

# **CHARTER OF DEMANDS SUBMITTED BY**

**ALL INDIA BANK OFFICERS' CONFEDERATION [AIBOC]  
ALL INDIA BANK OFFICERS' ASSOCIATION [AIBOA]  
INDIAN NATIONAL BANK OFFICERS' CONGRESS [INBOC]  
NATIONAL ORGANISATION OF BANK OFFICERS [NOBO]**

**TO**

**INDIAN BANKS' ASSOCIATION, MUMBAI  
ON 21<sup>st</sup> OCTOBER 2022**

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*Released by:*



**ALL INDIA BANK OFFICERS' ASSOCIATION  
CENTRAL OFFICE, 109/10, Angappa Naicken Street  
CHENNAI-600 001**

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**ALL INDIA BANK OFFICERS' CONFEDERATION**  
**ALL INDIA BANK OFFICERS' ASSOCIATION**  
**INDIAN NATIONAL BANK OFFICERS' CONGRESS**  
**NATIONAL ORGANISATION OF BANK OFFICERS**

**The Chairman**  
**Indian Banks' Association**  
**Mumbai.**

**21.10.2022**

Dear Sir,

**CHARTER OF DEMANDS**

In continuation of past practice and norm, we are submitting herewith the detailed charter for your consideration.

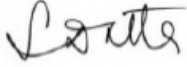
We would like the Indian Banks' Association to take into account the following:

1. Wage negotiation has to be up to scale VIII after introduction of post of Chief General Manager in major banks and the practice shall be based on the Pillai Committee recommendations which introduced 7 scales.
2. The residual issues must be settled at the outset itself before we start discussing the Charter of Demands. The record note signed during the last settlement should be the basis for this.
3. The banking industry has undergone demographic metamorphosis. Average age of a banker is now less than 40 who are highly educated, capable of shouldering enormous workload and responsibility. There is a felt need to provide better emoluments, facilities and improved service and working conditions for their retention as well as to attract fresh talent to carry forward the legacy. The multifaceted job profile of officers in banks today require management to create a well defined and congenial working condition matched with compensation that is comparable with emoluments being paid Govt. officials, RBI, LIC officials. In India, the banks implement a major part of fiscal and economic policy of the Govt. much beyond what is in practice in developed countries. Thus, the onerous responsibility in fostering growth and development of institutions which in turn fuel economic progress of the Nation, which has been vindicated during the Covid-19 pandemic has to be adequately compensated by substantial enhancement of existing salary, allowances and betterment of service conditions.
4. Work life balance has to improve with the advancement in technology. Hence, So, introduction of five day work week and regulated working hours are to be considered as top priority.
5. A strict time frame should be prepared for conclusion of the settlement and dates of all subsequent meetings should be declared in every meeting.

6. In spite of clear provision in respective Acts passed by Parliament for appointment of non workmen employee Director in Nationalized Banks and SBI, no such appointments have been made after 2015 by the appropriate authority; thereby there is no representation of major stake holders in any of the Boards of the banks. IBA should ensure legal provisions are respected and positions are filled forthwith.

We look forward to a historic settlement which will pave the way for the development of the Banking Industry and the nation.

Yours Sincerely,



(Soumya Datta)  
General Secretary  
AIBOC



(S. Nagarajan)  
General Secretary  
AIBOA



(Prem Makker)  
General Secretary  
INBOC



(Aadarsh K. M.)  
General Secretary  
NOBO

## **BROAD SUMMARY OF CHARTER OF DEMANDS**

1. Wage revision should take into account risk, responsibility, accountability and transferability of officers. Improved Basic Pay commensurate with Central Government Officers, RBI officers & LIC Officers.
2. The base date for calculation of quantum hike of ensuing settlement to be based on establishment expenditure as on 30.09.2022 as against present practice of 31<sup>st</sup> March of the year of wage revision due.
3. Revision of improvement in pay scales by merger of DA up to 01.08.2022.
4. Special Allowance, with DA as on 31.10.2022, to be merged with the existing Basic Pay.
5. Revised DA formula with provision for automatic merger with Basic Pay (as that of Central Government) and improvement in Compensation against price rise.
6. All existing Stagnation Increments up to Scale V should be converted to regular increment after one year from reaching maximum of the respective present scales. This shall also remove present anomaly in fitment on promotion.
7. Date of sanction of annual increments should be on 1st January and 1st July every year.
8. The present embargo in regard to the sanction of stagnation increment, automatic movement, increment in next higher scale and PQP in respect of those officers who have refused / took reversion / opted out of promotion should be removed. The present policy of enforcing such embargo is against the natural justice and tantamount to imposition of major penalty.
9. Upward revision of HRA commensurate with market rent.
10. Self Lease for officers to be introduced.

11. Substantial increase of CCA & Location allowance (non CCA centres) for all.
12. Learning Allowance to be enhanced substantially.
13. Closing allowance to be enhanced and paid every quarter in view of the enhanced workload performed by officers every quarter end as it is an obligatory requirement to declare audited quarterly results.
14. Improvement of lumpsum amount as compensation on transfer and two months' salary to compensate incidental expenses on transfer.
15. Improvement of lumpsum amount on mid-academic transfer equivalent to **three** month's gross salary to meet the education expenses of children on account of transfer.
16. Review and rationalization of halting/boarding/travelling expenses/Hill area allowance etc.
17. Introduction of incentive for rural and other sensitive/difficult areas.
18. Improvement in special area allowance and special compensatory allowance for N.E, Jammu, Kashmir, Himachal, Leh, Ladhakh, Uttarakhand and red corridor / disturbed areas.
19. Improvement in Leave Fare Concession and monetization of LFC – The entitlement of mode of travel should be made as air travel to all the officers and restoration of LFC abroad within domestic entitlement.
20. Special Provision for Women Employees with regards to placement and postings, provision of crèche facility as per Govt. guidelines / flexi timings /work from home, child care leave with salary as applicable in Central Government etc.
21. Introduction of 5 day work week.
22. Working hours for officers should be defined and regulated, in terms of ILO Norms.
23. The income criteria for dependents to be substantially increased.
24. The Provident Fund should be at the rate of 12% of the total salary and allowances.
25. The Gratuity should be paid at the rate of one month salary and allowance without any ceiling. **Gratuity as per regulation should be improved.**
26. Roll back to the existing pension scheme to all those who are in NPS.
27. Pension to be extended to Pension optees on resignation also.
28. Updation of Pension in line of Central Govt. and the Principle of One Rank One Pension.

29. Encashment of entire leave at credit should be permitted on resignation.
30. Improvement in all leaves facilities/introduction of the concept of leave Bank etc.
31. Roll back of IBA Medical Insurance for serving officers and retirees and implementing the provision of the policy at individual Bank level.
32. Uniformity of loans and advances to officers by adoption of best of policies. The Road Tax on vehicles should be paid by the Banks on inter-state transfers.
33. Review of Disciplinary Rules Procedure. Allowing personal hearing of charge sheeted officer in case of major penalty proceedings accompanied by Defense representative.
34. Classification of lapses into major and minor penalty.
35. Keeping in view the principle of ***Ex Post Facto*** in our legal framework, Clarification be issued to Banks that any alleged lapse committed by an employee while working in the capacity as workmen, but alleged lapse detected when employee is an officer, he should be tried under bipartite rules and not under officers D & A regulations.
36. Full legal expenses to be borne by banks on legal cases against any officer both serving and retired for all cases related to banking work except charges of fraud perpetuated by the officer.
37. Present ceiling of 3% of net profit for welfare to be increased to 5% of operating profit without any ceiling for staff welfare activities.
38. Categorization of Branches to be done uniformly for all Banks by IBA & RBI.
39. Massive recruitment of officers, clerical, subordinate staff and security guards required.
40. Appointment of compassionate grounds to be completed within six months period.

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Before we go into the new Charter of Demands we have to first settle the residual issues which are yet to be resolved as part of the 8<sup>th</sup> Joint Note.

**Residual Issues viz: 8<sup>th</sup> Joint Record note of 11.11.2020, accountability, DA regulations and minutes dated Jan 2021**

**SUPERANNUATION BENEFITS:**

The improvements sought in the Pension scheme in the areas like updation and upgradation of the Pension, the rationalization of Dearness Allowance etc., need to be implemented in the banking industry as our pension scheme amply speaks of being in the lines of **RBI** pension scheme.

*Constitutional Provisions and Judicial Position as per Article 366(17) of the Constitution defines pension as: "pension means a pension, whether contributory or not, of any kind whatsoever payable to or in respect of any person, and includes retired pay so payable, a gratuity so payable and any sum or sums so payable by way of the return, with or without interest thereon or any other addition thereto, of subscriptions to a provident fund;"*



*Pension has been the subject matter of a number of landmark judgements by the Supreme Court of India in which its nature, obligations of the government thereon and the recognition of distinctiveness in categories of pensions and pensioners has been settled. In its judgment in D.S. Nakara and others Vs Union of India [AIR 1983 SC 130] the Supreme Court held that a pension scheme consistent with available resources must provide that a pensioner would be able to live free from want, with decency, independence and self respect and standard equivalent at pre-retirement level. It held that pension is not an ex-gratia payment but payment for past services rendered. At the same time in Indian Ex-Services League & Others Vs Union of India & Others [(1991)*

*2 SSC 104] the Supreme Court held that the decision in the Nakara case has to be read as one of a limited application and its ambit cannot be enlarged to cover all claims made by the pension retirees or a demand for an identical amount of pension to every retiree from the same rank irrespective of the date of retirement, even though the reckonable emoluments for computation of their pension be different. In the judgement in Vasant Gangaramsachandan Vs State of Maharashtra & Others [(1996) 10 SSC 148] Supreme Court reiterated that pension is not a bounty of the State. It is earned by the employee for service rendered to fall back upon after retirement. It is attached to the office and it cannot be arbitrarily denied. In the case of petitioners who were retired Railway employees, covered by or who opted for the Railway Contribution Fund Pension Scheme, the Supreme Court in Krishna Kumar Vs Union of India and Others [(1990) 4 SSC 207] averred that it was never held that both the pension retirees and PF retirees formed a homogenous class and that any further classification Report of the Seventh CPC 382 Index among them (viz., pension retirees and PF retirees) would be violative of Article 14. Under the Pension Scheme, the government's obligation does not begin until the employee retires but it begins on his/her retirement and then continues till the death of the employee. Thus, on the retirement of an employee, government's legal obligation under the PF account ends while under the Pension Scheme it begins. The rules governing the PF and its contribution are entirely different from the rules governing pension. An imaginary definition of obligation to include all the government retirees in a class was not decided and could not form the basis for any classification for this case.*

The 7<sup>th</sup> Pay Commission sought the views of the government in this regard. The Department of Pension and Pensioners Welfare stated that the VI CPC had recommended calculation of Pension Report of the Seventh CPC recommended pension @ 50 percent of last pay or the average emoluments (for last 10 months) whichever is more beneficial. The Commission also recommended delinking of pension from qualifying service of 33 years. Effectively the dispensation on pension has already been liberalized by the VI CPC. Further the recommendations of this Commission in relation to pay of both the civilian and defence forces personnel will lead to a significant increase in the pay drawn and therefore in the 'last pay drawn'/reckonable emoluments.' Therefore the Commission does not recommend any further increase in the rate of pension and family pension from the existing levels. Quantum of Minimum Pension should Equal the Minimum Wage. In representations/depositions before the Commission it has been stated that the existing minimum pension fixed at Rs.3,500 is low and it has been argued that minimum pension be fixed equal to minimum pay for sustenance.

The Commission sought the views of the government in this regard. The Department of Pension and Pensioners Welfare stated that as per the orders issued after V CPC, the minimum pension in the government was Rs. 1,275. The normal revised consolidated pension of a pre-2006 pensioner is 2.26 of the pre-revised basic pension. The revised minimum pension of Rs. 3,500 is much more than 2.26 time of the pre-revised pension of Rs. 1,275. Further the

recommendations of this Commission in relation to pay of personnel will lead to a significant increase in the minimum pay from the existing Rs.7,000 per month to Rs.18,000 per month. This, based on the computation of pension, will raise minimum pension from the existing Rs.3,500 to Rs.9,000. The minimum pension based on the recommendations of this Commission will increase by 2.57 times over the existing level.

**In Civil APPEAL 1123 OF 2015 THE HONOURABLE Supreme Court has clearly stated that pension is not a bounty, it should be 50% of the pay and there can be no question of capacity to pay.**

It is pertinent to note that many General Managers of banks retired in earlier years are drawing less pension than pension drawn by clerical employee retiring now. Hence we demand revision in pension & family pension so that the pensioners & family pensioners can live a decent life with dignity.

#### **GENERAL:**

Pension scheme should be extended to all those who have been denied earlier on the basis of the misinterpretation of the understandings reached with IBA in particular those who retired under voluntary retirement scheme as per the service regulations / resigned after completing 20 years.

Full Pension Eligibility Period to be made 20 years: The full pension eligibility period in Central Government and RBI / NABARD are now revised to 20 years. However in Banks, full pension eligibility period continues to be 33 years. Hence, the relevant clauses in Pension Regulations are to be amended to make full pension eligibility after a period to be 20 years of service.

Pension should be revised for retirees in all Banks including SBI along with wage revision as done for retirees of central government.

The officers who were in service of the bank between 01.11.1993 and 26.01.1996 in case of officers in Nationalised Bank & Associates of State Bank of India have to be covered under the pension regulations.

Provision of additional service as per the Pension Regulations to the extent of 5 years should be extended to each and every retirees in the banking industry.

Those having relaxation of age at the time of recruitment on account of disability etc., are also to be extended additional period of 5 years to his / her service qualifying for pension.

Also, for Ex-servicemen their past services rendered in the Armed Force should be added to his / her service for qualifying for pension.

## **Counting of Military Service Period of Short Service Commissioned Officers joining the Bank:**

Short Service Commissioned Officers are not drawing any pension for their services rendered in Military. They are paid gratuity at the time of release from Military. Such Officers when they join Central Government and Organisations like RBI/ NABARD are given the option to remit the gratuity received by them to the Employer Bank / Organisation at the time of joining so that the period of service rendered in Military is counted towards eligibility of pension in Bank.

However this provision is not available to Short Service Commissioned Officers joining Public Sector Banks.

Hence we demand that Short Service Commissioned Officers joining PSB may be allowed to remit the gratuity received by them at the time of release from Military so that their period of service in Military is counted towards eligibility period for pension in PSBs. For existing Short Service Commissioned Officers who are already in the service of the PSBs, they may be given a onetime option to return the gratuity received at the time of release with simple interest @ 5% from the date of receipt of gratuity till date payment to the Bank for availing inclusion of Military Service Period toward pension eligibility.

## **DA NEUTRALIZATION:**

The Dearness Allowance should be 100% as applicable to the serving officers which is being provided to the Central Govt. retirees for pre 2002 pensioners. DR for pensioners' to be paid on a quarterly basis as in case of serving employees.

## **FAMILY PENSION:**

Full Pension: If an officer dies in service at present the double of family pension is payable for 7 years from death or up to 65 years of age the officer would have attained whichever is earlier.

This was done when the retirement age was 58. As the retirement age is 60 now, the age limit is to be increased to 67 for payment of full pension.

## **REVISION OF PENSION FOR THOSE WHO RETIRED AFTER 01.11.2012**

The Special Allowance at the time of retirement should be included in the pension eligibility for those who retired after 01.11.2012.

## **DISCIPLINARY AND APPEAL RULES:**

Considerable progress was made during the last wage revision negotiations. **An uniform accountability policy was finalized and introduced with effect from 01.04.2022.** Similarly discussions took place on other matters related to disciplinary and appeal rules. There is an increase in cyber crime which has to be dealt with in the D & A rules clearly. Unfortunately

nothing was finalized at the last moment. We should finalise the accountability policy and discipline and appeal rules before we proceed to the new Charter of Demands.

## **INTRODUCTION TO CHARTER OF DEMANDS**

### **PREMISE:**

The Charter of Demands represents the hopes and aspirations of entire officers' fraternity working in the Banking Industry all over the country owing allegiance to the All India Bank Officers' Confederation (AIBOC), All India Bank Officers' Association (AIBOA), Indian National Bank Officers' Congress (INBOC) and National Organisation of Bank Officers (NOBO). It is an exhaustive exercised factoring in salary scales for the Govt. officials, RBI, NABARD, LIC and other financial sectors and also the significant improvement in the health of PSU Banks including SBI. The basic tenets of the principles pursued by trade unions' in espousing the cause of the workforce giving cognizance to the legitimate aspirations and expectations of present workforce in the industry:

1. The contribution of the workforce during the testing time of the Covid19 pandemic keeping the wheels of the economy moving at the cost of lives & livelihood of thousands of Bankers across the nation, implementing various schemes of the Govt. for economic progress of the nation as well as to provide succor to the distressed weaker section of the society have vindicated the importance of Public Sector Banks. With undertaking these activities even at the cost of lost opportunities has to be measured as Social Profit along with Balance sheet profit. Further, banking today is purely officer driven and the objective of wage revision must be to attract real talents to the Industry and thus it

should be constructed on factors like **Risk, Responsibility, Accountability And Transferability**.

2. The Pillai committee recommendations were the basic premise and precursor to the Historical Bipartite settlements, our Endeavour must be to recall and restore the parities we enjoyed within the banking system and also with the civil service officers.
3. The practice of industry level settlement is the popular preference of the Industry as the banking industry has many commonalities commencing from business handling to practices adopted and it would be matching to accepted basic principle among the working class that '**Equal Work, Equal Pay**'. Parity among banks is paramount for which the industry level settlements have helped a lot.
4. Though the country has got similar economic environment which commands uniform banking practices, some banks are attempting to adopt different business standards through categorization of branches which denies the uniform working conditions in the branches of various banks which again is an attempt to derail the BIPARTITE arrangement in the industry to bring uniformity among the officers in the industry irrespective of the status of the individual banks. Thus we may have to bring in uniformity in the categorization of the bank branches, keeping the business uniformity in the Industry, which was available in the Industry till 2000.
5. The number of women officers and employees is increasing and it is imperative that we must follow the accepted global norms in providing conducive and comfortable atmosphere in work place in resonance with the robust principles of gender equality. Special scheme for reimbursement of expenses for Child Care facilities to female employees and single male employees (parents) for maximum 2 dependent children up to the age of 5 years to be introduced at Industry level.
6. It would be our endeavour to ensure uniformity in perks and facilities to the bank officers in the Industry irrespective of business and presence.
7. The basic essence of pension as listed in the pensions regulations 1995, section 35 (i) is for employees retired between 01.01.1986 & 31.10.1987) and the various court's judgments must be effected in letter and spirit as the pension is not gratis and it is the basic right of an officer who dedicated his life and career for the institution and the pension updation for pensioners and family pensioners must be settled.
8. The present workforce in banks consist of highly educated and tech-savvy officers, who have joined the Indian banking system in large numbers with the dream and aspiration to make a career in Banking as well as to serve the nation. With the adoption of fast track promotion system in the last decade put in place by banks and due to mergers/ amalgamations in the banking industry promotion avenues have got clogged. In recent times and shall dry up further in the coming years. This invariably will lead to wide spread frustration amongst the rank and file. To address this sensitive issue as well as to address the anomalies in fitment on promotion, we must ensure the elongation of the running scale by converting the stagnation increment into regular increments and to make running scale for Scale I to Scale IV and Scale IV to Scale VIII.

