA	**AIBOC**	**NCBE**

OBSERVANCE OF BANK NATIONALISATION DAY, 19TH JULY 2026 — REAFFIRMING OUR RESOLVE TO DEFEND PUBLIC SECTOR BANKING RENEWING THE LEGACY OF 57 YEARS, SHAPING THE FUTURE

Text of AIBOC Circular No. 2026/40, dated 17.07.2026,

Every year, July 19th serves as a powerful reminder that bank nationalisation was not just an economic policy decision; it was a pivotal moment in India's developmental journey. It reaffirmed that banking should serve the broader interests of society, balancing commercial viability with social responsibility. The philosophy of public sector banking remains even relevant today, as financial institutions are expected to promote both economic growth and financial inclusion in an increasingly complex global environment.

Over the past five and a half decades, public sector banks have evolved into resilient institutions that consistently support the nation's developmental priorities while adapting to changing economic and regulatory landscapes. Their strength comes not only from capital and technology but also from the professionalism, integrity, and unwavering commitment of generations of bank officers and employees and the most importantly from the citizens of the country. This enduring legacy serves as the foundation for the future of Indian banking.

The banking industry is now entering another significant phase of transformation. Advancements such as artificial intelligence, digital banking, platform-based financial services, increasing competition from fintech, cyber security threats, data governance, and shifting customer expectations are fundamentally reshaping banking operations. At the same time, bank officers are facing increasing compliance burdens, shrinking manpower, expanding responsibilities, heightened regulatory scrutiny, and growing workplace stress. Our challenge is not merely to adapt to these changes but to ensure that this evolution remains humane, equitable, and professionally sustainable.

The increasing focus on measuring banking solely through short-term financial indicators, aggressive business targets, and technology-driven efficiency risks undermining the very values that have made public sector banking a trusted institution. Human judgment, ethical conduct, institutional memory, and customer confidence cannot be replaced by algorithms alone. Although modernization is essential, it must strengthen—not weaken—the human foundations of banking.

AIBOC has always played the leading role to save the banking industry and its public sector character. At this critical juncture, AIBOC's responsibility extends beyond safeguarding the service conditions of bank officers. As the leading organization representing the 300,000 plus leadership cadre of public sector banking, AIBOC must also serve as a thought leader in shaping future discussions on banking reforms. Our engagement should encompass not only industrial relations but also broader issues such as responsible AI adoption, ethical digital transformation, human-centric technological innovation, robust cyber security resilience, sustainable human resource policies, financial inclusion, governance standards, and the preservation of the developmental role of public sector banks. The Confederation will provide policymakers, regulators, and bank management with constructive, research-based, and forward- looking perspectives that balance efficiency with equity, innovation with inclusion, and growth with social responsibility.

The future of Indian banking will be shaped not only by technological advances but also by the quality of its institutions, the competence of its people, and the wisdom of its policies. Inspired by the ideas of bank nationalisation and strengthened by decades of collective struggle, AIBOC will remain vigilant, proactive, and intellectually engaged in addressing every emerging challenge facing the banking sector. On this 58th Bank Nationalisation Day, let us reaffirm our commitment to organizational unity, professional excellence, and public service, as we prepare to lead the conversations that will shape the next generation of Indian banking. Together, let us ensure that the values that inspired the nationalisation of banks continue to guide banking reforms for decades to come.

On this momentous occasion, AIBOC reaffirms its unwavering commitment to the ideas of bank nationalisation, which transformed class banking into mass banking. The current state of the nation's development trajectory strongly demands market expansion, which can only be achieved by providing scarce credit resources to identified priority sectors instead of supporting crony capitalists. The reintroduction of a democratic autonomous culture, a continuation of time-tested policies regarding bilateralism and industrial relations, and a return to the core business philosophy enshrined in the ideas of nationalisation will ensure the survival of public sector banking and the spirit of July 19th.

