

CIRCULAR NO. 73 /2021

DATE : 10.09.2021

TO,  
ALL MEMBERS

**STAFF: SUPERVISING**  
**INITIATION OF DISCIPLINARY PROCEEDINGS AGAINST RETIRED e-AB OFFICERS**

We reproduce hereunder the text of the **AISBOF Circular No. 73** dated 10.09.2021, the contents of which are self-explicit.

*With warm greetings,*

**(Ajit Kumar Mishra)**  
**GENERAL SECRETARY**

OUR UNITY : ZINDABAD-ZINDABAD  
S.B.I.O.A. : ZINDABAD-ZINDABAD

TEXT

**CIRCULAR NO. 73**  
**TO ALL OUR AFFILIATES**

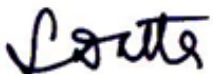
**DATE: 10.09.2021**

**STAFF: SUPERVISING**  
**INITIATION OF DISCIPLINARY PROCEEDINGS AGAINST RETIRED e-AB OFFICERS**

We have sent a communication to the Dy. Managing Director (HR) & Corporate Development Officer, State Bank of India, on the captioned subject.

A copy is enclosed for information.

Yours comradely,



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

The Deputy Managing Director (HR) & CDO,  
State Bank of India,  
Corporate Centre,  
Madame Cama Road,  
Mumbai – 400 021.

Dear Sir,

**STAFF: SUPERVISING  
INITIATION OF DISCIPLINARY PROCEEDINGS AGAINST RETIRED e-AB OFFICERS**

We have been informed by our Affiliates that disciplinary proceedings are being initiated recently against a large number of e-Associate Banks (e-ABs) officers even after 8-10 years of retirement, quoting e-AB Employees' Pension Regulations, 1995.

2. Sir, you will appreciate that calling for explanation, issuance of charge sheets, or imposing penalty now after four years of the merger of Associate Banks in SBI for procedural lapses (like generating and scrutinizing the CIBIL reports of borrowers/guarantors for recommending loans or alleging acts of omission and commission in appraisal, sanction, conduct and follow up of advances, etc.) is sans justification, on any ground. A Doctor's diagnosis may go wrong, which may eventually result in loss of life; even a judgment may get reversed in higher court; accidents may happen, but bankers cannot go wrong. Unfortunately, a banker is expected to be correct in every transaction, every time. Even a machine has an in-built margin of error but not for a banker, although we usually coin the statement "fair banking risk." It is evident from the explanation letters, charge sheets, and penalty orders that the explanation of officers is called on the basis of misplaced interpretation of e-ABs Employees' Pension Regulations. Now, staff accountability is hanging like Sword of Damocles over the heads of our senior colleagues in their late sixties or early seventies, which needs immediate redressal.

3. We refer to Regulation 48 of e-ABs Employees' Pension Regulations, 1995, which inter-alia provides for the initiation of disciplinary proceedings against the retired officials of e-ABs :

"Provided further that departmental proceedings, if instituted while the employee was in service, shall, after the retirement of the employee, be deemed to be proceedings under these regulations and shall be continued and concluded by the authority by which they were commenced in the same manner as if the employee had continued in service.

Provided also that no departmental or judicial proceedings, if not initiated while the employee was in service, shall be instituted in respect of a cause of action which arose or in respect of an event which took place more than four years before such institution."

In one of such cases, the Law Department, LHO Chandigarh, while giving opinion regarding initiation of disciplinary proceedings against one of the retired officials of e-ABs, mentions that:

"Regarding initiation of disciplinary proceedings in case the said officer is member of e-SBOP Pension Regulations, the matter was examined at the Corporate Centre level and as per opinion furnished by the Law Department at Corporate Centre the words 'more than four years before such institution' relates to both the words 'cause of action which arose' and 'in respect of an event which took place. It was opined that the cause of action accruing (in favour of our Bank) could be said to have arisen only on the date on which the final investigation report was filed by the Investigating Officer, and the facts of lapses attributable to employees came in light."

5. Regarding initiation of disciplinary proceedings against retired officials of e-ABs, the law department at LHO Chandigarh gave its opinion in the light of the opinion provided by the Law

Department at Corporate Centre and considered the "Cause of Action" as being the date on which the "Final Investigation Report" was filed by the Investigating Officer; notwithstanding the fact that:

The officer has retired four years prior to the date of initiation of disciplinary proceedings.