9. We demand rollback of the present Medical Insurance scheme because of large scale denial of legitimate reimbursements by TPA, without any effective resolution process in place which is a departure from the agreed clauses in the joint note and thus should revert to the bank level settlement of medical reimbursement with 100% coverage for family, dependents and improved facilities.

**10. The changes in service conditions introduced has had a negative impact and impression.**

**PREAMBLE:**

The Public Sector Banks and RRBs have justified and vindicated the historic decision of Bank Nationalization through its contribution making India self reliant, protected the country from global financial meltdown, made yesteryear SSI units into global industrial giants, implemented financial inclusion programmes of Government, implemented the Demonetized scheme across the country through vast network, yeomen service during the Covid19 pandemic, kept the wheels of the economy moving at all situations

Despite mergers and amalgamations followed by closure of thousands of bank branches, PSBs and RRBs have retained 65% of the Deposits and 60% over the total credit requirement.

PMJDY statistics reveal out of 47.09 crore beneficiaries, 45.76 crore account are with PSBs /RRBs which is a staggering 97.17% (as of 18.10.2022). Similarly, in all other Govt. Schemes vis. Mudra, PM SVANidhi, PM Awas Yojana, Atal Pension Yojana etc., PSBs / RRBs have implemented over 95% of the total number.

Source: [www.pmjdy.gov.in](http://www.pmjdy.gov.in)

Thousand of Bankers have laid down their lives during Covid-19 pandemic in line of duty as soldiers of financial army. Hon'ble Prime Minister, Hon'ble Finance Minister have acknowledged the heroic role of bankers at various forums.

Today, despite absorbing humongous haircuts in resolution of NPAs, making provisions, implementing changed norms to introduce AQR, all the PSBs today have declared net profit in FY 2022.

<b><u>OPERATING/NET PROFIT OF PUBLIC SECTOR BANKS</u></b>			
<b><u>AS ON 31<sup>ST</sup> MARCH, 2022</u></b>			
(Rupees in crore)			
<b>Sr. No.</b>	<b>Bank</b>	<b>Operating Profit</b>	<b>Net Profit</b>
<b>1</b>	<b>State Bank of India</b>	<b>75292</b>	<b>31676</b>
<b>2</b>	<b>Punjab National Bank</b>	<b>20761</b>	<b>3457</b>
<b>3</b>	<b>Indian Bank</b>	<b>12785</b>	<b>3945</b>

4	Bank of Baroda	22389	7272
5	Bank of India	9988	3405
6	Union Bank of India	21873	5232
7	Indian Overseas Bank	5762	1710
8	Central Bank of India	5741	1045
9	UCO Bank	4797	930
10	Punjab & Sind Bank	1330	1039
11	Canara Bank	23089	5678
12	Bank of Maharashtra	4847	1152
	<b>Total</b>	<b>208654</b>	<b>66541</b>

### **OFFICER DRIVEN INDUSTRY:**

Let us make it abundantly clear that today the banking is purely an officer driven industry. As stated earlier, banking industry has undergone demographic metamorphosis. In most banks the number of officers have exceeded the number of workmen.

The onus of implementation and fructification all policy and business growth parameters is shouldered by officers only. Consequently, the officers are only made accountable and are vulnerable to the consequences.

They also have to face the challenges of transfers across the country and often have to sacrifice their family life which also impacts education of their children.

Hence, it is crystal clear that the officers have to be given a decent and fair wage revision to keep the workforce motivated, focused and commensurate with their risks and responsibilities.

### **DIGITALIZATION:**

The Digital India Scheme has been largely successful in the Banking Industry due to the officers and officers' organisations. With digitization, the risk and responsibility of officers has increased substantially/ manifold.

Today, over 70% of transaction in banking industry is happening on digital platform and the officers are playing a significant role in translating the Government's vision of "Digital India".

### **PERFORMANCE OF THE BANKING SECTOR IN THE RECENT PAST:**

The performance of the Banking Sector after the last wage revision has improved significantly. All the banks have registered sequentially higher Net Profit, Net NPA reduced significantly; Capital Adequacy improved paving the way for higher credit off take in fostering development and growth of the Nation.

### **OPPORTUNITY COST AND SOCIAL PROFIT:**

It is needless to reiterate the role of banks in ensuring the financial stability in the country and its role in executing the various promotional or poverty alleviation programs which has consistently improved standard of living of the economically weaker section of the society, in particular the rural poor in India.

PSBs/ RRBs have earned plaudits for yeoman service rendered during the Covid19 crisis and have been consistently implementing all the schemes of the Govt. in boosting the economy, providing affordable banking service at every nook and corner of the Country by way of financial inclusion. It is worthwhile to note that the opportunity cost involved and the social profit earned is never computed. When we compare cost to income ratio of Public sector banks vis-à-vis Private sector banks, our banks are often criticized for having a higher ratio. However, the opportunity cost in implementing Govt. sponsored schemes and the social profit earned is never factored in.

Direct benefit transfers, schemes like **Sukanya Samridhi, PMJJBY, PMFBY, PMSBY, Life cover under PMJDY, PM VVY, RWBCIS** are all implemented by PSBs and RRBs.

The efforts of the PSBs / RRBs by implementing Govt. schemes to bring social harmony and the consequent prosperity emerging out of it is seldom acknowledged, appreciated and never quantified in monetary terms. The economic upliftment of the society can be attributed to the efforts of the PSBs / RRBs in extending affordable banking, '**sasti banking**'. Women empowerment is also made possible due to efforts of PSBs/ RRBs by financing millions of 'self help groups'.

Implementation of all these schemes by PSBs / RRBs have not only uplifted the economically weaker section but also generated purchasing power which made India a lucrative destination of the foreign investors. Thus, the social profit generated should be given due cognizance while determining quantum of wage revision of officers.



## PART - I

### APPROACH TO 9<sup>TH</sup> JOINT NOTE EFFECTIVE FROM 1<sup>ST</sup> NOVEMBER, 2022 SALARY REVISION AND ALLOWANCES

#### OBJECTIVE:

The remuneration package of the Bank Officers needs to be framed in such a manner that officers would feel that they are compensated adequately and fairly commensurate with the work load and shouldering of risks and responsibilities. More so, from the following comparative studies with the salary structure of officers of Life Insurance Corporation of India, it can easily be ascertained that with the conclusions of salary revision of officers in banking industry and LIC, it is to be noted from 01.08.1997 LIC officers are gradually outdistancing the Bank

Officers and at present the salary structure of LIC Officers are considerably higher than the Bank Officers. Incidentally, both were at par upto 01.11.1992 / 01.08.1992,

Remuneration of officers of the Banks is an important element of proactive functioning in Banks in the era of competitive environment and their commitment, dedication and hard labour towards the progress of the economy of the country. In general, the level and structure of salary / remuneration / compensation should aim to achieve the following objectives:

- I. Salary Structure should be sufficient to attract and retain quality officers.
- II. Salary Structure should motivate officers to work hard.
- III. Remuneration should induce other human resource management reforms.
- IV. Salary should be set at a level to ensure relativity with minimum salary in Banks and officers' initial pay in line with compression ratio, initial pay and their minimum pay of workmen of banks.
- V. Salary should take into account the Risk, Responsibility, Accountability and also the Transferability of Officers.
- VI. The Bank Officers have a status similar to the Govt. Officials and to maintain that status the salary should be adequate, by offering additional cushion.
- VII. As promotions depend only on vacancies, which depends on the presence and business of the individual banks, nobody should be allowed to stagnate and running scale should be introduced.
- VIII. The anguish, agony and the aspirations of lady officers should be taken into account
- IX. Superannuation benefits should help one to live a respectable life after retirement
- X. The hard work and contribution of the bankers for the development of the economy should be acknowledged through decent salary hike and allowances.

We insist that the anomaly created in the last wage revision by providing special allowance with DA instead of Basic Pay has to be rectified this time. The merger of special allowance and DA with the Basic Pay has been done already for LIC Officers and RBI Officers.

A standardization of salary and allowances for Bank staff has been done by a Committee famously known as the Pillai Committee which gave certain recommendations in 1974 which were further discussed and rationalized and implemented in 1979.

Pillai Committee had taken into account the guidelines of UN publication, handbook of Civil Service Law and practices 1966, which mentioned 3 major requirements of sound pay structure viz. inclusiveness (pay structure in relation to other sectors of economy) comprehensibility (an easy quick picture of gross emoluments) and adequacy (to attract right type of persons and retain them). The Pillai Committee added 2 more viz. rationality (functions and responsibility of posts) and career planning.

It said in view of the importance of the national approach to wage problems we consider it necessary to make the pay structure in nationalized banks broadly similar to that obtaining in the Central Government and in Public Sector undertakings.

The committee also said, "If the objective of attracting the best talent in the country is to be achieved, the pay of the bank officers at the entry level should not be anything less than that obtaining in Class I services and Public Sector industries"

The Parliamentary Committee on Subordinate legislation in its 141 report has also endorsed these principles.

However between 1979 and now there is a huge downward trend in the Bank Officials salary which has to be rectified now.

### **Comparative analysis of minimum Basic Pay between Central Govt. Officers Group A and Bank Officers.**

Period of CPC	Minimum	Period of Bipartite			Minimum	Comparison of Basic Pay
	B.P. of Central Govt. Officers Rs.	Settlements			B.P. of Bank Officers Rs.	
III CPC (1973 to 1985)	700	PCR 1st	JN	01.10.1979 01.02.1984	700 1175	Both are same Bank officers BP is 67.85% higher than officers of Cent. Govt.
IV CPC (1986 to 1995)	2200	2nd	JN	01.11.1987	2100	Bank officers' BP is 4.54% lower than officers of Cent. Govt.
		3rd	JN	01.11.1992	4250	Bank officers' BP is 93.18% higher than officers of Cent. Govt.
V CPC (1996 to 2005)	8000	4th	JN	01.11.1997	7100	Bank officers' BP is 8.75% lower than officers of Cent. Govt.
		5th	JN	01.11.2002	10000	Bank officers' BP is 25% higher than officers of Cent. Govt.
VI CPC (2006 to 2015)	21000 (15600+ 5400)	6th	JN	01.11.2007	14500	Bank officers' BP is 30.95% lower than officers of Cent. Govt.
		7th	JN	01.11.2012	23700	Bank officers' BP is 12.85% higher than officers of Cent. Govt.
VII CPC (2016 onwards)	56100	8th	JN	01.11.2017	36000	Bank officers' BP is 35.83 % lower than officers of Cent. Govt.

## Comparison of Basic Pay of Bank Officers and Officers of Life Insurance Corporation of India

BANK OFFICERS		LIC OFFICERS	
Date of Effect	Initial Basic Pay	Date of Effect	Initial Basic Pay
01/11/1992	4250	01/08/1992	4250
01/11/1997	7100	01/08/1997	7535
01/11/2002	10000	01/08/2002	11110
01/11/2007	14500	01/08/2007	17240
01/11/2012	23700	01/08/2012	32795
01/11/2017	36000	01/08/2017	53600
Basic Pay increase from 1992 to 2017	8.57 times	Basic Pay increase from 1992 to 2017	12.61 times (almost 149% higher than from banks in 2017)

The above table only establishes the gradual erosion in minimum Basic Pay of Bank Officers in comparison to Central Government Officers with the passage of two decades.

**Merging of Dearness Allowance:** Dearness Allowance to be merged on **8456** point of CPI(IW) at the average index for the quarter April & May, June effective from **01<sup>st</sup> August 2022** on which date DA was **36.82%**.

**Loading after merging of D.A & Respective Special Allowance with D.A.:** After merging of DA on 8456 point of CPI(IW) and merging of respective Special Allowance with DA, and adequate and additional loading needs to be given so that Basic Pay scales of Bank Officers can be framed at a moderate stage though it will be comparatively at lower side than the Basic Pay scales of Life Insurance Corporation of India.

	Scale I to III	Scale IV & V	Scale VI & VII
Suppose existing Basic Pay is	Rs. 100.00	Rs. 100.00	Rs. 100.00
Add: D.A 36.82% merged	Rs. 36.82	Rs. 36.82	Rs. 36.82
Sub Total	Rs. 136.82	Rs. 136.82	Rs. 136.82
Add: Spl Allowance (16.40) + DA	Rs. 22.43	Rs. 26.00	Rs. 27.40
Total	Rs. 159.25	Rs. 162.82	Rs. 164.22
Adequate additional load to be added to above			

All existing scales to be revised as: 8<sup>th</sup> Joint Notes scales X 159.25% to 164.22% Plus Adequate and additional load on Basic = 9<sup>th</sup> Joint Note scales (rounded off to nearest Rs.10)

### **RUNNING SCALE:**

In order to ensure officers continue to earn increment and not get stagnated due to lack of promotional opportunities, we need to have merger of scales to rationalise the pay scales. We propose merger of present 8 scales to be reduced into 2 scales as under:

1. Scale - I – Manager Grade – Integration of current Scale I to Scale IV
2. Scale - II – Executive Grade – Integration of current Scale V to Scale VIII

### **1. DEARNNESS ALLOWANCE w.e.f. 01.11.2022**

- D.A to be paid on the basis of CPI(IW) (2001=100) in lieu of CPI(IW) (1960=100)
- D.A to be revised on the basis of every month index of CPI (IW) instead of average of quarterly index.
- D.A to be revised on rise and fall of every point in the index in lieu of per slab of 4 points.

### **2. STAGNATION INCREMENT w.e.f. 01.11.2022**

- A) **The periodicity of** all existing Stagnation Increments Scale-I to Scale-V should be reduced by one year i.e. all stagnation increments shall become extension of scales into running scales.

Rationale: Currently for want of adequate running scales, fitment on promotion from clerical to officer cadre and from one officer grade scale to another are being clubbed and fitted into one stage at such higher cadre thereby senior and junior starts at same Basic.

- B) Two Additional Stagnation increments at 2 year periodicity to be introduced for all grades of officers i.e. right from Scale I to Scale VIII. (as almost all banks now have CGM cadre officers)

Rationale: Following merger of Banks, rationalisation of branches / offices, lateral recruitments and promotion at shorter intervals, promotional avenues have shrunk. Officers at every scale is stagnating for years in same Basic. Consequently, they are expected to perform and discharge duty of the Scale without any salary hike and thus getting de-motivated which is not healthy for any institution. Incidentally, 7<sup>th</sup> Pay Commission observed that it has been kept in view that a person should not stagnate but should have fair opportunity to progress by dint of merit and secure better emoluments so that frustration does not set in.

### **3. SPECIAL ALLOWANCE w.e.f. 01.11.2022**

It is pertinent to note that substantial difference have since been created between the Basic salary of officers in banks and LIC, Govt. of India officers and subsequently the Special Allowance introduced in the 7<sup>th</sup> Joint Note/10<sup>th</sup> BPS is further eroding retirement benefits thus severely affecting Pension after retirement . Further, there is apparently no forward movement as regards updation of pension is concerned. Thus, it is a legitimate demand that the Special Allowance should be merged. It may be noted that presently around 40% employees are under defined Pension scheme, hence the load on superannuation has substantially reduced.

### **4. FITMENT:**

Fitment of Basic Pay shall be stage-to-stage basis i.e. corresponding stages from 1<sup>st</sup> stage onwards and the increments shall fall on the anniversary date as usual.

## **5. HOUSE RENT ALLOWANCE W.E.F. 01.11.2022**

Existing rates of HRA to be revised as under:

	<b><u>Existing Rate</u></b>	<b><u>Revised Rate</u></b>
i)	9% on Basic Pay	10% on Basic Pay + PQP+FPP
ii)	8% on Basic Pay	9% on Basic Pay + PQP+FPP
iii)	7% on Basic Pay	8% on Basic Pay + PQP+FPP

Justification: While Housing loan to staff is being increased keeping in tandem with the market rate increase (inflation adjusted), the rental limit remained stagnant and only notionally increased on the basis of Basic hike from settlement to settlement.

The existing HRA on Capital Cost basis @150% on the revised HRA will continue.

## **6. RECOVERY OF HOUSE / FURNITURE RENT**

- i) House rent recovery/furniture fixture recovery should be suitably reduced.

## **7. CITY COMPENSATORY ALLOWANCE w.e.f. 01.11.2022**

	<b><u>Existing</u></b>	<b><u>Revised</u></b>
i)	Rs.1400 p.m.	Rs.2200 p.m.
ii)	Rs.1150 p.m.	Rs.1800 p.m.

## **8. LOCATION ALLOWANCE (Non-CCA Centres) w.e.f. 01.11.2022**

Existing Allowance of Rs.700 p/m. to be revised to **Rs.1100** p/m.

## **9. LEARNING ALLOWANCE w.e.f. 01.11.2022**

Existing Rs.600 p.m. to be revised to **Rs.1000** p.m. and this allowance ranks for Dearness Allowance only.

## **10. FIXED PERSONAL PAY (FPP) w.e.f. 01.11.2022**

The quantum of FPP to be fixed according to the last increment of different grades including fixed Dearness Allowance as is applicable on 01.11.2022 and rate of HRA to be considered at the highest level of HRA payable without linking to any place of posting. We also demand de-freezing of FPP according to place of posting/stay.

## **11. PROFESSIONAL QUALIFICATION PAY (PQP) w.e.f. 01.11.2022**

In line with the provisions of Award Staff, officers should also be given one increment for passing JAIIB and **two increments for passing CAIIB**.

We insist that the anomaly created in the 7<sup>th</sup> Joint Note onwards by providing special allowance with DA instead of Basic Pay has to be rectified this time. The merger of special allowance and DA with the Basic Pay has been done already for LIC Officers and RBI Officers.

A standardization of salary and allowances for Bank staff has been done by a Committee famously known as the Pillai Committee which gave certain recommendations in 1974 which were further discussed and rationalized and implemented in 1979.

Pillai Committee had taken into account the guidelines of UN publication, handbook of Civil Service Law and practices 1966, which mentioned 3 major requirements of sound pay structure viz. inclusiveness (pay structure in relation to other sectors of economy) comprehensibility (an easy quick picture of gross emoluments) and adequacy (to attract right type of persons and retain them). The Pillai Committee added 2 more viz. rationality (functions and responsibility of posts) and career planning.

It said in view of the importance of the national approach to wage problems we consider it necessary to make the pay structure in nationalized banks broadly similar to that obtaining in the Central Government and in Public Sector undertakings.

The committee also said, "If the objective of attracting the best talent in the country is to be achieved, the pay of the bank officers at the entry level should not be anything less than that obtaining in Class I services and Public Sector industries"

The Parliamentary Committee on Subordinate legislation in its 141 report has also endorsed these principles.

However, between 1979 and now there is a substantial downward trend in the Bank Officers salary which has to be rectified now.