AIBOC extends warm greetings to all stakeholders and calls upon all our affiliates, state units, and district units to observe the bank nationalisation fortnight with due gravity and solemnity.■

[2018 (159) FLR 984]
(SUPREME COURT)
ABHAY MANOHAR SAPRE AND INDU MALHOTRA, JJ.
Civil Appeal No. 1977 of 2010
November 2, 2018
Between
MANAGEMENT OF SRI RAMNARAYAN MILLS LTD.
and
SECRETARY, COIMBATORE DISTRICT TEXTILE WORKERS UNION (HMS) and others

Industrial Employment (Standing Orders) Act, 1946—Certified Standing Order—Break in service—Prayer of the appellant-employer to add one more ground namely "break in service" in clause 16 of the Certified Standing Orders in the Chapter of 'punishment'—Application of the employer allowed by the Joint Commissioner—Labour Court allowed plea of the workers union that amendment sought to be introduced was unreasonable and arbitrary—Single Judge and Division Bench declined to interfere with the judgment of the Labour Court—Existing grounds enumerated in clause 16 of the Certified Standing Order sufficient to take care of misconduct committed by an employee—New ground if allowed may be misused by the employer—Even absence of single day may be treated as break in service—That would defeat very object of the Payment of Gratuity Act—No good ground to take different stand—Appeal dismissed. [Paras 12 to 18]

JUDGMENT

ABHAY MANOHAR SAPRE, J. —This appeal is filed against the final judgment and order dated 13.8.2007 passed by the High Court of Judicature at Madras in W.A. No. 2675 of 2002 whereby the Division Bench of the High Court dismissed the Writ Appeal and affirmed the order of the Labour Court and Single Judge.

2. Facts of the case lie in a narrow compass. They, however, need mention in brief *infra* to appreciate the short controversy.

3. The appellant is a limited company having its mill in Coimbatore . The appellant being an employer applied to the Joint Commissioner of Labour (respondent No. 3) praying in their application that they be allowed to add one more new ground namely "break in service" in Clause 16 of the Chapter of Punishment in Certified Standing Orders in addition to the existing grounds specified therein.

4. In other words, the appellant's prayer was that if any employee commits "break in service" in any year, then it should be regarded as one of the ground for punishment enabling the employer (appellant) to take action against such employee under their certified standing order. They, therefore, prayed that they may be allowed to add this new ground in Clause 16 of the Chapter of Punishment in Certified Standing Orders.

5. On 2.4.1992 the third respondent (Joint Commissioner of Labour) allowed the said application of appellant and permitted them to amend their certified standing orders by adding "break in service" as one new ground in Clause 16 of the Chapter of Punishment in Certified Standing Orders.

6. The Workers' Union (respondent No. 1) felt aggrieved by the order dated 2.4.1992 filed appeal in the Labour Court . By order dated 6.2.1995, the Labour Court allowing the appeal and setting aside the order dated 2.4.1992 held that if the proposed amendment is allowed, it would cause immense prejudice to the rights of the workmen and further the employer would likely to misuse this new ground of punishment mostly for their benefit. It was also held that apart from these two reasons, it would also defeat the object of the Payment of Gratuity Act while calculating the employee's continuous service as defined under the Payment of Gratuity Act which provides for different modes of calculation.

7. The appellant felt aggrieved of the order of the Labour Court and filed the writ petition in the High Court at Madras questioning therein the legality and correctness of the order of the Labour Court . By order dated 19.07.2002, the learned Single Judge dismissed the appellant's writ petition which gave rise to filing of the intra-Court appeal by the appellant (employer) before the Division Bench of the High Court.

8. By impugned order, the Division Bench dismissed the appeal and affirmed the order of the Labour Court and Single Judge. It is against this order; the appellant (employer) has felt aggrieved and filed the present special leave to appeal in this Court.

9. So the short question which arises for consideration in this appeal is whether the Courts below (Labour Court, Single Judge and the Division Bench) were justified in rejecting the application filed by the appellant (employer) to the Joint Commissioner of Labour (certifying officer) seeking therein a permission to add one more new ground *i.e.* "break in service" in Clause 16 of the Chapter of Punishment in Certified Standing Orders.

10. Having heard the learned Counsel for the parties and on perusal of the record of the case and the written submissions, we find no merit in this appeal.

