



**STATE BANK OF INDIA OFFICERS' ASSOCIATION
CHANDIGARH CIRCLE**

C/O State Bank of India, Local Head Office, Sector 17, Chandigarh
Contact Nos. : 0172-4567134-133-135, Fax:2670812 Email: sbioa.chd@sbi.co.in
www.sbioacha.org

Circular No. 2018/69

Date: 13.07.2018

TO ALL OUR MEMBERS:

**EXTENDING LEGAL AND FINANCIAL SUPPORT TO RETIRED EMPLOYEES IN
DEFENDING INQUIRIES AND LEGAL ACTIONS INITIATED BY CBI FOR
LEGITIMATE ACTIONS IN SERVICE**

We reproduce hereunder AISBOF Circular No 60 dated 12.07.2018 regarding the above captioned subject for your information.

Comradely yours,

(Deepak K Sharma)
General Secretary

QUOTE

As a fall out of the recent incidents and increasing NPA's, several of our officers, serving as well as retired are being targeted by the CBI, CVC, police and charge sheets, arrests and legal proceedings are being initiated against them. The retired employees and officers are often helpless due to the exorbitant cost of defending themselves, in legal cases, due to their being implicated unfortunately in the case. We had taken up the issue with our Chairman vide our letter No. 6180/19/18 dated 24.4.2018.

2. We are happy to advise that the Bank has accepted our suggestion and has issued a circular No. CDO/P&HRD-PM/25/2018-19, dated 11th July 2018 to extend legal and financial support to serving/retired employees and officers in defending themselves against cases arising out of bonafide execution of Banks work during their tenure/period.

Please be guided accordingly.

With regards,

(Y. SUDARSHAN)

GENERAL SECRETARY

Encl: Our letter No. 6180/19/18 dated 24.4.2018

To,

The Chairman
State Bank of India,
Corporate Centre,
Madame Cama Road,
MUMBAI - 400 021.

Respected Sir,

**EXTENDING LEGAL AND FINANCIAL SUPPORT TO RETIRED EMPLOYEES IN
DEFENDING INQUIRIES AND LEGAL ACTIONS INITIATED BY CBI FOR
LEGITIMATE ACTIONS IN SERVICE**

We would like to draw your kind and urgent attention to a matter that is seriously affecting the community of retired Bank employees and is likely to assume serious proportions affecting their peace and health in the days to come.

2. Unfortunately, as a fall out of the recent news of bank frauds and NPAs being discussed in the media, a perilous trend is fast developing to perceive all bank officials in general with suspicion and hold them directly responsible for the NPAs in the banking sector. Several bank NPA accounts are presently under the scrutiny of CBI and other enforcement agencies where the bank employees are being questioned and, unfortunately, also being investigated for likely collusions with the fraudster borrowers. These NPA cases being fairly old, most of the targeted bankers happen to be retired employees, who have moved over to a quiet and peaceful life after a disciplined banking career of three-four decades.

3. Of late, several of our retired officers are being summoned and even run the threat of being prosecuted by CBI under the suspicion of their role in NPA loans. These officers, who have the misfortune of having either recommended or sanctioned any of these loans, though strictly within the norms of the bank, run the risk of being questioned on their legitimate actions while in service. A hind-sighted judgmental approach is being adopted by the investigative agencies, and, of late, by the judiciary itself. Recently, in the case of Paramount Airlines Pvt. Ltd., the CBI court of Tis Hazari, New Delhi has rejected the closure report put up by CBI, after a special and detailed investigation of all the bank officials and after finding no case against them, and has issued an order to proceed against all the bank officials of the consortium banks, most of whom have already retired. This is a new type of judicial activism that the bank officials will have to also face in the days to come.