Comparison of minimum salary of Bank Officers with that of minimum salary of Clerical and Subordinate staff of Bank since 6<sup>th</sup> Bipartite Settlement/3<sup>rd</sup> JN to 11<sup>th</sup> Bipartite Settlement/8<sup>th</sup> JN

Date		Subordinate Staff				Clerical Staff				Officer cadre			
Period	Basic Pay	DA	Total	% of increase	Basic Pay	DA	Total	% of increase	Basic Pay	DA	Total	% of increase	
31.10.1992	815	748	1563		900	826	1726		2100	1928	3928		
		(91.79%)				(91.79%)				(91.79%)			
01.11.1992	1600	62	1662	6.33	1750	67	1817	5.27	4250	164	4414	11.43	
6 <sup>th</sup> Bipartite		(3.85%)				(3.85%)				(3.85%)			
31.10.1997	1600	829	2429		1750	907	2657		4250	2202	6452		
		(51.80%)				(51.80%)							
01.11.1997	2570	130	2700	11.15	3020	152	3172	19.38	7100	358	7458	15.59	
7 <sup>th</sup> Bipartite		(5.04%)				(5.04%)				(5.04%)			
31.10.2002	2570	993	3563		3020	1167	4187		7100	2743	9843		
		(38.64%)				(38.64%)				(38.64%)			
01.11.2002	4060	168	4228	18.66	4410	183	4593	9.69	10000	413 **	10413	5.79	
8 <sup>th</sup> Bipartite		(4.14%)				(4.14%)							
31.10.2007	4060	1199	5259		4410	1302	5712		10000	2952	12952		
		(29.52%)				(29.52%)				(29.52%)			
01.11.2007	5500	396	5896	12.11	6200	446	6646	16.35	14500	1044	15544	20.01	
9 <sup>th</sup> Bipartite		(7.2%)				(7.2%)				(7.2%)			

31.10.2012	5850	4107	9957		7200	5054	12254		14500	10179	246 79	
		(70.20%)				(70.20%)				(70.20%)		
01.11.2012	9560	1042	10602	6.47	11765	1282	13047	6.47	23700	2583	262 83	6.49
10th Bipartite		(10.9%)				(10.9%)				(10.9%)		
31.10.2017	9560	4570 (47.8%)	14130		11765	5624	17389		23700	11329	35029	
01.11.2017	14500	386 (2.66%)	14886	5.07	17900	476	18376	5.67	36000	958	36958	5.50

\*\* For Pay upto Rs.9650 — 0.18% per slab i.e. 4.14%  
From Rs.9651 to Rs.15350 — 0.15% per slab i.e.3.45%

### Salient features of above table.

Item no.1

	Sub-Staff Salary		Officer Salary		Comparison
On 01.11.1992	Rs.	1662	Rs.	4414	Officer salary 165.58% higher
On 01.11.1997	Rs.	2700	Rs.	7458	Officer salary 176.22% higher
On 01.11.2002	Rs.	4228	Rs.	10413	Officer salary 146.28% higher
On 01.11.2007	Rs.	5896	Rs.	15544	Officer salary 163.63% higher
On 01.11.2012	Rs.	10602	Rs.	26283	Officer salary 147.90% higher
On 01.11.2017	Rs.	14,886	Rs.	36958	Officer Salary 148.27% higher
Item No.2					
	Clerical Salary		Officer Salary		Comparison
On 01.11.1992	Rs.	1817	Rs.	4414	Officer salary 142.92% higher
On 01.11.1997	Rs.	3172	Rs.	7458	Officer salary 135.11% higher
On 01.11.2002	Rs.	4593	Rs.	10413	Officer salary 126.71% higher
On 01.11.2007	Rs.	6646	Rs.	15544	Officer salary 133.88% higher
On 01.11.2012	Rs.	13047	Rs.	26283	Officer salary 101.44% higher
On 01.11.2017	Rs.	18,376	Rs.	36958	Officer Salary 101.12 % higher
Item No.3					
Officer Salary	Officer Salary		% of increase		
on 31.10.2007	on 01.11.2007		on 01.11.2007		
Rs.12952	Rs.15544		20.01%		
Item No.4					
Officer Salary	Officer Salary		% of increase		
on 31.10.2012	on 01.11.2012		on 01.11.2012		
Rs.24679	Rs.26283		6.49%		
Officer Salary	Officer Salary		% of increase		
On 31.10.2017	On 01.11.2017		On 01-11.2017		
Rs 35029	36958		5.50%		

It is also necessary to see that the decrease in the increase of salary over a period in relation to the subordinate staff and clerical staff also should be arrested in this wage revision.



## Comparison of Basic Pay of Bank Officers and Officers of Life Insurance Corporation of India

BANK OFFICERS		LIC OFFICERS	
Date of effect	Basic Pay	Date of effect	Basic Pay
01.11.1992	4250	01.08.1992	4250
01.11.1997	7100	01.08.1997	7535
01.11.2002	10000	01.08.2002	11110
01.11.2007	14500	01.08.2007	17240
01.11.2012	23700	01.08.2012	32795
01.11.2017	36000	01.08.2017	53600

Date	Bank	DA Merging of CPI	Date	LIC	DA Merging of CPI
01.11.2007	2836	7.2%	01.08.2007	2944	3.15% as on 01.11.2007
01.11.2012	4440	10.9%	01.08.2012	4708	1.68% as on 01.11.2012
01.11.2017	6352	2.66%	01.08.2017	6352	3.04% as on 01.11.2017

## Comparative Salary of officers of Bank and LIC as on 01.11.2007 and 01.11.2012 at entry level

Date	Bank Officers				LIC Officers				Difference	LIC officers salary is higher by
	B.P.	D.A.	Spl. Allow	Total	B.P.	D.A.	Spl	Total		
1	2	3	4	5	6	7	8	9 (8-5)		
01.11.20 07	14500	1044 (7.2%)		15544	17240	543		17783	2239	14.40%
01.11.20 12	23700	2583 (10.9%)	1837	28120	32795	551		33346	5226	18.58%
01.11.2017	36000	958 (2.66%)	5904	42862	53600	-	4500	58100	15238	35.55%

### From the above analysis it is evident as under:

- As on 01.11.1992 the Basic Pay of officers of Bank and LIC at entry level were same.
- As on 01.11.2007 LIC officers were getting 14.40% higher salary than Bank officers.
- As on 01.11.2012 LIC officers were getting 18.58% higher salary than Bank officers.
- As on 01.11.2017 LIC officers were getting 35.55% higher salary than Bank officers

So, it is crystal clear that the Bank Officers' salary is drastically being reduced gradually resulting in erosion of wage in comparison to LIC officers. In the same principle of the Pillai Committee recommendation, Bank Officers salary should be at par with the Govt. as well as LIC Officers.

### An important point to note

Of and on it comes for discussions while salary of Central Govt. employees gets revised at 10 years interval, Bank employees' salary is being revised at 5 years interval. Let us analyse, as

under, that despite salary revision at 5 years interval how salary of Bank officers is lagging behind during last 23 years duration in comparison to salary of Central Govt. Officers Group- A at entry level onwards. Please also note that 7<sup>th</sup> Pay Commission has recommended that without waiting for next pay commission the salary should be revised based on the data given by Simla based Labour Bureau.

Date	Central	Govt	Officers Group		Bank Officers					
	Central Govt. Officer Group A		Bank Officers							
	A									
	Basic	Grad	D.A.	Total	Basic	Special	D.A.	Total	Difference	
	Pay	e Pay			Pay	Allow			Rs.	
01.11.1992	2200		1826	4026	4250		164	4414	388	
			(83%)				(3.85%)		(Salary of Bank officers was higher by 9.63% )	
01.11.2012	15600	5400	15120	36120	23700	1837	2784	28321	7799	
			(72%)			(7.75%)	(10.9%)		(Salary of Bank officers was lower by 27.53% )	
01.01.2016	56100			56100	23700	1837	10164	35701	20399	
							(39.8%)		(Salary of Bank officers was lower by 57.13% )	

**FROM the above table it is evident as under:**

- From 01.11.1992 to 01.01.2016 the salary of Central Govt. Group A officers has been increased by 1293.44% ( $56100 - 4026 = 52074 / 4026 \times 100$ ) at entry level.
- From 01.11.1992 to 01.01.2016 the salary of Bank officers has been increased by 708.81% ( $35701 - 4414 = 31287 / 4414 \times 100$ ) at entry level.

Moreover the 7<sup>th</sup> Pay Commission has recommended that there is no need for a commission once in 10 years. It has recommended that based on the Labour Bureau reports the increase can be done periodically.

**SALARY IN RESERVE BANK OF INDIA:**

- In case of RBI officers, the starting basic pay which was Rs 17100 has been increased to Rs 28150 and at entry level. They also get a local allowance of 5% of pay, family allowance of 4% of Pay, Grade allowance of Rs.6000 and a special allowance of Rs.6000 (Rs.1625 for those who joined in 2016) which is eligible for DA. So their salary structure is much superior to other bank officers.

## **NEW GENERATION PRIVATE SECTOR:**

There is a sea of difference in the emoluments between the new generation Private Sector Banks / Foreign Banks and the Banking Industry covered by the IBA. These Banks adopt the compensation system that is prevailing in the new sectors of the economy on the plea of attracting the best talent in the financial sector. The same is true in the case of Public Sector and old generation banks as well. The competitive environment is such that the performance of the New Generation Private Sector Banks is always quoted as a model for others including the Old generation Private and Public Sector Banks, whenever the issue of compensation in comparison with them is raised. The efficiency parameters are similar and hence the factors of compensation system prevailing in the New Generation Private Sector and Foreign Banks should be extended to all Bank Employees as well. They have lunch allowance, huge entertainment allowance and also many of the allowances are tax free as the Bank pays the tax.

**What is important is that the Asst. Managers in these Private Banks are only doing clerical job and comparison between the KRA of our officers of JMGS-I Grade with that of junior executives of private banks will reveal that the quantum of risk, responsibility and accountability of our officers is significantly higher than them. A comparative KRA of our officers vis-à-vis executives of the private banks who handle such responsibility will amply establish that the emoluments of officers of PSBs are inferior to the private sector counterparts.**

**We also demand that the salary and allowance and service conditions should be made applicable automatically to officers serving in Regional Rural Banks**

## **PAY SCALES:**

The pay scales will be arrived at based on the above principles discussed.

**While constructing Basic Pay, 5.26% of the difference on DA with LICI should be added and the new Basic Pay should be worked out once again,**

The present 7 Scales be reduced to two scales.

- a) Scale 1- Manager Grade – Integration of present Scale I to IV &
- b) Scale II – Executive Grade – Integration of Scale V, VI, VII, VIII

## **DEARNESS ALLOWANCE:**

Since the entire D.A. outstanding as on 01.08.2022 is to be merged with the existing Basic Pay, the percentage of revised D.A. as on 01.11.2022, for every rise or fall of four points of index on the quarterly average of D.A..

In addition to the above, the difference of DA of LIC should also be included while arriving at the revised DA.

### **INTRODUCTION OF SELF LEASE FACILITY:**

Existing facility of leased accommodation should be extended for self -lease of own property.

### **CITY COMPENSATORY ALLOWANCE:**

The existing classification of centre should be reviewed classified in the following categories:-

#### **CATEGORY CENTRE:**

- |     |  |  |
|-----|--|--|
| I   | Major Metro  | Kolkata, Delhi, Mumbai, Chennai, Bangalore, Hyderabad, Ahmedabad, Pune, Goa etc. |
| II  | Metros (Area I)  | All centres with more than 12 lakh Population and State Capitals                 |
| III | Centres with population of 1 lakh and above and all District Head quarters |  |

**F.P.P.:** It should be the last increment without any ceiling. FPP to be de-frozen.

**PQP:** For completion of Part I JAIB and Part II CAIB, one and two increments respectively are to be considered instead of consolidated amount as in the past.

### **FIXATION OF SALARY OF CENTRAL PARA MILITARY PERSONNEL IN BANKS:**

1. Removal of anomalies in wage fixation of Central Para Military Personnel joining Bank :

Extension of benefit of Pay Fixation to the Officers, who joined in the Bank from Central Armed Police Forces /Para-Military Forces/ State Police, which mean Border Security Force (BSF), Central Reserve Police Force (CRPF), Indo

– Tibet Border Police (ITBP), Sashastra Seema Bal (SSB) and State Police etc. in accordance with the guideline issued by Government of India time to time in the matter.

Before 2005, a majority of officers from Defence Forces (which includes Indian Army, Indian Air Force and Indian Navy) are joining in the bank in the specialised cadre whereas; few Officers from Central Armed Police Forces /Para-Military Forces/ State Police are joining at that time. After 2005, there is a transition change in the above scenario on the wake of better re-settlement facility arranged/provided by Director General Resettlement (DGR) to the Officers of Defence forces in the Public /Private sectors and due to lagging behind wage settlements at subsequent stages as compared to PSU/Central/Private sectors. And accordingly, these officers preferred joining the Institution, other than the Public Sector Banks (PSB), where they get better remuneration and other benefits. Therefore, the gap has been filled up by the officers from Ex Central Armed Police Force (CAPF) Officials and now majority of the officers working in the PSB banks in the specialized cadre of Security (Security Officers) are from CAPF only.

However, it is observed that despite the appropriate Government direction, these Officers have been denied their legitimate right of Pay Fixation in the same line as the Officers from Defence Forces are/were getting after joining the Bank.

### **THE RELEVANT GUIDELINE IS RE-ITERATED HEREUNDER:**

Banking Division, Department of Economic Affairs, Government of India, has issued direction vide F.No-201/3/85-SCT(B) dated 14<sup>th</sup> October 1985 and the same was compiled and published in the year 1992 by Indian Banks' Association, Mumbai under "Compendium of Government Guidelines in the matter of Re-Employment, Pay Fixation etc. of Ex-Servicemen in Public

Sector Banks" (copy of relevant guideline enclosed). The extracts of the guideline published by the IBA under reference is given hereunder:

**"With effect from 1<sup>st</sup> November, 1984 those officers, not below the rank of Inspector of Police/Company Commander or equivalent rank, who have been appointed in the specialised cadres in the banks in the lowest scale of pay of officers i.e. Junior Management Grade Scale I, may be granted advance increments equal to the completed years of service rendered by them in the Police/Armed Police/ Para-Military Force on a basic pay. The Services rendered by these Officers in the ranks/posts below of Inspector of Police/Company Commander or equivalent will not be counted for this benefit.**

**The Services of these officers for this benefit will only be counted from the date of their appointment/promotion in the rank of Inspector of Police/Company Commander or equivalent rank/post in the Police/Armed Police/Para-Military Force."**

### **2. Introduction of Senior – Junior Check Off for Ex-Servicemen Employed in Banks :**

The wage fixation of Ex-Servicemen who has retired from Military and on joining PSBs is based on the last pay drawn by them from Military. This has led to an anomaly in which salary of Ex-Servicemen who are already in the service of the Bank becomes much less compared to an EX-Servicemen

who joins the Bank much afterwards due to enhancements in wages on account of implementation subsequent Pay Commission Reports during the intervening period between the retirement dates of both these Ex-Servicemen. Such anomalies are addressed in Central Govt. Through a mechanism called Senior – Junior check Off. Under Senior – Junior Check off, the wages of a senior will be re-fixed to ensure that his salary will be more than the salary fixed for a junior joining the same post. This ensures that the salary of a Senior will be always higher than the salary of a junior. We demand that Senior – Junior Check off on similar lines to be implemented in PSBs to address this anomaly presently existing in PSBs.

### **FIXATION OF SALARY ON PROMOTION:**

The exercise of salary fitment on promotion should be discussed with the Officers' organisations. It has been established that seniors who were drawing special allowances are faced with reduction of gross salary on their promotions. Hence, the fitment formula for promotion should be thoroughly discussed with the officers' organisations along with the wage revision to address the possible anomalies.

**PART – II**

**OTHER ALLOWANCES**

**MEDICAL FACILITIES**

**PERQUISITES**

**LFC / LTC**

**PART-II**

**OTHER ALLOWANCES & BENEFITS**

**INCENTIVES FOR WORKING IN RURAL CENTERS AND OTHER SENSITIVE AREAS:**

It is necessary to provide incentives to all those officers who are posted to serve in the rural areas/most sensitive and difficult areas/ areas with security problems/ areas of weather aberrations in different parts of the country. It is vital to increase the rural branches and to succeed in financial inclusion, arresting skewed growth and migration in urban centers

We propose that the following incentive may be provided to the officer concerned;

- Weightage for the purpose of Promotion (already available if they serve beyond minimum period of two years)
- Choice place of posting on completion of the assignment
- An additional LTC to enable him/her to meet the family etc; (As provided for those serving in North East for the Public Sector Employees)

**OTHER ALLOWANCES SUCH AS HILL AND FUEL ETC.**

All the allowances other than what have been covered in the earlier chapters should be enhanced appropriately.

### **EDUCATION ALLOWANCE:**

As cost of education has increased exponentially, Education Allowance to be introduced for school education and higher education similar to that existing in Govt / PSUs / Private Sector for officers who face multiple transfers throughout their career. The mid-term academic allowances presently available to some banks are a pittance and a realistic allowance in sync with the fee structure prevalent should be introduced.

### **AREAS DECLARED AS SEZ/NEZ/EPZ:**

The branches coming under the above areas should be treated on par with Metro Centers for all allowances and perquisites.

### **SPECIAL ALLOWANCE TO NORTH EAST, SIKKIM, J & K, LEH AND LADAKH, ANDAMAN AND OTHER DISTURBED AREAS:**

Special allowance as prevailing in Central Government/RBI for Officers serving in these areas including locals should be extended to Bank Officers.

### **CLOSING ALLOWANCE:**

With the introduction of quarterly audited balance sheets for banks, the officers across braches/offices are under extreme pressure during the quarter end.

We, therefore, demand that all officers irrespective of the office of posting i.e. branch/administrative office etc., should be paid the closing allowance equal to 15 days of their salary once in 3 months.

### **HALTING AND TRAVELING ALLOWANCES:**

- a. Review and rationalization of Halting/Boarding/Traveling expenses.
- b. The Boarding expenses should be linked to lodging expenses.
- c. All officers should be eligible for travel by Air, irrespective of distance with Executive Class entitlement for officers in Senior Management grades.
- d. For places not connected by air, officers should be permitted to travel by AC-1<sup>st</sup> Class by rail.
- e. Option to be granted for travel by road in any other mode also including own vehicle. Seeking permission of the competent authority to be done away with in case of exigency and emergent circumstances. The ceiling of entitlement of fuel reimbursement

for traveling in own vehicle, irrespective of fuel category, needs to be improved substantially in the backdrop of the exponential rise in fuel prices.

- f. Lodging & Boarding expenses and diem allowance for 15 days on transfer to continue.
- g. Officers attending official duties on deputation within the urban agglomeration should be paid 50% of the applicable Halting allowance

#### **PERQUISITES, OTHER ALLOWANCES AND WELFARE FACILITIES:**

The perquisites and other allowances as well as welfare facilities provided by the banks and settled at the industry level should not be reckoned for the purpose of arriving at the cost of wage revision. It is an essential area of functional expenditure, as in the case of business promotion in other sectors of the economy. We should strive for parity in allowances, welfare facilities and perquisites. We therefore propose that the Bank should bear the tax on perquisites.

#### **DIFFERENTLY ABLED:**

A special care and allowance should be paid to the specially/differently abled in terms of the Govt. of India guidelines.

