

**IN THE HIGH COURT AT CALCUTTA
CONSTITUTIONAL WRIT JURISDICTION
ORIGINAL SIDE**

**BEFORE:
HON'BLE JUSTICE RAJA BASU CHOWDHURY**

WPO 1278 of 2022

with

GA 1 of 2022

All India State Bank Officers Federation & Ors.

Versus

The State of Bank of India & Anr.

For the petitioners : Mr. Soumya Majumder, Sr. Advocate
Mr. Ratikanta Pal, Advocate

For the respondents : Mr. Subrata Kumar Sinha, Advocate

Heard on : 25.04.2025, 11.02.2026 & 20.03.2026.

Judgment on : 18th June, 2026.

RAJA BASU CHOWDHURY, J. :

1. The present writ petition has been filed, *inter alia*, challenging the issuance of the circulars dated 30th April, 2021 and 2nd June, 2021 whereby under the heading "Mandatory Learning" for top executive Officers from Scale I to V has been introduced. The petitioner no.1 being the All India State Bank Officers' Federation, is a registered trade union. The petitioner nos.2 and 3 are the General Secretary and the member of the petitioner no.1, respectively.
2. By passage of time, the petitioner nos. 2 and 3 have since been superannuated. The petitioners say that the officers of the respondent no.1, who are also the members of the petitioner no.1 ordinarily, are

entitled to reimbursement of the expenses/allowances which include conveyance, newspaper/magazine, cleansing material, labour charges, residential telephone/internet or broadband and mobile connection usages. Records would reveal that the respondent no.1 had introduced mandatory learning course for the employee up to SMGS-V and had published a guideline vide Circular dated 30th April, 2021. As per the same, the officers of the respondent no.1 became eligible to get reimbursement on expenses/allowance only on completion of the mandatory learning course. According to the petitioners, the mandatory learning which was introduced in the year 2014 has now been by the aforesaid circular been linked with the reimbursement of allowances. As a result of the above, the officers of the respondent no.1 from Scale – I to Scale – V who had not completed the mandatory learning became disentitled to the reimbursement of allowances and expenses. This according to the petitioners, has an impact on the total pay package payable to the members of the petitioner no.1. The petitioners say that the impact is in a range of Rs.10,000/- to Rs.26,000/- approximately per month depending on the position held by the officers from Scale – I to Scale – V.

3. Mr. Majumdar, learned senior advocate representing the petitioners by drawing attention of this Court to the affidavit-in-opposition filed on behalf of the respondent no.1 would submit that the object of reimbursement of the above benefits/allowances is to mitigate the

financial hardship of the officers. He would also submit by drawing attention of this Court to the affidavit-in-opposition filed by the respondents and the circular dated 2nd June, 2021 that the mandatory learning has now been linked with the proportional benefits of the officers of the respondent no.1. An officer who does not complete the mandatory learning is also deprived of the opportunity to be entitled to promotion. He submits that the imposition of the condition of mandatory learning has no nexus to the object sought to be achieved for the disbursement of allowances and benefits. By referring to the memorandum dated 1st February, 2022, it is submitted that although, an officer in the Scale of I to V who does not complete the mandatory learning is being denied the right to seek reimbursement of the allowances, however, a suspended employee who does not fulfil the above criteria of mandatory learning is permitted to seek the benefit of the aforesaid allowances. By highlighting that an employee who does not get himself updated may suffer adverse markings in the ACR which is considered as a disincentive for the purpose of promotion, he submits that the consequence for not completing mandatory learning has already been provided for. However, withdrawal of a particular allowance which is wholly unconnected with the process of mandatory learning is arbitrary exercise of power and is a case of double jeopardy caused to an officer. This apart, by referring to the provisions of Article 14 of the Constitution of India it is submitted that differentiating of officers for the purpose of pay and allowances on the basis of learning

when such allowances have no correlation to such learning, is arbitrary. In support of his aforesaid contention, reliance has been placed in the case of **Manmad Reddy and Ors. v. Chandra Prakash Reddy and Ors.**, reported in **(2010) 3 SCC 314** and also on the judgment delivered in the case of **Vidrendra Krishna Mishra v. Union of India & Ors.**, reported in **(2015) 2 SCC 712**.

4. In the facts stated hereinabove, it is submitted that the aforesaid circulars including the circular subsequently introduced on 2nd June, 2021 whereby the 5 in 1 disincentive has been made applicable to the officers of the respondent no.1, which have also been challenged, should also be set aside.
5. *Per contra*, Mr. Sinha, learned Advocate appearing for the respondent no.1 at the very outset has taken the point of maintainability and jurisdiction of this Court to entertain this petition. By claiming that the respondent no. 2 is at Mumbai and the circulars have been issued from the strategic training unit at Mumbai, he would submit that since the records are at Mumbai, this Court should not take up the hearing. Independent of the above, by referring to his affidavit he submits that the aforesaid incentives and/or reimbursement of conveyance expenses, cost of newspapers, cleansing material, labour charges and residential telephone/internet or broadband and mobile connection usages provided to the officers of the respondent no.1, is in terms of the circulars issued

from time to time, and the reimbursements are not covered under the State Bank of India Officers' Service Rules, 1992.