4. While the serving officials enjoy the protection under (CRPC 197 and Sec 19(C) of the Prevention of Corruption Act – 1988), in the sense that these officers, having been deemed to be public servants, cannot be prosecuted without the

sanction of their appointing authority, similar sanction is not mandatory in the case of retired employees. As such the retired employees are left to fend for themselves, in case they are prosecuted by the state agencies like CBI. Any such investigation entails a huge amount of legal, transport and lodging expenses which the retired employees cannot afford. Further, in several instances, since the investigation comes up after several years, the employee will have to undertake visits to the branches to study the records, at one's own cost, which is also an expensive proposition for the pensioners.

5. In these circumstances these retired employees, who have been upright employees of the bank throughout their career, need to be supported by the bank in the same way as they would have been supported if they were in service. As most often, the CBI case runs at a remote centre from the place where the pensioner has settled down after retirement, he/she is also unable to muster the legal support of an attorney or counsel who could represent the pensioner in the court at that centre.

6. Presently, vide Circular No. CDO/P&HRD- PM/58-2011-12 dated 23.08.2011, under para (iii) an employee can continue to get reimbursement of legal expenses after retirement only if the case was initiated while in service and not otherwise. This creates immense hardship to the retired officials in the present cases where the employees are called for investigation years after retirement. The IBA guidelines circulated vide bank's circular no. CDO/P&HRD/23/2011-12 dated 27-05-2011 no TA/DA is permissible to a retiree in CBI cases until the individual is acquitted honourably, which is a very long drawn process in NPA cases. In these circumstances the position of the retired employees is very vulnerable and precarious, both financially and emotionally. They feel totally helpless and forsaken by the institution which they served honestly and honourably during their lives.

7. We therefore seek your kind intervention in the matter and shall be highly grateful if you please provide suitable legal/financial support to the retired bank employees, appearing for inquiries / examinations from CBI and other government agencies, in the following way:

- a)** The retired employees who have been called for investigation or proceeded against by CBI/CVC/Police or similar authorities, in NPA cases for their actions in recommending or sanctioning these loans, may be provided a common legal counsel/advocate at the centre where the case is carried on, at Bank's cost, who will represent the retired employees and protect their interests;
- b)** The legal cost of the advocate's / counsel's fees, stamp and court fees for any document to be filed by the retired employee may be borne by the Bank;
- c)** The retired employees may be provided the financial cost of travel and stay (TA/DA), within the suitable guidelines of the bank, on the same lines as serving employees, while they are investigated for their actions in NPA cases for their acts of recommending and/or sanctioning the NPA loans;

- d)** Retired employees may be reimbursed with the legal and incidental cost involved in securing their personal freedom against any or apprehended action by the CBI /government agency;
- e)** In case the retired employee is indicted by the court on personal lapses or punished under any major penalty in a departmental action on the findings of the investigation, the relevant financial cost incurred by the bank on the retired employee may be recovered from his/her pension in stages.

8. Sir, the community of bank pensioners who have served the bank so devotedly throughout their working life are today exposed to unforeseen hardships arising out of very unfortunate circumstances. There are no signs of any mitigation or stoppage of this unhealthy trend in the near future and several of our presently serving colleagues would also soon find themselves in the same predicament after their retirement. The entire community of bank employees, which looks forward to a happy and stress-free life after faithfully serving the bank throughout their working life, are today under the stress of this hanging sword of CBI investigations, at the sunset of their lives. This is naturally taking a large toll of their health too. If they are left to fend for themselves for no fault of theirs in criminal investigations of CBI, without any legal and financial support from the bank, it would certainly send wrong signals even to the serving employees. This would also have adverse impact on the credit growth of the bank and in turn on the overall industrial growth of the nation. A timely action from your side will certainly bring some solace to the pensioners facing a tragic trend that would otherwise bring catastrophic effects to the banking sector.

9. We trust that you will appreciate this grave situation befallen to the bank pensioners and provide the succor that is necessary, for which we shall be ever grateful to you.

Thanking you and with respectful regards,

Yours faithfully,



(Y . SUDARSHAN)

GENERAL SECRETARY