- a. Government guidelines on concessions to such employees in recruitment/ promotion/ transfers/rotations/postings, etc. to be strictly followed by all Banks.
- b. Revision of conveyance allowance paid to these employees
- c. Physically challenged children of employees to be defined as dependents irrespective of age or marital status
- d. 25 days CL for physically challenged employees.
- e. Full pension to physically challenged employees at 50% of Pay irrespective of service rendered.
- f. Visually impaired employees should be permitted an escort for availing LFC. The entitlement of the escort will be the same as the employee(already existing in RBI)

The Government guidelines should be implemented in toto.

The instructions of Ministry of Finance (Department of Expenditure) vide their Office Memorandum no. 21/1/2018-E.IIB dated 15<sup>th</sup> September 2017 in respect of enhancement of conveyance/transport allowance to specially abled employees to be introduced in toto in banks forthwith. Incidentally, Union Bank of India has enhanced the conveyance limits for PwDs upto **Rs 10,000/-**. Let us ensure equality and inclusivity as integral part of our services.

#### **DISTURBED AREA ALLOWANCE:**



Disturbance Area Allowance of 20% of Basic Pay should be paid to officers working in the branches which comes under disturbed area and Terrorist prone areas called as The Red Corridor.

### **MEDICAL REIMBURSEMENT: HOSPITALISATION CHARGES:**

We have to roll back the present IBA medical insurance scheme and switch over to SBI medical scheme of direct tie up with hospitals and Nursing homes. Family also should be provided with 100% reimbursement. Reimbursement of Domiciliary Medical treatment expenditure for self, spouse and dependent should be introduced. All reimbursements should be exempted from tax, as it is not an income.

### **MEDICAL CHECK UP:**

Considering the stress and strain as well as the increasing lifestyle diseases amongst youngsters, we need yearly Executive Health Check-up scheme for all officers and their spouse.

We need healthy workforce so that it reduces the future overheads in the form of medical expenses as also unwarranted health hazards. The cost to be incurred is actually an investment in future.

### **LEAVE FARE CONCESSION:**

We need to review the existing scheme in a comprehensive manner. The entitled mode of travel should be made as air travel to all officers For Executive Cadre it should be executive class.

The IBA should take up with the Government and seek exemption from payment of income tax whenever the amount is drawn on the basis of reimbursement.

### **SPECIAL ALLOWANCES:**

The existing special allowances paid to different places should be revisited and revised in a comprehensive manner for example like J &K, Leh and Ladakh, Sikkim, North Eastern States, , Andaman & Nicobar Islands, Lakshadweep, disturbed areas and other similar centers. The hardship allowance should be redefined and new areas should be added on the basis of the norms already available. It should also be revised wherever it is already being paid. All the officers serving in those places including those who belong to the same area should also get these allowances in order to meet the higher cost of living etc., and wherever it is paid, it should be suitably reviewed.

### **HILL AND FUEL ALLOWANCE & SPECIAL AREA ALLOWANCE:**

Since the Bank officers are paid either of the Hill & Fuel allowance or Special Area Allowance and both are not paid in case of payment of Adhoc Temporary Incentive for officers posted in North East (popularly known as North East Allowance). In Central Government Special

Compensatory/Remote Locality allowance (Special Area Allowance in our case) is paid in addition to special duty allowance (Adhoc Temporary Incentive for officers posted in North East in our case). The North East Allowance as being paid @ 20 % of Basic pay the rate of both the allowances should be suitably revised as prevailing in Central Government. The rates of this allowance shall automatically increase by 25% whenever the Dearness Allowance payable on revised pay structure goes up by 50% DEPUTATION ALLOWANCE: The allowance should be suitably revised and made uniform in the industry.

#### **EX-GRATIA:**

The concept of minimum ex-gratia should be reintroduced in a rational manner. Ex-gratia is now available to all the Foreign Banks etc., which has created a serious differential in the emoluments between the workforce in the Public Sector and other sectors. It is also prevalent in Govt. Sector such as Railways/ Postal and in Public Sector Undertakings and paid during festivals. Hence, an amount equivalent to not less than one month's gross salary should be paid as ex-gratia to all.

### **PART – III**

#### **THE ISSUES CONCERNING LADY OFFICERS**

### **PART - III**

#### **ISSUES CONCERNING LADY OFFICERS:**

Thanks to the awareness that has been created amongst the women in the country over the last several years to excel on par with men in all walks of life, the intake of the lady officers in the banking industry has very substantially increased in almost all the banks. It is nearly 50% of the total recruitment in some of the banks and it may increase in due course due to the changing demographic profile of employable educated youth.

They are also to-day accepting challenging postings, transfers, and specialized areas in the banks without any hesitation. They are now in a position to accept higher responsibility in their career and look to head the institutions eventually.

The Officers' organisations have been receiving a number of representations, memorandum and also resolutions highlighting the problems of the lady officers through the various

conferences as well as the Women's wing. Based on these suggestions, it has been decided to exclusively devote a chapter to consider their special situation and demand appropriate relief.

**a) PLACEMENT AND POSTINGS:**

One of the major concerns of the lady Officers has been their placements and postings in the banks. The country is yet to develop in the matter of infrastructure, the facilities exclusively to the lady members in different places. Hence, a separate Transfer / placement Policy taking into account the problems of the lady officers should be designed and forwarded to the member banks by IBA. The IT sector is a classical example where a lot of sympathy is shown to the women employees in the matter of posting and placement in order to get the best from them. Yet another major consideration is their safety and security at different centers.

The lady Officers need to be extended the benefit of flexi-time and flexi-place concept. They should be given choice of their place at the time of transfer and placement keeping their difficulties in view. The Banks should be advised to keep one exclusive lady officer in charge of Personnel Administration in all the Banks to attend to their exclusive issues including transfer, placement etc.

The Government guidelines pertaining to female officers should be introduced in all banks.

Flexi timing as well as work from home facility should be introduced for a limited period of 3 years during the entire service.

**b) PROVISION OF CRECHE FACILITY:**

The Banks should provide Creche facility for the benefit of children of officers who are required to attend to office as the children need parental attention. There is Government guidelines too.

c)

**d) LEAVE FACILITIES:**

The existing Maternity Leave of 6 months at a time should also be extended in case of adoption of a child (from present 3 months) and increased to one year for one birth. 3 months' additional sick leave be sanctioned after attaining the age of 45 years as lady officers are prone to diseases at this age.

Child Care leave as applicable to the Central Government employees must be made available to lady officers i.e. two years CCL with salary. It should be also extended to male officers if they are single parents.

Many progressive multinationals and IT sector companies have introduced **menstrual leave** for women employees, which should be immediately introduced in banking industry in the backdrop of increase in number of women officers.

**e) PATERNITY LEAVE:**

The Paternity leave should be extended to 60 days on 2 occasions.

**f) FERTILITY TREATMENT:**

Of late, with the increase in lifestyle diseases amongst the youth, there is a significant rise in cases of infertility. While the treatment is expensive, it also takes a toll on mental and physical health.

We, are of the considered opinion that lady officers need to be sanctioned additional leave of 6 months at different intervals along with salary and medical reimbursement for the treatment should be provided. This will also apply to men who undergo infertility treatment.

**g) WORK FROM HOME:**

The concept of "Work from Home" should be explored by banks for offering the employees flexi working hours. It will also be very useful for the officers/employees and especially those who are in the family way or have new born babies. The increasing number of women in the Bank stands testimony to their faith in the industry and their commitment amidst all the constraints. A large number of organizations have already come up with their action-plan to protect the interest of the women in our country. The trade unions in the organized sector have also contributed their mite to organize the women workers and help them in providing leadership to women workers and to espouse their cause with the Government and other agencies. Besides the IT Sector, the Banking industry is one of the major sectors, employing a large number of women who are occupying several high positions in the organization. Hence, it is imperative on the part of the Bank as well to protect the interest of the women and ensure a congenial working environment along with the option to work from home at their convenience.

A Sub Committee may be constituted to arrive at the type of jobs which can be entrusted under the concept of work from home. Care should also be taken to see that it does not lead to excessive work and intrude into the privacy of the employee.

**h) FLEXI TIME SCHEME:**

The initiative aims at creating an employee friendly environment, promoting a healthy work life balance and employee engagement through welfare measures, in tune with the best Human Resources practices. This also helps in providing flexibility to employees to attend to inevitable exigencies of personal /professional life and will definitely help in reducing attrition.

**i) GENDER SENSITIVITY:**

Gender sensitivity is the need of the hour with the growing number of women employees in our esteemed institution. We have an ethical responsibility in shaping the current structures by breaking the previous norms. We are of the considered view that during all training sessions and official meetings this aspect needs to be a part of discourse so that all employees become aware of the fact that they need to respect everyone irrespective of gender.

**j) COMPULSORY HEALTH CHECK-UP FOR ALL WOMEN OFFICERS:**

While learning and skill updation is mandatory in our banking career, Annual Health check-ups should be made compulsory. All officers, including lady officers, should undergo periodic health

check-ups and necessary changes to be incorporated into HRMS so that it cannot be compromised anyway.

**k) REIMBURSEMENT OF EXPENSES FOR INFERTILITY TREATMENT:**

This issue was flagged by the four officers' organisations in the last salary revision talks. While the IBA team was sympathetic to the issue, no concrete decision emerged. We are of the considered opinion that at the bank level there should be a serious thought for reimbursement of treatment for infertility, which is substantial, as such cases are significantly on the rise along with the growing lifestyle diseases.

**l) PROVISION OF SANITARY PAD VENDING MACHINE AND INCINERATOR:**

It goes without saying that the personal hygiene of women officers is to be ensured at the time of their menstrual cycle. Considering the rise in the number of women employees and officers, we feel that bank branches/offices/establishments need to be provided with sanitary pad vending machines and an incinerator in all ladies' restrooms.

**m) ENHANCEMENT OF PERIOD OF MATERNITY LEAVE FROM 6 MONTHS TO 12 MONTHS/ INTRODUCTION OF CHILD CARE LEAVE FOR 2 YEARS:**

While this issue was also discussed at the IBA level during the last salary revision talks, the issue could not be settled to the satisfaction of the concerned parties. Incidentally, Central Government has implemented 2 years of Child Care Leave (with pay) and many state governments have introduced 12-month maternity leave for women employees in the backdrop of the present social structure dominated by nuclear families, we feel that at the industry level such a path-breaking initiative is the need of the hour.

**n) INTRODUCTION OF MENSTRUAL LEAVE:**

Many corporates and multinationals have introduced Menstrual leave of one day every month for women employees to address the inconvenience caused during the menstrual cycle. We feel that introduction of such a facility will be of immense help to the women employees/officers in discharging their duties effectively.

**o) SANCTION OF SABBATICAL LEAVE:**

The lady officers who are confronted with extreme exigencies are often compelled to apply for sabbatical leave foregoing their salary and allowances. However, we have received feedback that at the RBO level such requests are being rejected rampantly by controllers without applying their minds to assess the merit of the case which is against the spirit of this important facility introduced in the bank.

**p) POSTING AT THE SAME STATION FOR BOTH SPOUSES:**

The request for transfer of the spouse at the same station should be considered with utmost sympathy. In fact, it is the policy of the Government that as far as possible and within the constraints of administrative feasibility, both spouses should be posted at the same station to enable them to lead a normal family life.

#### **PART – IV**

#### **SUPER-RANNUATION BENEFITS**

#### **SUPERANNUATION PENSION, PROVIDENT FUND, GRATUITY ETC.,**

#### **NEW PENSION SCHEME:**

The employees and officers who joined the banking industry on or after 01.04.2010 should be governed by the original pension settlement signed on 29<sup>th</sup> October 1993 and Gazetted in the year 1995.

Without prejudice to the above, we wish to point out pertinent flaws in the existing scheme, which need to be suitably addressed till the defined benefit scheme is extended to all employees.

- a) The additional 4% now being paid by banks to employees is reckoned as taxable income for bankers unlike their central and state government counterparts, which is a clear case of discrimination. The waiver of tax for the additional contribution of 4% should be introduced with immediate effect.
- b) The employees have no say in asset allocation of their money. They should be given an option to choose their pension fund along with an option to change the fund once every year. The returns of various pension funds operating in the market makes it abundantly clear that the bank employees have been deprived of earning higher returns on their corpus due to the inflexible clause of selection of pension fund.
- c) **Choice of Investment pattern**: Bank employees who prefer a fixed return with minimum amount of risk shall be given an option to 100% of the funds in Government securities (scheme G). Bank employees who prefer higher returns shall be given options on life cycle based schemes having a capped exposure on equity.
- d) Family pension benefit is not available to NPS optees, which has deprived of the fundamental right of a decent life for families of NPS optees in case of death of any employee who is not covered under Defined Benefit scheme.

#### **GRATUITY:**

Under regulation, Gratuity should be paid at the rate of one month salary and allowances without any ceiling. The gratuity should be completely exempt from payment of income tax. The calculation of gratuity should be changed as we move over to 5 day work week i.e. the denominator should be 22 instead of 26.

Definition of pay should be common as per Gratuity Act. It should be made applicable uniformly to all.

#### **Sec 2 (S) of PG Act – 1972 says:**

**“Wages” means all emoluments which are earned by an employee while on duty or on leave in accordance with the terms and conditions of his employment and which are paid or are payable to him in cash and include dearness allowance but does not include any bonus, commission, house rent allowance, overtime wages and any other allowance.**

#### **PROVIDENT FUND:**

Based on the principles of retirement benefits which allot Provident Fund, Gratuity and Pension for different purposes, the Provident Fund should be at the rate of 12% of the total salary and allowances. The Provident Fund should be payable to all employees.

#### **ENCASHMENT OF LEAVE:**

Encashment of entire leave at credit should also be permitted on resignation and removal. Presently, half of accumulated PL is eligible for encashment on resignation.

The existing ceiling on encashment of leave should be removed at the time of resignation / superannuation as directed by the Punjab & Haryana Court judgement. The entire amount should be exempted from income tax as in the case of the Central Government Employees. Encashment of PL should be allowed without any ceiling.

#### **MEDICAL BENEFIT SCHEME FOR RETIREES:**

A comprehensive Medical Scheme for pensioners/ retirees should be introduced in lieu of the existing medical insurance scheme. The premium should be borne by the bank in recognition of the contribution of the elders.

#### **WELFARE ACTIVITIES:**

A separate allocation of funds for improvements to welfare of the pensioners should be made every year. The facilities like Holiday Home, clinics, Transit House etc., should be made eligible for pensioners also.

Present ceiling of 3 % of net profit to be given to welfare activities should be raised to 5 % of operating profit to be given to welfare activities.

Suitable life cover should be taken for normal as well as accidental death of employees.

#### **LFC/ HTC FACILITY:**

LFC / HTC Facility should be extended to the retirees also at par with serving employees in recognition of the contribution of the elders.

#### **NEWS PAPER:**

News paper and fitness allowance can be provided to the pensioners.

#### **RESTORATION OF COMMUTED VALUE OF PENSION:**

**At present the commuted value of pension is restored after 15 years. There is a need to revisit the same and reduce the period of restoration after 13 years instead of the present 15 years on the lines of Gujarat Government order dated 12.10.2022.**

### **PART – V**

#### **REGULATED WORKING HOURS AND 5 DAY WORK WEEK**



## **NON MONETARY ISSUES**

### **PART - V**

#### **NON – MONETARY – ISSUES**

##### **REGULATED WORKING HOURS:**

It is the duty of the banks to provide an appropriate environment, ambience and above all the HR systems at all branches. The officers' fraternity should also be provided with all amenities such as supply of refreshment, beverages etc., inside the branch premises in view of the pressure of work, long stay in the office etc.,

The environment should afford an opportunity for full exposure of the creativity and also efficiency of the officers while discharging their duties to the customers as well as the branches. Work-Life balance is very important too.

The banking industry is now equipped with excellent technology advancement, continuous updation of computers, servers etc., there is therefore a need for the Management to adopt appropriate HR initiatives to encourage and motivate the officers, who are the driving force in the industry to acquire knowledge in these fields and give their best to the institution. However, the working atmosphere across the country in banks has become toxic in general as officers are required to work for extended hours due to the work pressure as well as because of acute shortage of manpower. Requisition of services of officers during Sundays/holidays have become an order of the day across banks pan India. This has resulted in burn out of officers at an early age and is also causing large scale attrition from banks thus reducing manpower even further. The amount of stress and strain on officers is also taking a toll on their health and psyche. We have come across innumerable cases of lifestyle diseases amongst the youth and even death of officers due to cardiac arrest and other terminal diseases at an early age.

The Banking Industry is entrusted with the responsibility of enhancing the economic prosperity of the country and also the GDP growth with a view to enhance the standard of living of the common man. The management should ensure that to protect the human assets of the bank, reasonable working hours are fixed rather than pressurizing the officers to work for extended hours, which may lead to burn-outs and resultant detrimental effect on health. Hence, the working hours for officers should be defined and regulated.

##### **5 DAY WORK WEEK & COMPENSATION FOR EXTRA WORK:**

Five Day work week is already available in the international banking system. It is also available in our country in RBI, Central and State Governments, Public Sector and in most multinationals and IT companies.. While many countries have introduced 4 day work week, we are still discussing on introduction of 5 day work week. We understand that over 70% of the total number of banking transactions are happening on a digital mode, the reduction of cash transaction hours and introduction of 5 day work week will enhance the percentage of digital transactions and also in the process ensure that our officers are rejuvenated to drive the corporate and government objectives forward.

Given the stress and strain of officers, it is advisable that the working hours should not exceed 36.5 hours in a week. The daily working hours should not be more than 6.5 hours in the normal course.

Any officer, who is required to work for more than 7 hours a day, should be compensated with compensatory off coupled with adequate financial compensation to the extent of twice the actual hourly salary in the normal course. This should be uniform for the Banking Industry as the Govt often directs banks to work late or on holidays often and we follow their directions but the quantum of compensation varies between Banks.

They should also be made eligible to take weekly off to the extent of additional hours of duty rendered by them as rest is needed for recuperation. The officers who are called upon to work on weekly-off days and holidays, should be adequately compensated as above and in addition be permitted a compensatory off on a date convenient to them and such weekly offs be credited to the leave account.

There is a felt need to have uniform holidays to the officers in the Grid, as the holidays are declared by RBI, substantially less number of s are extended to the officers. Going forward there should be state level grids or a single national grid.

#### **COMPASSIONATE APPOINTMENT:**

The Govt. of India guide lines on compassionate appointment is not being followed by some banks. There has been significant loss of lives of bankers during the pandemic. While all banks have increased the quantum of Ex-gratia, it is not uniform across banks. As per direction of the Ministry, Banks have initiated compassionate appointments. However, the process should be expedited. It is pertinent to mention that there is no provision of family pension for NPS optees. Taking account of the significant rise in the number of NPS optees in the industry, IBA should revise the extant compassionate appointment policy and dovetail it to ensure that no case should be rejected on account of age criteria. Hence, IBA should advise all banks to uniformly implement Govt. of India guidelines and make necessary changes in the existing policy. A fixed deadline of 6 months from submission of claim for each case to be adhered to without any linkage to ceiling or vacancies.

The cap of 5% should be removed/scrapped, as currently, banks are declining large number of applications for compassionate appointments for having reached the maximum number permitted under compassionate appoint scheme.