The lapses attributable to the officer are concerning Appraisal/ Recommendation or Sanction of loan during the period before his retirement.

The opinion mentioned above of the Law Department disregards and blatantly ignores Para 2.6 of the Vigilance Manual, which reads as under:

"Staff Accountability is to be pursued only in cases where gross negligence or malafides are apparent. In the case of accounts categorized as NPA, Bank must initiate and complete a staff accountability exercise within six months from the date of classification as NPA. The completion of staff accountability exercise for frauds and the action taken may be placed before the Special Committee of the Board for monitoring and follow-up of frauds (SCBF) and intimated to the RBI at quarterly intervals as hitherto.

Further, the Special Chapter on Vigilance Management in Public Sector Banks lays down that "no disciplinary proceedings will ordinarily lie against any official for any lapse not detected within two successive internal regular audits/inspections of the same account or four years from the date of the event, whichever is later. However, this time limit is not applicable to cases of a) fraud b) other criminal offences c) cases where malafides are inferable."

The same has also been reiterated in the Staff Accountability Policy circulated vide e-Circular no. CDO/SA/2/2021-22 dated 30.07.2021. Para xxiv (Page-3) of the Staff Accountability Policy says, "No disciplinary proceeding will ordinarily lie for any lapse not detected within two successive inspections of the same account or 4 (Four) years from the date of event or occurrence of the lapse, whichever is later except the cases of Frauds/ misrepresentation/ malafides/ other criminal offences."

Moreover, the initiation of the process of investigation is in the hands of the Bank, and delay, if any, is not at all attributable to the retired officer. For the inaction of Bank, senior, aged, retired officer's life, peace, and tranquility should not be destroyed. It would be beyond compassion and empathy to subject an officer, during his/her sunset period, to undergo the trauma of disciplinary action. Further, there are many instances where the e-AB officers did not violate the then extant instructions of the concerned e-ABs. But since the investigating officials, Inquiring Authorities, Disciplinary Authorities presumably from SBI had examined the lapses, if any, in the light of instructions prevailing in SBI. Hence, we request for pre-merger cases the lapses are to be examined in the light of instructions of the e-ABS as prevailing at the material time.

6. Beyond all, initiation of disciplinary action against retired e-AB officers will be a blot on the HR dispensation of the Bank. State Bank is held and known as the best employer. Bank has put in place avant-garde HR measures. Every effort and measure needs to be pursued to keep this badge of honor unblemished. When there is no provision to initiate disciplinary action against State Bank of India Officers, initiating DP action against e-AB Officers, who are now an integral part of State Bank, speaks of duality, unfairness. This will send wrong signal that e-AB Officers are treated differently, and certainly, this has its ramification on the reputation of the Bank. Bank has to necessarily treat the officers of State Bank fraternity at par, and there shall not be any iota of discrimination, under any circumstance, irrespective of Regulations. State Bank and e-AB officers are siblings, and they cannot be differentiated in any manner. Morally, ethically and as a fair employer, Bank is bound to treat them at par. Further, we also understand that in e-ABs these provisions were seldom used, as the ramifications were too serious, considering the fact the plight of retired officers and complexity.

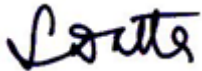
7. In view of the above, initiation of Disciplinary Action against retired officials of e-ABs is not justified (excepting the cases where the officer himself has perpetrated fraud) and causing a lot of

resentment and angst. It will be a cause of harassment to an officer in their twilight journey, with failing health, geriatric ailments and mental faculties. They may have no recollection of the facts of the case even after perusing the relevant documents, and as such, will be impaired to provide a credible defence. Such officers will suffer throughout their life, till the last breath. Further, such initiating of disciplinary action may result in retired officers approaching various fora, including the judiciary, which may show the Bank in poor light.

We are of the considered opinion that the cause of action for initiation of disciplinary action against staff is different from the cause of action in legal terms involving business transactions. Therefore, we request you to issue suitable instructions to all Circles to apply the same yardstick in respect of initiating disciplinary matters, and officers of e-ABs should not be treated differently.

With regards,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Soumya Datta', written in a cursive style.

(Soumya Datta)  
General Secretary