11. The Division Bench dealt with this issue in Para 6 of the impugned order which reads as under:

"We have considered the above submission of the learned Counsel for the appellant. In fact, what is sought for is to include 'break in service' as one of the punishment under Clause 16 of the Standing Orders. To say in other words, if the workman does not come for duty, for any reason, break in service will be effected for such period of absent. By permitting the appellant to modify the Standing Order so as to include the break in service as one of the punishment, in fact, will enable the appellant to exercise the power to impose the punishment in an arbitrary manner i.e., if an employee is punished for the absence in accordance with the existing Standing Order, continuity of service of the employee is not disrupted whereas, if the appellant is permitted to modify the Standing Order so as to include the break in service as also one of the punishment, even a half day absent from duty in a year of 12 months, will give an opportunity to the appellant to take disciplinary action against an employee concerned at the end of the year and to impose a punishment of break in service, which will have a consequence of depriving the employee's right to get gratuity for that particular year. When so many other punishments have been enumerated under Clause 16 of the said Standing Order, there is no need to include the punishment of break in service as one of the punishments. In fact, permitting the appellant to include 'break in service' as one of the punishment, defects the object of the Payment of Gratuity, that is to say, as per Gratuity Act, on completion of every continuous service of 5 years, an employee is eligible to get the gratuity. As referred above, if for a particular period of absents, to say for a day also, this proposed modification enables an employer to impose a punishment of break in service. Consequently, for that particular year, an employee will not get gratuity inspite of the fact that he had worked for 12 calendar months. Now, only 240 days shall be taken into account and not 240 days attendance shall be taken into account. As such, if the modification is allowed, the future right of the employee to get a gratuity for a particular year will get affected. Apart from this, if an employee, for certain reasons beyond his control, was forced to be absent even for a day, he can be imposed with the punishment of break in service which will have consequence on his gratuity. That apart, if an employee has to be punished for the absent as referred above. The punishment of either censure, reduction in rank or payment cut etc. may be imposed and continuity of service of that employee is not disrupted. If the appellant is permitted to include break in service also as one of the punishment, even for one day or half a day absent from duty in a year of 12 months, will give power to the appellant to impose the punishment of break in continuity of service in order to deprive the employee's right to get the gratuity for that particular year. In fact, this proposed amendment is against the welfare of the employee and as rightly held by the learned Single Judge, besides, this can be exercised in an arbitrary manner, consequently, the employees will be penalized. That apart, as rightly held by the learned Single Judge, on the appreciation of the entire materials, the Labour Court has arrived at a factual conclusion that the amendment sought for, namely, inclusion of break in service in Clause 16 is unreasonable and it would be possible for the Management to act arbitrarily. That apart, by including the break in service as one of the punishment, in fact, what the appellant intends to do is only to get an opportunity to impose punishment which will have an impact in the gratuity of the employee of the concerned year."

12. The Division Bench, in our considered opinion, rightly concluded that a "break in service" cannot be allowed as a ground by way of punishment in Clause 16 of the Chapter of Punishment in Certified Standing Orders for the following reasons:

13. Firstly, the existing grounds enumerated in Clause 16 by way of punishment are sufficient to take care of any misconduct committed by any employee and there appears no reason to introduce one more new ground in the existing grounds specified in Clause 16 for imposing a new punishment.

14. Secondly, the proposed ground, if allowed, would likely to be misused by the employer against its employees for their own benefit and detrimental to the employees' interest.

15. Thirdly, it would enable the employer to take action against its employees even in a situation where an employee is found absent even for a day and such absence will be treated as ***"break in service"*** under the Certified Standing Orders and also under the Payment of Gratuity Act. It will, therefore, be in conflict with the definition of the expression "continuous service" defined under the Payment of Gratuity Act which gives different modes of calculation for determining the continuous service for payment of gratuity amount.

16. Fourthly, such ground will, therefore, defeat the very object of the Payment of Gratuity Act which is a beneficial legislation enacted for the benefit of the employees and lastly, it is neither *bona fide* nor reasonable and nor required and hence it cannot be allowed.

17. In our opinion, we find no good ground to differ with the reasoning assigned by the Division Bench mentioned above for rejecting the application made by the appellant (employer) for adding, "break in service" as a new ground for punishment in the Certified Standing Orders. The reasons given by the Division Bench, in our view, deserve to be upheld.

18. In the light of the foregoing discussion, we find no merit in this appeal. The appeal thus fails and is accordingly dismissed. ■

Appeal Dismissed.

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