#### **CATEGORIZATION OF BRANCHES:**

The categorization of Branches was done by the Reserve Bank of India earlier. Of late, some banks have started their own categorization norms which in most cases adversely affects the category of the branches and leads to reduction of staff and reduction of vacancy in higher grades. This in turn reduces career progression opportunities and will lead to stagnation at a particular grade. The business level of practically all bank branches are increasing YoY, hence we demand that there should be uniform categorization norms for all Public Sector Banks.

#### **LEAVE RULES:**

**Casual leave** should be increased to 15 days;

**Privilege Leave:** In Central Government PL encashment is up to 300 days (as per DOP&T notification 11019/7/93 dated 22.12.1993). Hence, we demand for encashment up to 300 days. Along with tax exemption of the entire amount as applicable to Central Government employees.

Accumulation of PL also should be without any ceiling. The extant norms of 270 days cap to be removed.

We also demand that the existing 5/7 days encashment introduced in the 8<sup>th</sup> Joint Note should be extended to 10/15 days for officers i.e. officers who attain the age of 55 years to be eligible for encashment of 15 days leave every year, while for others maximum of 10 days leave to be encashed every year.

**Sick Leave** 15 days in a year (on full pay) without any ceiling. Encashment of sick leave to the credit of an official to be encashed at the time of retirement/resignation/death.

**Sabbatical leave:** We have come across several instances of refusal of sabbatical leave of on flimsy ground by controllers. We have to understand that the officers apply for the same for some definite reasons for which they are compelled to go without pay. Hence, banks have to put in place a definite time frame for sanction of the same. **We demand sabbatical leave should be extended to male officers.**

**UCL :** UCL to be delinked from sickness and can be utilised for any purpose. There should be no cap on accumulation.

**Bereavement Leave :** Bereavement leave of 15 days to be introduced for death of any family member.

**Special Occasion Leave :** Officers to be permitted to take Special occasion leave for 5 days in a year to celebrate birthday, marriage anniversary etc.

**Journey Time Leave :** For officers proceeding on leave, posted at remote areas need 1/2 days to reach the nearest airport/railway station/bus terminus. That intervening period should be considered as Special Journey Time leave.

**Leave for Sports Personnel:** The extant period of 30 days to be enhanced to 60 days.

**Sick Leave :** Officers to be permitted to avail sick leave on account sickness of spouse/parent/in-laws/children.

#### **INTRODUCTION OF LEAVE BANK:**

The leave so calculated should be credited to the leave account of the officer on a consolidated basis. The officer should be eligible to avail the leave on the basis of his requirement. The intermittent holidays and weekly offs should be excluded while sanctioning leave.

The officer may be permitted to transfer leave to another officer in case of need for medical purpose.

#### **OUTSOURCING:**

Hon'ble Finance Minister has stated in December 2021 that there are more than 41000 vacancies in Public Sector Banks. While existing vacancies are not being filled, all banks are now engaging retired officers to do regular jobs along with outsourcing of jobs on contractual basis. This, we feel, is inimical to the interest of the nation as it affects job creation for the unemployed. Further, appointment of contractual workers could also affect the internal security of banks and allow our competitors access to the data warehouse of PSU Banks leading to flight of business.

We demand all types of outsourcing to be abolished.

#### **DISCIPLINARY RULES PROCEDURE & ACCOUNTABILITY:**

We have submitted a very comprehensive note to the Indian Banks' Association for the review of the existing conduct rules and procedure and to introduce certain changes in tune with the changing environment in the 8<sup>th</sup> Joint Note exercise. We are happy to note that IBA has since initiated modifications based on our recommendations. However, we annex a detailed note in Disciplinary Rules and Accountability, which should be given due cognizance and implemented forthwith for the benefit of the officers' fraternity.

#### **WITHHOLDING OF GRATUITY ON RETIREMENT / RELEASE OF TERMINAL BENEFITS:**

The present ad-hoc system of withholding gratuity and harsh decision to set off the gratuity amount towards loss caused etc., should be reviewed keeping in view, the recent judicial pronouncements. In any case, there should not be stoppage or denial of gratuity to the officers.

No disciplinary action should be initiated after superannuation and the extant Pension regulations No 48 to be done away with as it is in conflict with Clause 14 of Gratuity Act and Supreme court judgments. All Terminal benefits should be released pending disciplinary proceedings if bank fails to complete the proceedings before superannuation as is being done in the case of CBI cases being pending.

#### **ADMINISTRATIVE TRIBUNALS:**

The IBA should take up with the Government, the introduction of an exclusive Banking Administrative Tribunal for the banking Industry in order to deal with all the service as well as disciplinary matters in respect of officers similar to Central Administrative Tribunal.

#### **INCOME FOR DEPENDENTS:**

The present ceiling of Rs.12,000/- for dependent should be increased to Rs.30,000/- taking into account minimum basic pay of Rs.18000/- for the Central Govt. employees which along with DA amounts to Rs. 30,000/-

**PART – VI**  
**BILATERAL RELATIONSHIP**

**PART- VI**

**GENERAL BILATERAL RELATIONSHIP:**

The 9<sup>th</sup> Joint Note exercise on officers wage revision when resume, will have a historical significance in the sense that the Management and the Officers' organizations have come a

long way in the structured negotiation systems and have matured enough to decide and arrive at a compensation which is generally acceptable to both the parties. In the process we need to have a clear demarcation as regards the issues concerning the officers' fraternity and Officers' organizations should have exclusive right to negotiate on behalf of the officers in the banking industry. Hence, all the issues connected with both the directly recruited officers as well as the officers promoted from clerical cadre have to be decided between the IBA and the Officers' organizations. Similarly the issues of promotion policy, transfer policy, etc., will have to be settled bilaterally with Officers' organizations both at the bank and the industry level.

### **APPOINTMENT OF OFFICER/EMPLOYEE DIRECTOR:**

Presently, there are no officer (non-workman employee) / employee Director in any of the Public Sector Banks. This is total violation of the law of the land and violates the provisions laid down in Banking Regulation Act as well as Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and 1980. As major stakeholders, officers have to be represented in the board of banks and be privy to the policy decisions taken. IBA should take serious efforts to clear appointment of officer/employee directors in all the banks.

### **SAFETY OF BANK OFFICERS/EMPLOYEES:**

We are coming across incidents on a regular basis that a bank officers are assaulted/attacked/abused in the course of rendering their official duty. Though IPC sections are available, still security concerns of Bank officers need to be addressed and demand for statutory provisions to be made from the government.

IBA should immediately take the matter with DFS for an early implementation of Bankers' Protection Act in any form.

### **STRUCTURED FORUM AND ACCOUNTABILITY FOR SETTLEMENT:**

The Officers' organizations have been holding discussions and negotiations with the representatives of the Indian Banks' Association over the last 40 years. The system has got itself streamlined during the last 3 decades and the issues that are related to the compensation and also certain issues of urgent nature are brought to the IBA forum and decided between both the parties. There is a need to structure this conventional arrangement and ensure that all issues affecting the industry and the impact of the directives of the outside agencies on the officers' fraternity are brought to this structured forum and decided to avoid unnecessary irritations in industrial relations in the banking industry. The proper detailed and codified account of all discussion should be exchanged.

The structured forums are already in vogue in all the banks. The issues referred to the banks by the IBA and the Government is discussed at the bank level negotiations by each organization which leads to discrepancies in the implementation of any understandings reached between the organizations and the management.

Certain Industry level issues have to be discussed at IBA / Government Level. Hence, there is a need to have structured forum at IBA / Government for periodical discussions. Hence, there is a need to bring all such issues/directives of the IBA and the Government before a structured meeting and settle to avoid frequent agitation and industrial unrest in the banking industry.

As major stakeholders and the driving force in the entire industry, we should be privy to discussions held between IBA and DFS to foster growth and development of our institutions.

**We propose a quarterly meeting with IBA in a structured forum.**

#### **RECRUITMENT / RETIREMENT:**

The Banking industry, being a service industry should place utmost importance of recruitment for filling up of existing vacancies in various banks. A major pain point is inadequacy of staff at branches, which lead to customer dissatisfaction as well as put humongous workload on officers.

A close review of the situation should be considered and necessary steps to be initiated for recruitment of officers. A special recruitment drive should be initiated for difficult terrains like Kashmir Valley, Sikkim, North-East states, Andaman & Nicobar Islands, and other states which are perennially deficit zones like Gujarat, Andhra Pradesh, Karnataka etc.

The massive retirements every month is also taking a toll on the customer service of the bank branches as fresh recruitments are not taking place to address this issue.

#### **WELFARE FACILITIES: STAFF WELFARE CEILING:**

Present Ceiling of 3% of net profits to be increased to 5% of Operating profit without any ceiling.

#### **LIFE COVER:**

Suitable Life Cover should be taken for normal as well as accidental death. This is available in few Banks but there is no uniformity.

#### **REVIEW OF STAFF LOANS AND ADVANCES: HOUSING TERM LOAN:**

In view of the increase in cost of construction of house and flats, we need to have a comprehensive and uniform review of House Building Advance to officers by banks. In view of the rising prices and the revision of salary of officers following 8<sup>th</sup> Joint Note, all banks should enhance the limit to minimum Rs.1 crore at simple rate of interest without any slab, which can be repaid up to the age of 75.

In this regard, the rate of interest has been hovering around Nil to 8 percent in different banks. The first concessional rates of interest on housing term loans for staff was introduced way back in 1967 with Nil interest. In 1979, the amount was increased to Rs.1,10,000/- at the rate of 5% simple interest. The rate was around 8% less than the rate of interest charged to public housing term loans, which was prevailing at 13%. Hence, at that point of time the spread was 8 percent.

However, with the advent of competitive interest rate regime and MCLR based lending, the interest rate for public has been reduced considerably and many other facilities are being extended to public. We feel that officers should have the same facilities and provisions for Staff Housing as applicable to general public. The spread has been given a go by and different banks are charging at different rate of interest. Housing Term Loan is a welfare measure providing shelter to the family members of the employee. Hence, the rate of interest should be

maintained at the same spread as was obtaining in 1979, as otherwise, due to the steep increase in the cost of land and construction, the employee would be finding it difficult to service the loan.

### **CONVEYANCE LOAN:**

Following implementation of 8<sup>th</sup> Joint Note, the salary of officers have increased. All banks need to enhance the Staff Conveyance Loan uniformly to enable to officers to afford energy efficient high end vehicles. The Car loan Loan limit should be enhanced to minimum Rs.15 Lakh and Two Wheeler Loan limit to Rs.1 lakh at simple rate of interest without any slab. The repayment of the above loans should be extended upto 75 years of age.

### **ROAD TAX ON VEHICLES:**

In view of All India transferability of officers, the Road tax on vehicles of different States should be paid by the bank on inter-state transfers.

### **DATE OF RETIREMENT:**

Those who were born on the 1<sup>st</sup> of a month to be retired on the last day of the same month, and not the previous month.

### **PROTECTION OF EMOLUMENTS:**

The emoluments drawn by an officer should be protected on his higher area to lower area.

### **TRANSPORTATION OF PERSONAL BELONGINGS:**

The Banks should take the responsibility for shifting the personal effects of the officers on transfer from one place to another. Even if there is a change of posting in the same centre or in the urban agglomeration, the officers should be reimbursed the full expenditure for transportation of goods in connection with change of residence/leased quarter/bank's quarter on actual basis.

### **INCIDENTAL EXPENDITURE ON TRANSFER:**

To meet additional expenditure towards education of children, housing etc., officers should be paid two months' salary to compensate incidental expenses on transfer. In case of transfer outside the State, 3 months' salary should be paid towards incidental expenses. In case of transfers to far off centers and the places of inclement weather and living conditions, there has to be higher compensation as incidental expenditure on transfer.

### **IMMUNITY FROM TRANSFER POLICY, SPECIAL PRIVILEGES TO OFFICE-BEARERS OF THE ORGANIZATION:**

In view of the positive role played by the Officers organizations there is a need to revise the existing arrangements as regards the special leave to the office-bearers of the organizations. The existing arrangement is grossly inadequate in comparison with the size and the growth of the banking industry. particularly after mergers/amalgamations and equally the membership of



the officers' organization – the structure of the organization and hence appropriate enhancement in the leave facility needs to be considered.

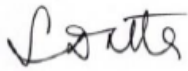
The senior office-bearers of the Officers' organizations should have full duty relief in view of the fact that they are dealing with all the HR matters relating to the officers' fraternity 24x7x365 and it is not possible for them attend to their normal deskwork. This is the need of the hour to serve the officers' fraternity, who are the driving force of the entire industry.

The Office-bearers of Associations should be extended immunity from transfer/placement. The Central /State level office-bearers should be given duty-off on par with workmen organizations. The facility is due for review.

**DATE OF EFFECT: 01.11.2022**

We reserve our rights to submit supplementary charter of demand /alter the demand if the necessity arises.

Yours Sincerely,



**(Soumya Datta)**  
**General Secretary**  
**AIBOC**



**(S. Nagarajan)**  
**General Secretary**  
**AIBOA**



**(Prem Makker)**  
**General Secretary**  
**INBOC**



**(Aadarsh K N)**  
**General Secretary**  
**NOBO**

**ANNEXURES**

**DISCIPLINARY AND VIGILANCE PROCEEDINGS**

**NOTE ON FIVE DAY WORK WEEK**

**REGULATED WORKING HOURS**

**NOTE ON LFC**

**NOTE ON OUTSOURCING**

**JUDGEMENT ON LEAVE ACCUMULATION**

## ANNEXURE

### **DISCIPLINARY & VIGILANCE PROCEEDINGS**

#### **ISSUES TO BE CONSIDERED**

- I. Classification of Misconduct
- II. Abuse of the omnibus conduct Rule
- III. Authority for imposing Major Penalties
- IV. Definition of Moral Turpitude & amendment of B.R.A.
- V. Disposal of disciplinary cases & appeals
- VI. Copy of CVC/CVO advice
- VII. Provision of Personal Hearings
- VIII. Interpretation & Effect of Penalties
- IX. Debarment period
- X. Sanction of Prosecution/Arrest
- XI. Suspension & Subsistence Allowance
- XII. Defence Representatives- No. of pending cases
- XIII. Agreed List- LODI
- XIV. Jurisdiction of CAT
- XV. Proceedings after Retirement & Issuance of Charge Sheet
- XVI. Other issues

#### **(i) CLASSIFICATION OF MISCONDUCT:**

In the Officers Service Regulations, Minor and Major penalties have been classified, but there is no classification of Minor and Major misconduct. Breach of any provision of the conduct rules is to be deemed as Misconduct. It is left to be decided by the Disciplinary Authority (in short DA) whether to initiate proceedings under Minor/Major penalty clause thereby leaving scope for subjectivity. In case of Award Staff and also Government employees, major and minor misconduct has been defined as a result one doesn't get major penalty for a minor misconduct. In case of Officers, though a large number of cases of proceedings under major penalty end up in exoneration or award of a minor penalty depending upon gravity of misconduct proved after enquiry but in very many cases of minor misconduct, the officers end up getting a major penalty. Also, there are mental blocks in the minds of some DAs who think that if Major Penalty proceedings are initiated, minor penalty or exoneration or withdrawal of charge sheet etc. cannot be done.

#### **RECOMMENDATION**

Minor and Major misconducts should be defined with clear provision that minor penalty or exoneration may be awarded after conclusion of major penalty proceedings but major penalty cannot be imposed in cases of defined minor misconduct.

#### **(ii) ABUSE OF THE OMNIBUS CLAUSE:**

Though conduct rules have been elaborated in the Regulations, the regulations at the same time contain an Omnibus Clause to fit the misconduct not specifically defined into the omnibus clause. The tragic reality is that in more than 90-95% cases, the officers are booked under this Omnibus Clause. It proves beyond doubt that where misconduct is specifically defined, violation is minimal. But more importantly, it indicates that there is an unbridled tendency among the DAs to abuse this provision and any conduct is dubbed as misconduct by invoking this clause which ought to be attracted in rare cases but which is applied in an overwhelming number of cases. If this clause is annulled and instead if the vast variety of misconducts covered under this clause over the last over three decades are analyzed and specifically provided in the conduct rules, it will lead to better compliance and minimal breach on the part of the officers. In particular, what is unbecoming of a Bank Officer must be explicitly stated in the conduct rules.

#### **RECOMMENDATION**

The omnibus clause in the conduct rules should be deleted.

#### **(iii) AUTHORITY FOR IMPOSING MAJOR PENALTIES:**

As per Article 311 of the Constitution of India, Disciplinary Authority for imposing capital punishment should not be lower than the Appointing Authority. Since all capital punishments leading to cessation of service are classified under major penalties, it automatically follows that for imposing any major penalty, the Disciplinary Authority should not be lower in rank than the Appointing Authority. Though this principle is followed in the Government and various other Organisations, including the State Bank of India, in nationalized Banks it is not being followed.

#### **RECOMMENDATION**

No Authority lower in rank to the Appointing Authority should be competent to award major penalty.

#### **(iv) MORAL TURPITUDE & AMENDMENT OF B.R.A.:**

Though the term Moral Turpitude appear prominently in the Disciplinary & Conduct Rules and on a great number of occasions, important decisions to proceed against the Officers or to place them under suspension have to be taken for the acts involving Moral Turpitude, it is a queer paradox that what constitutes Moral Turpitude has not been clearly or exhaustively defined either under law or in the conduct rules, though there are various court judgments which to some extent explain this term. Existence of a general provision in the Banking Regulation Act Section 10(1)(b)(i) which states that no employee who is convicted by a court of law for an act involving moral turpitude can be continued in service enormously increases the need and

importance of defining what is Moral Turpitude, particularly in the context of normal day to day bank work in order that large number of bank officers do not become unwary victims of these

provision and suddenly lose their job with no recourse available or a reasonable hope of reclaiming the lost job due to a painfully slow and exasperating legal system and no provision for getting full back wages if the conviction is set aside later on. When the officer is convicted, he is summarily discharged or even dismissed without holding enquiry etc but when the conviction is set-aside after proper trial, the intervening period is at best treated as deemed suspension for payment of subsistence allowance only instead of payment of back wages. In the Indian Overseas Bank, even the subsistence allowance is not paid and this period is treated as break in service.

To elaborate, the gravity of prejudice suffered by Officers on account of this while performing the normal day today duties in the bank can be seen by the fact that Moral Turpitude has been defined thus in the American settled law:

Moral turpitude refers generally to conduct that shocks the public conscience. Offenses such as murder, voluntary man slaughter, kidnaping, robbery and aggravated assaults involve moral turpitude. However, assaults not involving dangerous weapons or evil intent have been held not to involve moral turpitude. Conviction of crimes of moral turpitude may also disqualify someone from an employment opportunity. The precise definition of a crime that involves moral turpitude isn't always clear, but the above serious crimes only are always considered crimes of moral turpitude.

In terms of the above and umpteen judgments given by the courts in India, out of the above list bribery and frauds committed by an officer himself shall qualify to be acts involving moral turpitude. But, it has been seen that various normal and seemingly innocuous normal banking acts have been routinely covered by the trial courts under Section 120 B or section 420 IPC resulting in the discharge or dismissal of the officer. By the time the appeals are disposed off the officer might cross the normal retirement age and he neither gets back wages or any other compensation for loss of employment.

## **RECOMMENDATION**

Moral Turpitude should be clearly defined in the conduct rules. In the banking context, acts of accepting bribe or fraud on the part of the officer himself should be considered the one involving moral turpitude. Full back wages should be paid if the officer is held to be innocent and his conviction is set aside after disposal of appeal. During pendency of the appeal, the officer may be placed under suspension. Admission of appeal and/or stay against sentence should be deemed as stay against prosecution for the purpose of compliance of provisions of Banking Regulation Act since the case is accepted for retrial. We should also demand from the government Suitable amendment to Sec. 10(1)(b)(i) of the Banking Regulation Act.

### **(v) DISPOSAL OF DISCIPLINARY CASES & APPEALS:**

It is laid down in the special chapter of CVC Manual that no cognizance of the misconduct will be taken if the action of the officer is more than two Inspections or four year old provided there is no fraud in which case there will be no limitation of time. But charge sheet continues to be served even after lapse of 10 or more years. Further, though the maximum time permitted for service of charge sheet and for completion of disciplinary proceedings are laid down, in

practice, it is rarely adhered to. The time for filing of an appeal against decision of the disciplinary authority as also the time for disposal thereof are laid down in the said chapter. Though, limitation of time is insisted upon for filing of the appeal and delay in filing is rarely condoned, the time limit for disposal of the appeal is rarely adhered to and disposal of appeals in many cases is delayed for years together. Consequently, the officers continued to suffer particularly when they are under suspension or when cessation of service has been effected.

## **RECOMMENDATION**

It is recommended that the laid down instructions should be meticulously followed and no fault should be found with the act of the officer after 2

Inspections have taken place or a period of four year has expired. Further, if the charge sheet is not served within the stipulated period of three months or if the entire proceedings are not completed within the stipulated time of six months as provided in the Vigilance Manual, the suspension of the officer should be automatically revoked with back wages and in case the proceedings are not completed even within a period of one year, the case should be deemed to have been concluded in officer's favour and he be deemed to have been exonerated. In case, the charge sheet is not filed by CBI within the time limit of 90 days, bail is automatically granted but same principle is not applied for revocation of suspension. It is recommended that in such cases, suspension should be revoked without prejudice to the decision of the Court case. Similarly, if the appeal preferred by the officer is not disposed off within the stipulated period of three months, it should be deemed to have been allowed.

### **(vi) COPY OF CVC/CVO ADVICE:**

As per laid down instructions a copy of CVC advice is required to be furnished to the delinquent officer. In practice, however, it is observed that the authorities simply provide the operative part of the CVC advice but the entire correspondence between the Disciplinary Authority and CVC is not made available which defeats the very purpose of the provision. Further, there is no system of providing the advice of the Chief Vigilance Officer of the Bank where CVC jurisdiction is not attracted. This distinction is wholly unwarranted. The advice of CVO is at a lower footing must be furnished when there is explicit provision to provide the advice of the CVC. Recommendation.

The CVC/CVO advice alongwith the entire correspondence should be made available. It is further, recommended that the CVC/CVO should only recommend category of penalty to be imposed i.e. Major or Minor and not the specific punishment because in that case he assumes the role of the Disciplinary Authority himself. Further, in case of appeal further reference should not be made to CVC particularly if the Appellate Authority proposes to give a lower punishment within the same category already recommended by the CVC.

### **(vii) PERSONNEL HEARING:**

The disciplinary procedures have been gradually evolving in favour of the charged officer and in the past some favourable changes have taken place like provision of enquiry, making available report of the Inquiring Authority to the charged officer so that he can argue against his findings,

making available of copy of CVC advice etc. But, an important provision like grant of a personal hearing to the charged officer before award of the penalty has all along been denied. As a result, he does not get a chance to argue against the proposed penalty before hand so that some aspects of the case which might have escaped the notice of the Disciplinary Authority can be pointed out in good time and he will be able to take a more balanced and reasoned view. After the final decision is taken by the DA, it becomes difficult to undo the injustice as there is general reluctance to correct the mistakes and the appeal system is also loaded against the employee. There is already a provision for grant of a personal hearing to the workman employees. Recently, the Hon'ble Supreme Court has decided in a case related to State Bank of India Officer that while deciding the appeal the Appointing Authority must give a personal hearing. By that logic, the DA should also give personal hearing to the officer. The same logic should hold good for review petition as well. This provision is also there in the rules applicable to officers working in the Govt. of India.

## **RECOMMENDATION**

The DA should take a tentative decision and grant a personal hearing to the charged officer along with his Defence Representative before taking a final decision. The same procedure should be adopted by the Appellate Authority / Reviewing Authority while disposing off the appeal of the officer.

### **(viii) INTERPRETATION & EFFECT OF PENALTIES:**

While the minor penalties are simple and easily understandable, some of the major penalties are very technical and cannot be easily understood by the charged officer and even most of the Competent Authorities. At times promotion of the officer is withheld when no promotion is actually due to him. This results in undue prolongation of the rigour of the penalty which might not have been the intention of the DA and the penalty though minor in effects become harsher than a major penalty. Likewise, penalty of recovery of loss is a minor penalty and logically a symbolic recovery of small sum should be effected but at times it is clubbed with a major penalty and amount of recovery runs into several lakh of rupees eg. a penalty of 'removal of service' with recovery of Rupees Two lakh ! Further, when an officer is reverted to a lower grade, the reversion is taken as a permanent reversion unless the officer re-qualifies and earns back the promotion, whereas in government reversion is for a period of two years whereafter the officer is placed back in the higher scale from where he was reverted. It is also a practice to give more than one penalty like reversion to lower or the lowest grade coupled with reduction in pay etc.

## **RECOMMENDATION**

CCA Rules should be followed in this respect in the banks also.

### **(ix) DEBARMENT PERIOD:**

Debarment Rules are different in different banks. In some banks, there is no debarment when minor penalty is awarded while in some others debarment period extends to 15-20 years also. No debarment period is stipulated in case of the penalty awarded is Reversion to a lower grade whereas in case of Govt. employees debarment period of reversion is defined. In some organizations, when criminal proceedings are pending whether for misconduct pertaining to

Bank or some other criminal misconduct, result of the officer is held in sealed cover throughout the pendency of criminal proceedings which sometime run for 8-10 years also and sometime beyond the normal retirement date as well.

## **RECOMMENDATION**

In case of minor penalty, there should be no rigor and no debarment for promotion and results if any placed in the Sealed Cover should be given effect to. The maximum debarment / rigor for a major penalty should not be more than one year.

### **(x) SANCTION OF PROSECUTION/ARREST:**

There are different rules in different banks. The authority empowered to sanction Prosecution of an officer always acts under the influence / pressure of the CBI / CVO and is not permitted to act independent. Further, while provision has been made for obtention of sanction of the Competent Authority before launching prosecution against the officer but no such provision has been made to obtain similar sanction before arresting the officer.

## **RECOMMENDATION**

The power to sanction Prosecution of an officer should be vested in his Appointing Authority. The ground rules should be laid down for giving sanction for prosecution and the Appointing Authority or the Disciplinary Authority should be given a free hand to act independently. Once he declines to give sanction, he becomes a functus officio and sanction cannot be sought unless fresh evidence is presented before him. A provision should also be incorporated to obtain sanction of the Appointing Authority before arresting the officer.

### **(xi) SUSPENSION & SUBSISTENCE ALLOWANCE:**

Though the instructions provide that an officer will not be placed under suspension before investigation, in practice frequent deviations are made. Ground rules for ordering suspension of an officer are seldom followed. Suspensions are mostly effected as a knee jerk reaction and is invariably behind the back of the officer without giving him any hearing. In most cases the option of transferring the officer instead is not even considered. Once the officer is placed under suspension, there is virtually no review thereof. Review mechanism is totally absent. Review is generally on the papers and in almost all the cases reinstatement of the officer takes place only after the proceedings are concluded and final order is passed. At the time of passing final order, the DA is niggardly in his treatment of the suspension period. In case of arrest of an officer, there is provision of deemed suspension after 48 hours of the arrest but there is no simultaneous provision of a deemed reinstatement after he is acquitted. There are different rules about payment of subsistence allowance in the government, in the award staff within the banking industry and within the different banks.

The Disciplinary Authorities evince a tendency of a corseted mindset in the matter of treatment of suspension period while passing final speaking order. It has been seen that except in cases where the officer has been exonerated, suspension period is treated as such irrespective of the gravity of the penalty awarded and nothing more than the subsistence allowance already paid is



paid at the time of reinstatement which is grossly unfair. Benefit of Annual increment also is not given even for calculation of the subsistence allowance.

## **RECOMMENDATION**

Ground rules of suspension must be meticulously followed. Suspension of an officer prior to completion of investigation should not be effected. The option to transfer the officer to a distant place instead of placing him under suspension should be mandatorily considered as it is good for the officer as well as Bank. In the rare case where suspension of an officer is the only choice, the officer should be given an opportunity to show cause before placing him under suspension. Review of suspension should be regular and meaningful. Suspension should not be continued after investigation completed since the accused officer would not then be in a position to tamper with the evidence or influence the witnesses. In case, the bank or the Investigating agencies fail to serve the charge sheet within the time stipulated in the Vigilance Manual or the proceedings are not concluded within the given time frame the officer should be reinstated. In case of detention beyond a given period or conviction by a Court, there is a provision for Deemed suspension of the officer. Similar provision of deemed reinstatement needs to be provided in cases where regular bail is granted or when the conviction is set aside.

The rate of Subsistence Allowance should be uniform. For the first three months half the salary and allowances should be paid and after six months, which is the period provided for completion of proceedings, subsistence allowance equivalent to full salary and allowances should be paid.

If the disciplinary proceedings conclude in the imposition of the minor penalty, the suspension ought to be held as totally unjustified as already held by the Hon'ble Supreme Court , and full back wages should be paid. The Committee was of the view that barring the cases where the penalty awarded is cessation of service, full salary for the suspension period should be paid as there is no justification to continue suspension after the initial few months when investigation is conducted.

Notional annual increment should be taken into account for the purpose of calculating subsistence allowance and if salary revision is taking place during the period of suspension, arrears should be paid for the period prior to date of suspension and enhanced subsistence allowance from the date of suspension should be paid.

### **(xii) DEFENCE ASSISTANTS/COUNSELS:**

The position is not uniform. In all the Nationalized Banks, Defence Assistants/Counsels are allowed to have 2 pending cases at any point of time as against 3 cases laid down in the CVC Manual. Only in State Bank of India 3 pending cases are allowed. Further, though there is restriction of 2/3 cases for the Defence Assistants/Counsels there is no such restriction for the Presenting Officer or the Inquiring Authority. There are also different provisions in this regard for officers and award staff. Whereas, in case of officers only serving officer is allowed to defend in case of workmen any office bearer of a registered Trade Union whether retired or serving and whether belonging to same or different bank is allowed to defend the charge sheeted employee. This distinction / discrimination is wholly unwarranted. Further, retired officers should be permitted to act as Defence Assistant/Counsel.

## **RECOMMENDATION**

There should be no restriction on the number of cases to be taken up by any defence representative as in the case of Presenting Officer / Inquiring Authority so that the Officers are not deprived off the assistance of trained persons who are not easily available and particularly because officers are not allowed to take the assistance of lawyers, there is a strong case for allowing the retired officers of the bank to give this service to the officers of his parent bank.

**(xiii) AGREED LIST / LODI:**

This list of officers whose honesty / integrity is taken to be doubtful is prepared at the back of the officers and in many cases it is not as per the letter and spirit of the laid down norms. Even where after enquiry the fraudulent motive is not proved and the penalty awarded is not so serious and where acquittal is more or less on merit, names of officers are kept in the LODI and cases are not scarce when officers are unnecessarily put under watch by placing their names in the agreed list and the officers concerned do not even come to know about it because the sensitive and non sensitive positions are interchangeable. The list of sensitive positions has been exhaustibly drawn up by including a large number of assignments which are not sensitive at all. This result into under utilization of talent and experience and in many cases officer not actually placed in the agreed list when posted to these assignments get an impression that their integrity are under watch. Recommendation

There is a need to revisit the issue and carefully draw the list of sensitive assignments. The officers whose names are placed in LODI / Agreed list should be informed so that they can at least make a representation to the Competent Authority to review their decision. The laid down period of three years / one year for keeping the name in LODI and Agreed List respectively should be adhered and not prolonged. On expiry thereof, name should be automatically deleted from the list.

**(xiv) JURISDICTION OF CAT:**

The Central Administration Tribunals were first established in the year 1985 with the laudable objective of reducing the burden on the various Courts and reduce pendency as also to provide the persons covered by these tribunals a speedy and relatively less expensive and effective remedy. The Tribunals have served the declared objective to a great extent but only the employees of the Central Govt. and other notified organizations are covered. Bank employees have not been brought within the jurisdiction of these tribunals so far even though banks are now owned by the Government. As a result the bank employees are suffering enormously as they are at the mercy of the bank management and do not get justice in most of the cases. The handling of the cases in the banks is highly subjective, perfunctory and whimsical. However, the bank employees in general and officers in particular keep suffering and do not in most cases approach the Court of Law because of the huge cost and delays involved.

**RECOMMENDATION**

Since the tribunals are working satisfactorily and have now come to stay and through these the working class is able to get speedy and less expensive adjudication of disputes in respect of recruitment and condition of services as also the employees are able to challenge instances of gross miscarriage of justice in disciplinary matters where Principles of natural justice are violated at will by the Disciplinary / Appellate authorities. We strongly recommend that special administrative tribunals for bank officers and employees should be set up by the government.

#### **(xv) PROCEEDINGS AFTER RETIREMENT:**

The provisions in the Service Rules that Disciplinary proceedings may be continued after retirement of the officer was kept to take care of the situations where some fraud or gross misconduct is committed shortly before the superannuation of the officer. However, in practice this provision is grossly misused and even abused to stall / stop the normal retirement of the officer by digging out some act of misconduct committed years before the date of retirement and charge sheets are issued on the very eve of the actual retirement. Cases are not lacking where the alleged misconduct was discovered years before the retirement date but the proceedings like investigation, preliminary explanation etc proceed at snails pace and actual charge sheet is issued when the officer is on the eve of his retirement by invoking the provision to keep him in bank's service for the limited purpose of completing the departmental proceedings. Resultantly, his retiral benefits are withheld and the officer is made to undergo all sorts of stigma and social ignominy. Out of sight is out of mind. Once the officer is not on the rolls, the proceedings progress at even slower pace and the officer keeps suffering for years on end. Government instructions to put up such cases at least one year before retirement and these should be subjected to quarterly review by an authority no less than the CEO himself are not being adhered to.

#### **RECOMMENDATION**

It should be clearly provided that this particular rule can not be applied for misconduct which is more than say one year old at the maximum. Further, this rule 19 (3), 20(3) in some banks should not be invoked in the last quarter unless some fraud / act of misappropriation has been unearthed. It should be further provided that if the proceedings are not completed within three, or at the maximum six months of the date of superannuation, the retiral benefits will be released. Even when this rule is invoked and officer is retained in service for the purpose of completion of proceedings, the amount of leave encashment, which is not a retiral benefit, should not be withheld. Further, such officers are being paid provisional pension so that the organization is not legally called upon to pay salary for the period, proceedings remain pending. Provisional commutation value should also be paid. Similar relief should be provided to officers who are not pension optees.

#### **(xvi) OTHER ISSUES:**

##### **(a) Effect of criminal proceedings**

Since criminal proceedings takes a long time to conclude and even if decided, against the officer result in award of a sentence under the law, it should not affect the promotion and / or retirement of the officer, if it is not related to misconduct pertaining to official banking transactions.

##### **(b) Provision of additional documents**

As in the case of government employees and as per the provisions of the CCA Rules on which the bank officers disciplinary rules are also based, all the management documents must be accompanied with the charge sheet and additional documents should not be allowed to be presented by the prosecution side unless so agreed by the charged officer since presentation of

additional documents in case of government employees is taken as amendment to the charge sheet itself. The existing rules about amendment of charge sheets may be reviewed.

The Personnel Committee discussion note should be pursued for its implementation.

### **NOTE ON FIVE DAY WORK WEEK**

This strategy paper intend to manifest and illustrate the trends and developments in both hours of work and the organization of working time (working time arrangements) and considers their implications for the future of work.

Since the Industrial Revolution there has been a downward trend in hours of work (in those countries with longitudinal data on working hours), which moved in tandem with increases in wages and productivity – creating a virtuous cycle. A comprehensive and deep analysis of the “Indian banking industry”, will reveal akin tendency.

In the recent two decades, however, this trend has ceased or even reversed in some industries, especially in the banking sector in our country. This has been accompanied by a bifurcation of working hours, with substantial portions of the workforce working excessively long hours (more than 48 hours per week), which affects the health and social life of bank employees.

Regarding the organization of working time, even though there has been a diversification in working time arrangements, with a movement away from the standard workweek consisting of fixed working hours each day for a fixed number of days and towards various forms of “flexible” working time arrangements (e.g. new forms of shift work, hours averaging, flexi-time arrangements, compressed workweeks, Work from Home) along with demands for extended and even 24/7 availability, with widely divergent effects depending on the specific arrangement, the banking sector in our country still remains poor and inferior in adopting such work arrangements.

Further critical emerging issue regarding the working time concerns the impact of new information and communications technologies (New ICTs), such as smartphones and tablet computers, which enable constant connectivity. These New ICTs have resulted in a blurring of

the boundaries between paid working time and both the times and spaces that are normally reserved for personal life.

We intend to raise a question as to whether, given the impacts of recent technological developments on employment, the resumption of the historical trend towards an overall reduction of working hours has become an economic and a social imperative in the Indian Banking Sector. This requires public policies consented by MoF & DFS promoting the reduction of working hours, as well as some basic guarantees regarding “regulated working hours” for those working excessively above the industrial norm. Such policies need to be combined with both policies and practical guidance regarding how to develop balanced working time arrangements that ensure minimum periods of rest, including paid leave, and can benefit both workers and enterprises.

## **History**

The first international labour standard, the ILO Hours of Work (Industry) Convention, 1919 (No. 1), had already enshrined a long-sought trade union objective, the eight-hour workday, into international law, alongside a 48-hour weekly limit on working time – a radical notion at a time when 60-plus hour workweeks were still common everywhere.

The adoption of the ILO Forty-Hour Week Convention, 1935 (No. 47) reflected the spirit of the times. Only two decades after the adoption of the 48-hour week, there was already a building consensus regarding the principle of a five-day workweek with two consecutive days of rest.

National labour laws on working time have largely followed the international standards, such that the 40-hour workweek is now the most common national standard for normal weekly hours of work – and the dominant standard in the developed world – while the 48-hour workweek remains common in developing countries. (ILO, 2018a).

As the Second World War was drawing to a close in 1944, the ILO convened its annual conference in Philadelphia and adopted the Declaration of Philadelphia, which boldly asserted that “all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security, and equal opportunity” (Article 2(a)). In other words, work is about more than just meeting material needs; people also need to have the opportunity for fulfilling personal lives as well. And in the period of prosperity following the Second World War, the international consensus around the reduction of working hours towards the “social standard” of the 40-hour workweek – based on the country’s level of development – continued to build, culminating in the adoption of the ILO Reduction of Hours of Work Recommendation, 1962 (No. 116).

### **August 20, 1866:**

A newly formed organization named the National Labour Union asked Congress to pass a law mandating the eight-hour workday. Though their efforts failed, they inspired Americans across the country to support labour reform over the next few decades.

### **May 1, 1867:**

The Illinois legislature passed a law mandating an eight-hour workday. Many employers refused to cooperate, and a massive strike erupted in Chicago. That day became known as "May Day."

### **May 19, 1869:**

President Ulysses S. Grant issued a proclamation that guaranteed a stable wage and an eight-hour workday — but only for government workers. Grant's decision encouraged private-sector workers to push for the same rights.

### **1870s and 1880s:**

While the National Labour Union had dissolved, other organizations including the Knights of Labour and the Federation of Organized Trades and Labour Unions continued to demand an eight-hour workday. Every year on May Day, strikes and demonstrations were organized to bring awareness to the issue.

May 1, 1886: Labour organizations called for a national strike in support of a shorter workday. More than 300,000 workers turned out across the country. In Chicago, demonstrators fought with police over the next few days. Many on both sides were wounded or killed in an event that's now known as the "Haymarket Affair."

### **The Bayview Tragedy, 1886**

The Bayview massacre occurred on May 5th, 1886, in Wisconsin, U.S. On this day, the workers set off in the direction of the iron-steel enterprise demanding an 8-hour working day, gathering about 1,500 strikers from all over Milwaukee. During this period, the workers had about six working days, and they worked 10-12 hours on average. The workers did not agree to pay cuts at the expense of reduced hours, which was unacceptable to many employers. That day, the enterprise was guarded by the militia fortified at an elevated spot near its entrance.

The armed forces warned the marchers before they approached the enterprise; however, as the march did not stop, the militia used their weapons and opened fire on the protesters. The actions of the militia were followed by the dispersal of the protesters. Nonetheless, the protest was unsuccessful, and their idea of reducing working hours was only implemented by Franklin Delano Roosevelt in the 1930s.

It is important to note that the protesters did not demand a 5-day working week. Their main focus was daily working hours.

### **1890:**

The US government began tracking workers' hours. The average workweek for full-time manufacturing employees was a whopping 100 hours.

### **September 3, 1916:**

Congress passed the Adamson Act, a federal law that established an eight-hour workday for interstate railroad workers. The Supreme Court constitutionalized the act in 1917.

## **Saturday & Sunday – History of Weekends**

The first change in the United States took place in 1908 when an employer in New England offered employees a two-day weekend to enable Jews to follow religious procedures. Also prominent in this regard is the American businessman and car manufacturer Henry Ford, who offered his employees not only a 5-day workday, but also a 40-hour workweek, and in this respect became an important figure in establishing the tradition of weekends. It is important to note that Ford's idea was well-received by others because they understood why a 5-day workweek was important to their employees. With this idea, businessmen tried to conserve the energy of their employees to maintain their enterprises constantly active.

### **September 25, 1926:**

Ford Motor Companies adopted a five-day, 40-hour workweek.

### **June 25, 1938:**

Congress passed the Fair Labour Standards Act, which limited the workweek to 44 hours.

### **June 26, 1940:**

Congress amended the Fair Labour Standards Act, limiting the workweek to 40 hours.

### **October 24, 1940:**

The Fair Labour Standards Act went into effect.

## **Literature review**

La Valle et al., (2002)<sup>1</sup> studied on happy families and described working long hours as a key contributor for mounting pressures on fathers in particular and family in general.

Major et al.(2001)<sup>2</sup> found too that long work hours are correlated with increased work-family conflict and indirectly leads towards psychological sufferings. They also concluded strong positive relationships between work hindrances with family and work overload and organizational expectations for time given at work place.

Parasuraman et al. (1996)<sup>3</sup> did study on work and family variables, entrepreneurial career success, and psychological wellbeing. Among many findings, one of the significant finding was that male gave more time at work corresponding to time given to family when compared to female counterpart. Moreover, work overload and inflexible working hours were correlated to increasing time commitment at work. Time commitment to work was directly connected to stress in life. It is reality that sometimes employers simply forget about the lives of their employees beyond the workplace and subsequently the difficulties they have to face at home.

Saffer and Lamiraud (2012)<sup>4</sup> described that increasing the number of hours at work per capita from last 30 years has formed an intuitively believable perception that now less time is given for

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social relationships. Uden et al., (1991). Number of factors like more demanding work, social support have been considered to be linked to coronary heart disease in epidemiological studies. Less social support is causing more heart rates along with blood pressure.

Batt and Valcour (2003)<sup>5</sup> suggested that work-life balance practices together with the policies and practices of human resources led towards the most appropriate handling of work-family conflict and to turnover. Human resources practices like work redesign and giving incentives for motivation and commitment.

Stress magnifies a person's susceptibility to infection, disease, and even death (Dragos & Tanasescu, 2010; Uehata, 2005)

### **Karoshi (Over work death)**

The stress associated with overwork elevates blood pressure, lowers immune system function, and causes other bodily system changes, which may result in sudden death syndrome (Ke, 2012)<sup>6</sup>. Thus, a Japanese term, karoshi was coined to refer to overwork death, which is defined as the "extreme acute result of acute cardiovascular events including stroke" (Ke, 2012).

The literature review conducted by Ke (2012) revealed several risk factors for karoshi including holiday duty, increased hours of overtime work, night shift work, and working in a new position geographically separated from family members. Several specific aspects of the Japanese culture of work and ethics linked to long hours make it an ideal testing ground for reduced working hours. As early as 1987, the Labour Ministry of Japan officially recognized karoshi as a cause of death (Edlin & Golanty, 2012).

### **EFFECTS OF WORKING HOURS ON OCCUPATIONAL SAFETY & HEALTH (OSH), WORK-LIFE BALANCE AND PRODUCTIVITY AND PERFORMANCE**

The length or volume of working hours – particularly excessively long hours of work – can have important consequences for both workers and enterprises. The adverse consequences of long hours stem from disturbances in individuals' sleep, biological rhythms, and family and social life, which in turn have negative effects on their level of fatigue and their mood, and ultimately on their health, safety and performance at work (Tucker and Folkard, 2012).

An increasing body of empirical evidence underlines the adverse effects of regular long working hours (defined as more than 48 hours or more than 50 hours per week depending on the specific study) on human health and workplace safety. Multiple studies regarding health agree that the negative effects of regular long working hours include both short- and long-term effects. Acute reactions involve physiological responses such as increased levels of fatigue, stress and sleeping disorders, as well as unhealthy lifestyle habits such as smoking, alcohol abuse, irregular diet and lack of exercise. Long- term effects include an increased incidence of cardiovascular disease, gastrointestinal and reproductive disorders, musculoskeletal disorders, chronic infections and mental illnesses (Tucker and Folkard, 2012; see also NIOSH, 2004 and Spurgeon, 2003).

In addition to these health implications, it is clear that work schedules which regularly involve extended hours decrease workplace safety, as the risk of occupational accidents rises with

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increasing length of the work schedule – which is also costly for enterprises (see e.g. Johnson and Lipscomb, 2006).

Excessively long weekly hours of work are positively associated with chronic effects of fatigue, leading to health problems such as cardiovascular disease, gastrointestinal disorders, and even higher mortality rates (e.g. *karōshi* in Japan). Long weekly hours are also positively associated with poorer mental health status, i.e. higher rates of anxiety, depression and sleep disorders (Afonso, Fonseca and Pires, 2017)<sup>7</sup>. Recent results from a study in the United States tracking chronic disease risks from exposure to long-hours work schedules over a 32-year period clearly showed that regularly working long hours for a long period is significantly associated with elevated risks of heart disease, non-skin cancer, arthritis and diabetes. The observed risk was much higher among women than among men (Dembe and Yao, 2016)<sup>8</sup>. Because women's health may be disproportionately affected by working long hours, employers should consider specific policies to help women better manage the demands of combining work and family, and thereby help them maintain good health (*ibid.*). In addition, research results from Japan suggest that working long hours during the first trimester of pregnancy is associated with spontaneous abortion and premature birth (Takahashi, 2014). Factors such as autonomy, high job demands, external pressure to work overtime, and low rewards (e.g. lack of overtime premia) mediate the relationship between overtime work and occupational health and safety. In general, however, reducing excessively long working hours is likely to result in positive effects on occupational safety and health.

Long weekly hours (more than 48 hours per week) are also associated with reduced levels of reported work–life balance and increased work–family conflict (Fagan et al., 2012). Long working hours pose particular problems for work–life balance if they are involuntary and inflict negative effects on workers' private lives and well-being. Fagan et al. (2012) review a number of studies that have identified long working hours as an important predictor of work–life conflict, and they conclude that work–family incompatibility, less engagement in community and civic life, and lower fertility rates are all common outcomes of excessively long hours of work. Work–life imbalances may also reduce mental well-being, resulting in stress, anxiety, and lower job and life satisfaction. Thus, reductions in long hours are likely to improve workers' work–life balance and may also increase their life satisfaction, which is also known as “happiness”, mainly in the economics literature (Hamermesh, Kawaguchi and Lee, 2014).

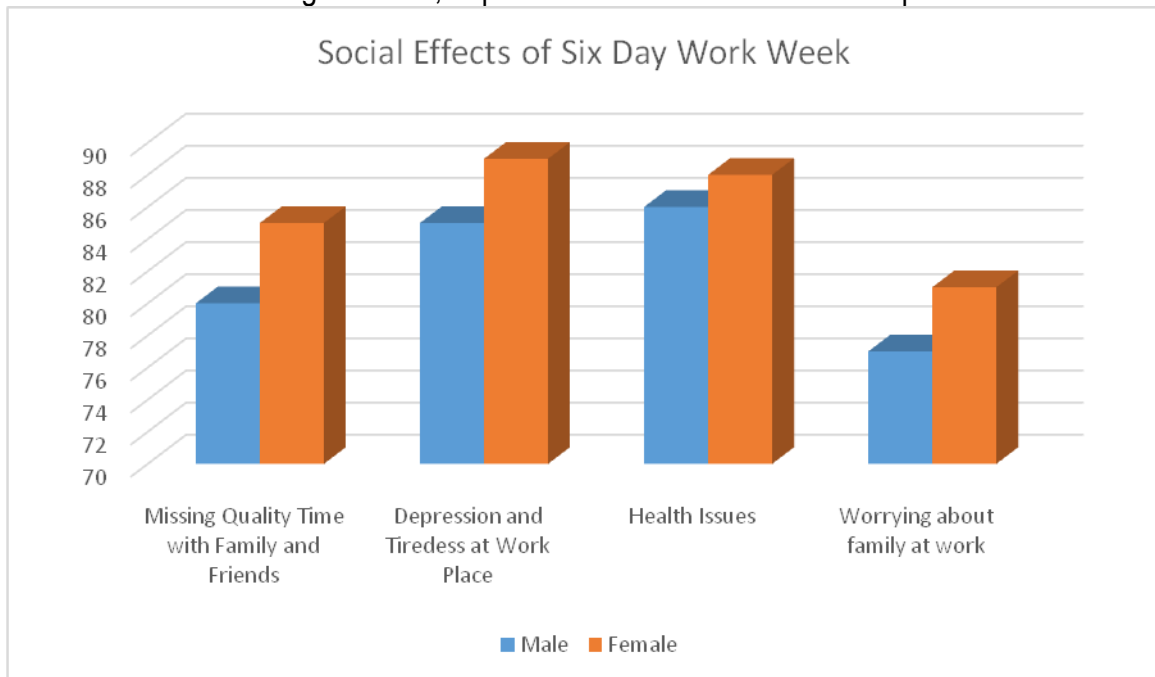
Finally, it is widely believed that long working hours result in high productivity, but this is actually a myth. In fact, longer hours of work are generally associated with lower unit labour productivity, while shorter hours of work are linked with higher productivity. Working excessively long hours on a regular basis has been shown to reduce hourly productivity due to greater fatigue, and those workers with long hours and/or heavy workloads report decreasing job satisfaction and motivation and also higher rates of absenteeism and staff turnover (Golden, 2012). Likewise, countries with long hours of work often have relatively low unit labour productivity. For example, comparing several OECD countries, an ILO analysis found that the relationship between the number of hours worked annually per person and labour productivity (measured as GDP per hour worked) was strongly negative (ILO, 2009).

A recent analysis of the relationship between working hours and labour productivity using historical data on munitions workers (Pencavel, 2014) found that, above a specific hours

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threshold (in this case, 49 hours), output rises at a decreasing rate as hours increase – an empirical demonstration of the phenomenon of declining marginal productivity. Pencavel links this finding with the recent OSH literature showing that long working hours are correlated with an increased risk of accidents and illnesses, which also increases costs to enterprises (see also Tucker and Folkard, 2012).

The research paper<sup>9</sup>, Comparative study of the social effects of 5 and 6 days' work on individuals with a main agenda to study the impact of work life on social life between two categories of people working for 5 days and 6 days a week, on both males and females, has demonstrated interesting statistics, depicted hereunder for a better comprehension.



The study reveal that a six day work week impact the social life of an employee and ravage the psychological balance, emotional health and social life of an individual.

### **Order of the Kerala State Human Rights Commission<sup>10</sup>**

In an order by KSHRC, hearing a case of suicide of a bank employee, the commission observed that

*“...the commission has reasons to believe that unlike in the past, the bank employees, especially the middle level officers, are confronting an host of issues, consequent to the diversification of activities in the banking sector, besides shouldering the onus of running the establishments with Skelton staff. The commission could not sit like a silent spectator when the human rights of the employees are at stake, driving some of them to choose the extreme step, succumbing to work pressure*

*“A suitable and long-lasting solution is to be evolved by the government in consultation with all the stake holders, that would greatly safeguard the interest of the employees in our state, including the measures to minimise the mental pressure and enhance the mental strength of the staff members who are pillars of each and every institution without hurting the interest of the management as well”*

The human rights commission further observed that the issue is vexed, since any steps from the state government will be ultra vires since the banking according to the Article 246 (Seventh Schedule) is in the “Union List”.

## **BENEFITS OF FIVE-DAY WORK WEEK**

### **Benefits for Employees**

1. Employees enjoying two days off per week can have sufficient rest. When returning to work, they will be refreshed and work with greater devotion.
2. Employees can spend more time for their families and taking care of them. It can help them to relieve stress from coping with work and family commitments.
3. Employees' travelling time and expenses on commuting to and from the workplaces can be saved.
4. For employees with fewer family commitments, they can utilise their days off for further studies or to develop personal interests.

### **Benefits for Employers**

1. Enhance company's efficiency: As employees can settle their family matters during their days off, they will be more dedicated to work, thus enhancing their work performance and productivity. In turn, the company's efficiency and customer satisfaction will also be uplifted.
2. Reduce absence rate: A lower rate of absence due to sickness or work accidents may be achieved as employees can be re-charged for work after sufficient rest.
3. Enhance enterprise's competitiveness: Allowing employees to pursue further studies or develop personal interests helps elevate staff quality and competitiveness of the enterprise.
4. Retain talents: A five-day work week can foster employees sense of belonging to the enterprise, thus facilitating staff retention, lowering staff turnover and reducing the time and resources for recruitment and training.
5. Promote corporate image: The measure can enhance the image of the enterprise as a good employer and create an edge in attracting talents.

## **4 DAY WORK WEEK – A CONTEMPORARY STEREOTYPE**

When, the trade unions in our banking fraternity are campaigning, straining and tussling with the negotiations between the Indian Banks Association and DFS, to introduce a 5 day work week in the banking sector, the world is drawing on towards a more pragmatic, utilitarian and sensible concept of 4 day work week.

As we emerge from the pandemic, more and more companies are recognising that the new frontier for competition is quality of life, and that reduced-hour, output-focused working is the vehicle to give them a competitive edge.

More than 3,300 workers at 70 UK companies, ranging from a local chippy to large financial firms, start working a four-day week from Monday with no loss of pay in the world's biggest trial of the new working pattern.<sup>11</sup>

The pilot is running for six months and is being organised by 4 Day Week Global in partnership with the thinktank Autonomy, the 4 Day Week Campaign, and researchers at Cambridge University, Oxford University and Boston College. The trial is based on the 100:80:100 model 100% of pay for 80% of the time, in exchange for a commitment to maintain 100% productivity. The 20th-century concept of a five-day working week is no longer the best fit for 21st-century business. A four-day week with no change to salary or benefits will create a happier workforce and will have an equally positive impact on business productivity, customer experience and social mission.

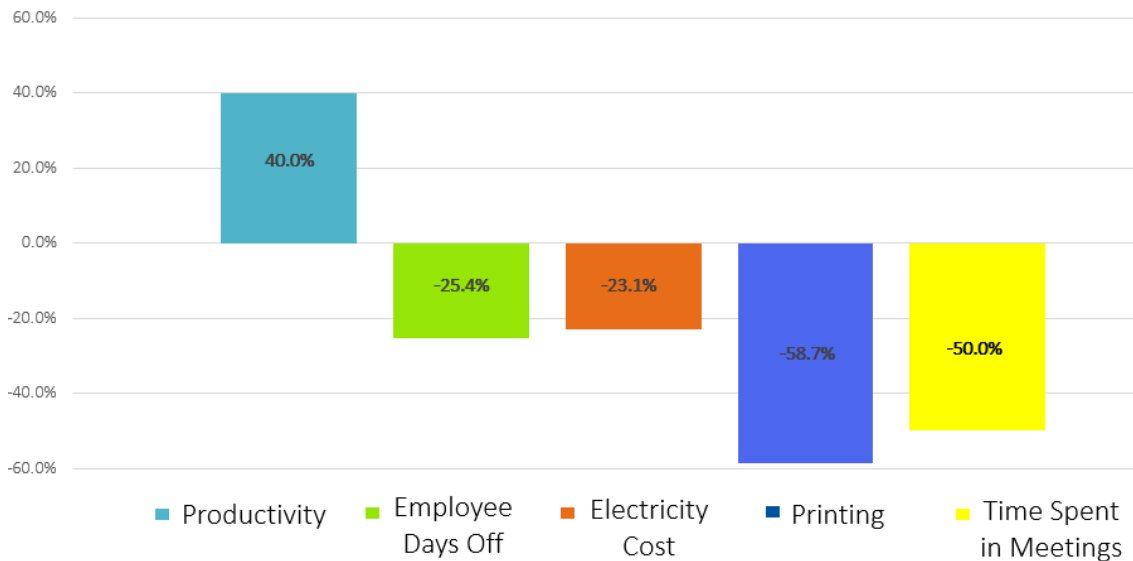
### **Four-Day Workweek: The Microsoft Japan Experience**

A good case study for the benefits of a four-day workweek was done by Microsoft Japan in the summer of 2019. Employees there worked four days a week while receiving their normal five-day pay check. The results that they saw speak for themselves. They reported increased efficiency across the business. Decreased electricity usage, fewer meetings held, and fewer pages printed helped contribute. The company says this all resulted in a 40% productivity boost across the business

Source: Microsoft Japan (2019a)

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## Microsoft Japan Work Life Choice Challenge Results



From the case study of Microsoft Japan, it was apparently evident that lower work hours, flexible working arrangements increased the productivity of employees by 40 percent and concurrently reduced the no of employee days off, slashed the establishment & operating expenses (electricity, printing etc).

### Active trials

In 2022, not-for-profit advocacy group 4 Day Week Global launched a series of six-month trials for companies in:

- Ireland (17 companies, February to August);
- the US and Canada (38 companies, April to October);
- the United Kingdom (UK) (70 companies with more than 3,300 employees, June to December); and
- Australia and New Zealand (20 companies, August to February 2023).

Employees of participating companies will work one less day a week with no reduction in pay. The UK pilot is the world's largest trial of a four-day week to date. Since the COVID-19 pandemic, several governments have proposed and launched four-day working week trials:

- Scotland announced it is putting £10 million towards a trial, as part of its promise to pursue a wellbeing economy.
- Spain announced a voluntary, nationwide, three-year trial of a 32-hour workweek.
- The Japanese government's 2021 annual economic policy guidelines recommended that companies allow their workers to opt for a four day work week, as part of an initiative aimed at improving work-life balance in the country.
- Belgium allowed employees the ability to request a four-day work week through the compression of their 38-hour week.

- Prime Ministers Jacinda Ardern<sup>12</sup> of New Zealand and Sanna Marin<sup>13</sup> of Finland have each proposed a four-day work week as a consideration.

### **Major trial results**

1. Two trials in Iceland between 2015 and 2019 in which working hours were reduced to 35 hours a week without pay reduction for 2,500 workers resulted in "dramatically increased" well-being, no decline of productivity or service, and improved work-life balance and stress ratings from employees.
2. Microsoft Japan conducted a trial four-day work week in summer 2019, granting workers paid leave on Fridays. At the same time it cut the length of most meetings from a full hour to half an hour, and capped attendance at five employees. For the duration of the trial, the company reported a 23% reduction in electricity costs.[58] Sales per employee increased 40% during the last year's same period.

### **PROPOSAL**

A considerable amount of discussions had already been held with Indian Banks Association and DFS in the context of regulating the working hours of officers and introducing a five day work week in the Indian Banking System.

From the facts foregoing, it is conclusively evident, that the various researches and case studies across the globe reveal that the prolonged working hours seriously affect the mental health of employees, destroy the work life balance & drastically reduce the productivity, and concurrently increase the operating expenses of the banks leaving a toll on the profit fetched.

Whereas, as a consequence of enormous work pressure and coercion of bank managements, many employees especially the officers are persuasively spending nearly 12-14 hours in the bank, sacrificing their life, family and their personal space, landing in distress and torments. The bank officers are even forced to work on holidays and they are hence deprived of their fundamental right to live a life of dignity.

A research paper on "Work Pressure and Employee Involvement in State Bank of India"<sup>14</sup> by the professors of Mahatma Gandhi College, Thiruvananthapuram clearly establish that there is an inverse relationship between the work pressure and employee involvement.

It also observes and records that *"Employees are human beings not a physical asset. Majority of the superiors treat their subordinates just like a physical asset / machine. They did not consider the mental and physical capacity or feelings of the subordinates. Many of these categories believe that Work pressure is a positive aspect of life and work. As per this, superiors give heavy instructions and guidelines, challenging work standards, risky targets and deadlines that push the employees towards great depression and worst performance. This will also negatively affects the growth of market share and profitability of the organization."*

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It is time that the bank employees shall be treated as humans, and not as just physical assets. The aspect of Humanity is amiss in most banks, when it comes to dealing with human assets. The threat of transfers and departmental proceedings are muffling the protest voices of officers, who are slipping into depression and finally resorting to the extreme step of committing suicide.

Hence, for the sake of the physical and mental well being of the employees and for an increased productivity, better business growth, reduced occupational hazards, and the accompanying environmental benefits, we propose

1. That the working hours of officers shall be regulated from 9.45 AM to 5.30 PM
2. That the five day week shall be introduced in the banking sector declaring all Saturdays as Holidays.
3. That Flexible working arrangements shall be introduced in the form of shifts, work from home etc.

### **NOTE ON REGULATED WORKING HOURS**

The International Labour Conventions have provided for regulation of working hours. In USA, average working hours is 33 hours in five days. In Australia it is 35 hours. In France, it is 30 hours and in Netherlands 27 hours in a week. In France working after 6 o'clock is banned and in some countries workers who work beyond 8 hours do not get insurance coverage. It is interesting to recall that way back in 1928 John Maynard Keynes predicted that with technological advancement a work week will come down to 15 hours within 100 years.

A study of the American Journal of Epidemiology found that those who worked 55 hours per week performed poorly on some mental tasks than those who worked 40 hours per week.

Regulated working hours has been a long standing demand of the officers in the banking industry. The Joint representations made by the four officers' organizations during 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> Joint note exercises bore certain developments. But, with the reduction in employees' strength due to embargo on recruitment due to PCA imposed on banks, the work load of serving officers have increased manifold. Nearly 25% to 30% of bank branches of different Banks are managed by single officers where it is impossible to complete the work within the stipulated working hours. Today, it has become common for officers to work from 9 am to 9 pm, which stands way above the standard norm of 48 hours in a week practised in many developed countries. With the introduction of Clearing Grids, RBI has reduced the number of holidays and practically those who are working in the clearing system have to compulsorily work late and also on holidays. Moreover, the Government frequently is assigning tasks to banks for which bank branches have to be kept open on Sundays and holidays. Recently, all bank branches were asked to be kept open for the LIC IPO on 8<sup>th</sup> May 2022. The National Lok Adalats are also conducted on 2<sup>nd</sup> and 4<sup>th</sup> Saturdays. All these lead to acute fatigue among the officers' fraternity and which in turn lead to reduction in the productivity of the officers too.

It is worthwhile to mention that all banks are experiencing an increase in attrition rate of Direct Recruited Officers (DRO) and Probationary Officers (PO). It is common knowledge that the root cause of severance is the extended working hours and requisition of services on almost every Sunday and holiday.

Most of the Government Offices and Enterprises work from 10 am to 5 pm with half an hour lunch break making it practically 6 ½ hours work. In the Banking Industry, the Reserve Bank of India has introduced regulated working hours officially on 12<sup>th</sup> July 2012 along with flexible timing. (CO HRMD Circular No.G.28/240/04.01.14/2012-13). Even IDBI Bank has regulated working hours from 2009.

Hence, it is imperative for us to bring regulated working hours with a stipulation of 6 ½ hours work. In case of emergency where the officer has to work beyond this they have to be compensated with one day compensatory off coupled with adequate monetary compensation.

### **NOTE ON LEAVE FARE CONCESSION**

As per the 7th Joint Note "Leave fare concession was as follows:

1. During each block of 4 years an officer shall be eligible for leave travel concession for travel to his place of domicile once in each block of 2 years. Alternatively he may travel in one block of 2 years to his place of domicile and in another block of 2 years to any place in India by the shortest route.
2. Alternatively an officer by exercising an option any time during the four year block or 2 year block as the case may be surrender and encash his LTC other than travel to place of domicile" upon which he shall be entitled to receive an amount equivalent to 100% of the eligible fare for the class of travel by train to which he is entitled upto a distance of 4500 Kms(one way) for officers in JMG Scale I and MMG Scale II & III and 5500 Kms (one way) for Officers in SMG Scale IV and above. An Officer opting to encash his LTC shall prefer the claim for himself / herself and his / her family members only once during the block / term in which such encashment is availed off. The facility of encashment of privilege leave while availing of leave fare concession is also available while encashing the facility of LTC.
3. The mode and class by which an officer may avail of Leave Travel Concession shall be the same as the officer is normally entitled to travel on transfer and other terms and conditions subject to which the Leave Travel Concession may be availed of by an officer, shall be as decided by the Board from time to time.

Provided that w.e.f. 1st May 2010 an officer in Junior Management Grade Scale I while availing LTC will be entitled to travel by air in the lowest fare economy class in which case the reimbursement will be the actual fare or the fare applicable to AC 1st Class fare by train for the distance travelled whichever is less. The same rules shall apply when an officer in Middle Management Grade Scale II and Middle Management Grade Scale III while availing LTC where the distance is less than 1000 kms.

During the last wage revision exercise, the following 3 alternatives have been submitted to the IBA.

1. To Continue to present scheme with provision to travel abroad
2. To adopt the RBI scheme
3. Monetary compensation instead of LFC reimbursement.



However, the entire LFC paragraph was not incorporated in the 8<sup>th</sup> Joint Note as the decisions like entitlement for Air fare/AC First Class could not be agreed upon and was to be referred to the Management Committee. Incidentally, it was agreed during the discussion that for both spouses working in the same bank separate LFC facility would be introduced, which was agreed for the workmen. However, since the LFC para was not incorporated in the 8<sup>th</sup> Joint Note, no bank has extended this benefit for the officers. Despite repeated attempts, IBA has failed to issue any advisory clarifying that both spouses working in the same institution would be eligible for separate LFCs, which is a travesty of justice.

We, therefore, demand that for all such eligible cases, retrospective LFCs have to be given to officers and if required, LFC blocks to be extended.

Re-phasing of LFC Blocks: An officer to be permitted to avail LFC once in 2 years and HTC every year.

LFC Monetisation : Let us examine the RBI scheme, which is due for revision shortly, inter alia provides an entitlement of Rs.1,26,000/- for Grade A to E. This amount has been arrived at on the basis of Air fare as on date, taking into account that 50% of the entitlement should go towards the Air fare. The RBI scheme provides 50% or more out of the above entitlement towards Air fare and 25% towards local site seeing expenses without production of any evidence. In addition it provides for 15% incidental expenditure towards travel by taxi / train / bus from home to the Airport, visa charges, medical insurance premium etc. (originally it was 20%) The scheme also provides for package tours organised by travel agents approved by IATA. Even for package tours 15% incidental expenditures is provided. The scheme also provides for 2 journeys in 4 years which can be either 2 sets of LFC or one LFC and one Home travel. In case of encashment it provides for AC First Class fare for 4500 kms (one way)

Hence the above scheme which has also segregated foreign LFC and domestic LFC should be made available to Bank Officers.

The entitlement for NABARD officers is Rs 1,24,000/-, which also is due for revision.

In case of monitory compensation the entitlement should be 1,40,000/-so that a 15% incidental expenditure is added. We produce herewith the actual flight fare which our officers have recently claimed for their LFC.

Kolkata	Dharmsala	= Rs 60,500/-(one way) ; Rs 1,21,000/- (return)
Trivandram	Srinagar	= Rs.49,320/-(one way) – 98,640/- (return)
Mumbai	Dharamsala	= Rs 55, 937/- (one way) Rs 111874 (return)
Mumbai	Pakyong	= Rs 53,561/-(one way) Rs 1,07,122/- (return)
Mumbai	Khushinagar	= Rs 57, 320/- (one way) Rs 1,14,640/- (return)

It will be advantageous to the Banks to accept the RBI scheme of LFC monetization with ceiling of entitlement as Rs. 150,000/- per person upto Scale V.

The LFC scheme for Award staff is enhanced by providing for AC 2 tier to clerical staff and o subordinate staff. Hence, to protect the dignity of officers, all officers should be entitled for air travel for LFC, including officers in JMGS-I cadre.

**LFC facility for Visually impaired (Blind employees):** Visually impaired (blind) employee to be permitted to take an escort (not more than one) for availing LFC. However, the expenditure incurred by him/her on own and escort's travel will be to the extent of his/her own entitlement by admissible class of travel for the prescribed distance (This is in place in RBI).

**LFC facility for Terminally ill employees:** Terminally ill employees to be permitted to take an escort (not more than one) for availing LFC. However, the expenditure incurred by him/her on own and escort's travel will be to the extent of his/her own entitlement by admissible class of travel for the prescribed distance

### **NOTE ON OUTSOURCING IN BANKS**

It is worthwhile to mention that it is an accepted fact that all banks are reeling under extreme staff shortage. This been accentuated due to the imposition of PCA in several banks, which did not allow the banks to recruit. In a written reply in Lok Sabha in December 2021 , Hon'ble Finance Minister Madam Nirmala Sitharaman has stated that out of nearly 8,05,986 sanctioned posts in Public Sector Banks, 41,177 positions are vacant including 8544 in SBI. Instead of going for a recruitment drive, all banks are outsourcing basic jobs by hiring executives on contract basis or engaging agencies to perform the work of officers. This rampant outsourcing which has proved detrimental to the interest of the bank as there have been multiple instances in recent years where banks had to face serious reputational and financial debacles due to a third party's (outsourcing agency) error or malafide activities. Very often the frauds that were perpetrated by personnel of these agencies have ensnared hundreds of innocent officers into the disciplinary net. We have also come across instances of personal information of customers have been pilfered and sold to our competitors and fraudsters.

By engaging agencies to source business, the banks and financial organizations in India have imported significant operational risks into the respective organisations, which resulted in serious financial losses and reputational damage.

Banks now outsource many of their jobs like ATM Management, Telebanking, Customers' Complaints Redressal, Debit Cards and Credit Cards issuance, P segment loan sourcing, verification of residence of borrowers, IT returns, KYC documents, Billing, Records Maintenance, etc. to third parties. Banks have been enlisting the services of private security guards for branches and ATMs through agencies, which engage security personnel. The amount of salary paid to these personnel are only a fraction of what they receive from banks. The outsourced staff themselves poses risks and threats to the banks they are associated with. There were so many incidents in the past in every bank to prove this. There is no guarantee that the same set of people will be deployed every day or even for a period of 6 months continuously. Therefore, it will be difficult to have an effective surveillance on their movements and activities always. There will be a great deal of uncertainty as to who performs what job. Regular staff cannot be suddenly asked to perform the jobs outsourced on a regular basis. Since the agency pays them only a pittance, as compared to a regular staff member doing the same or similar job, there will be no motivation and loyalty for the outsourced persons; just to leave aside the sense of belongingness and loyalty towards the organization.

We should not forget the fact that ours is the second most populated country in the world with great degree of unemployment or under-employment. Hence, it is a crime against the society to deny employment opportunity to the millions of aspiring youth on a permanent basis. It also infringes the objective of social justice by not adopting the reservation policy. The gains accruing from employing people on a regular basis far outweighs the gains/ savings arising out of outsourcing.

Further, it is also significant to note that Indian banks cannot outsource core banking functions to the third parties. According to the guidelines on outsourcing of banking activities issued by the Reserve Bank of India, banks also cannot outsource the core activities. RBI also made it very clear that outsourcing does not diminish the bank's obligations to customers. Banks should not engage in outsourcing activities that would weaken their internal control or compromise their business conduct or reputation.

Hence, it is very essential for the Banks to stop hiring the services of the outsourcing agencies and staff to carry out the day to day functions of the Banks for the overall development of the Banks and the Indian Economy as a whole.

Appointing business correspondents is also outsourcing of regular banking activities. We have empirical evidence that in the name of Financial Inclusion, the rural poor are being charged for conducting regular banking business through business correspondents, which is fundamentally an act of injustice. Instead of opening Customer Service Points, banks should convert the same into bank branches and spread to nearly 6 lakh unbanked villages to make the citizenry have access to affordable banking.

We demand complete ban on outsourcing.

### **JUDGEMENT ON ACCUMALATION OF LEAVE**

**Punjab-Haryana High Court**

**Kulbir Singh vs State of Haryana & Ors on 5 October, 2016**

204 (1)

### **IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**

CWP No. 25427 of 2013 (O/M)

Date of decision: 5.10.2016

Kulbir Singh

..... Petitioner (s)

Versus

State of Haryana and others

..... Respondent (s)

CORAM: HON'BLE MR. JUSTICE KULDIP SINGH Present:- Mr. Ramesh Goyat, Advocate, for the petitioner.

Mr. Naveen Sheoran, Deputy A.G. Haryana.

1. Whether the Reporters of local newspaper may be allowed to see the judgment?
2. To be referred to the Reporter or not.
3. Whether the judgment should be reported in the digest

KULDIP SINGH J. (ORAL)

The petitioner has impugned the order dated 8.10.2013 (Annexure-P-3), vide which arbitrary ceiling has been put by the respondents on more than 300 days un-utilized earned leaves of petitioner. The petitioner claims that he is entitled to leave encashment for 300 days un-utilized earned leaves, as per the Government notification dated 12.8.1998 (Annexure-P-4), followed by clarificatory letters dated 30.7.2010 and 17.8.2010 (Annexure-P-5 Colly.) The petitioner was working as an Assistant Turner with the respondent department and ultimately retired as a Turner, vide order dated 6.4.2011 with effect from 30.4.2011. The petitioner was granted the benefit of 118 days of un-utilized earned leaves and the payment of leave encashment was accordingly disbursed to him. The petitioner claims that he had got more than 249 days earned leave to his credit, therefore, he is entitled to 249 days leave encashment.

For Subsequent orders see CWP-13702-2014 1 of 3 It comes out that subsequently, the respondents re-calculated and came to the conclusion that the un-utilized earned leave is 148 days. Accordingly, the benefit was released to the petitioner. The petitioner still maintains that he has un-utilized earned leave of 249 days to his credit and he is accordingly entitled to the said benefit.

Both the parties were directed to lead their calculations of the earned leave. The petitioner accordingly led his own calculation sheet and respondents led their own calculation sheet. Both the calculation sheets have been compared.

I have heard the learned counsels for the parties and have also carefully gone through the le.

It comes out that before the year 1998, the petitioner was entitled to maximum leave encashment of 240 days. After the year 1998, he is entitled to maximum 300 days leave encashment. The calculations by the respondents shows that a deliberate mischief has been done in calculating the earned leave. The chart shows that on 30.7.1991, the petitioner has 279 days of earned leave to his credit. Since at that time, the maximum leave encashment was restricted to 240 days, therefore, the said earned leave was reduced to 240 days and subsequent leave taken by the petitioner was accordingly deducted from said 240 days. Similarly, on 30.8.1993, the petitioner had 244 days of earned leave to his credit, which was again reduced to 240 days and on 12.3.1996, the petitioner had 357 days earned leave, which was reduced to 300 days.

I am of view that the approach of the respondents is wholly illegal. If an employee is entitled to leave encashment for particular days, that does not mean that the un-utilized earned leave is to be accumulated For Subsequent orders see CWP-13702-2014 2 of 3 upto the maximum limit, upto which leave encashment is allowed on retirement. The un-utilized earned leave will continue to accumulate and only at the time of retirement, the benefit of maximum leave encashment, as permissible under the rules, is to be given and the remaining un-utilized leaves will lapse. It being so, the impugned order is set aside. The calculations submitted by the petitioner are accepted and that of the respondents are set aside. The respondents are ordered to calculate the un- utilized earned leave of the petitioner of 249 days and pay the petitioner the leave encashment equal to remaining 101 days with interest at the rate of 9% per annum from the date of retirement till payment. The payment of remaining amount of the leave encashment be made within two months from the date of receipt of copy of this judgment. The department is also directed to hold an inquiry and take follow up action and x the responsibility of the

delinquent official, who made the wrong calculations, which resulted in dragging the respondent department to the Court, resulting the un-necessary expenses to State exchequer and wastage of time of the Court.

The present writ petition is allowed.

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