6. The bank has unilaterally issued the circulars and decided to reimburse such costs, as approved by the Central Human Resources Committee (CHRC). It can unilaterally withdraw such reimbursements at any time. The officers cannot claim reimbursements as a matter of right. The grant of these reimbursements is discretionary in nature and are not paid under any terms and conditions of service. By drawing attention to the Chapter V of the State Bank of India Officers' Service Rules, 1992, (hereinafter referred to as the "SBIOSR"), it is submitted that the above reimbursements made to the officers of the respondent no.1 do not form part of such chapter. He has also drawn the attention of this Court to the excerpt/ extracts from the minutes of the Central Board Meeting held on 24th March, 2021 at Mumbai, and according to him, the introduction of Rule 65A(1) and 65A(2) in the SBIOSR makes it mandatory for the officers to upgrade themselves and complete the mandatory lessons within the prescribed timeline. The above is necessary to ensure that the officers have the required skill, for discharging the responsibility for the assignment. The said clause further provides the officers who do not upgrade themselves shall be disentitled to claim reimbursement of the expenditure that an officer is entitled to, as per his grade/scale on monthly basis. According to him, the clauses of SBIOSR do not form part of the subject matter of challenge in this writ petition. He has also placed

an affidavit affirmed by Abhranil Chattopadhyay on 22nd November, 2022, and by referring to the clarification dated 7th November, 2022, as annexed to the said affidavit, he would submit that the 5 in 1 disincentive has not been applied to the officers of top executive grade, similar to provisions of previous financial year as the mandatory learning instructions for these officers are not Role Based Certifications. The mandatory learning instruction for top executives are generalised in nature and are not related to their roles. Hence, the 5 in 1 disincentive is not made applicable to top executive grade officials which cannot be considered as discriminatory role.

7. Independent of the above, he would submit that in today's world, the bank has a very important role to play and is thus, obliged to ensure that its employees get updated. Similarly, the officers also have a responsibility to not only protect the interest of the bank but also to protect the safety and security of the customers and the society at large. By referring to the judgments relied on by Mr. Majumdar, he would submit that such judgments had been delivered in different set of facts, as such, no reliance be placed on the same.
8. Having heard the learned advocates for the respective and having considered the materials on record, the question that falls for consideration apart from the question of maintainability is whether, the members of the petitioners who are all officers, can claim reimbursement of expenses and allowances by holding out that the condition of

mandatory learning has no nexus with the objective sought to be achieved with the introduction of disbursement of allowance? Whether the officers of the respondent no.1 have any right to seek reimbursement of expenses? and whether can such right be enforced in law?

9. On the issue of maintainability, I must note that mere presence of records outside the jurisdiction is not sufficient to exclude the jurisdiction of this Court especially when the effect of the circulars are felt within the jurisdiction of this Court. Accordingly, the issue of maintainability is decided against the respondents.

10. It is not in dispute that the officers of the respondent no. 1, who are in the Scale of I to V, have been provided with allowances in the form of reimbursement of expenses incurred account of conveyance, newspaper/magazine, cleansing material, labour charges and residential telephone/internet broadband and mobile connection usage. I however find that the petitioners had attempted to make out a case that the payment of allowances forms part of collective bargaining. In this context, it may be relevant to note that service regulations/rules of the respondent no.1 as applicable to the officers of the petitioner do not provide for reimbursement of expenses. The reimbursement of expenses was in fact introduced sometimes in the year 1979-80, when the system of making payment of conveyance/reimbursement was introduced for the officers who maintained their own vehicles. It is also specifically pleaded in the affidavit in opposition that depending on the various grades and scales of

officers apropos the metropolitan cities or the areas in which they were working, and of the types of vehicles they owned, the limit of conveyance expenses by way of fuel reimbursement was determined.

11. In this context, the petitioner has relied on a circular dated 26th July, 2008 and other circulars issued from time to time between 10th February, 1983 to 26th March, 2021. It would appear from the perusal of the above circulars that taking note of the various factors including relevant information from time to time, the extent of reimbursement of expenses was hiked and/or varied.

12. The respondent no.1 in its affidavit affirmed on 4th May, 2022, in clear and in no uncertain terms has acknowledged this fact and has stated that to mitigate the financial hardship of the officers, the bank reimburses the conveyance expenses, cost of newspapers, cleansing materials, to upkeep the bank's flat / leased flat provided to the officers. The same also includes labour charges, telephone expenses including broadband/internet in terms of the circulars issued from time to time. These reimbursements are not covered under the (SBIOSR). The Bank has unilaterally issued the circulars based on the representations and decided to reimburse such cost, in terms of the circulars approved by the Central Human Resource Committee (CHRC). Since, the grant is unilateral, there is no right in favour of the petitioners to seek enforcement thereof. The officers cannot claim reimbursement as a matter of right. They are discretionary in nature.

13. I find that in the Affidavit in Reply, there is no specific denial with regard to the above, though there is some general denial. It is however, not in dispute that the aforesaid disbursement of expenses and/or allowances do not form part of SBIOSR. In this context, it may be relevant to note that it is the case of the respondent no.1 that in the fast-changing banking landscape, technological innovations in banking products are not only necessary to stay ahead in business but is a sine qua non for securing the banking system from being used for money laundering and technological frauds. System security upgradation requires the banking staff to constantly upskill the systems and procedures so as to provide seamless customer service and avoid financial and reputation risk for the bank. The bank's commitment to the customers being uncompromisable, each staff needs to pledge, to make all efforts in updating their knowledge. In fact, each bank's staff observes, 2nd November of each year as Anti Money Laundering / Countering Financial Terrorism (AML/CFT) Day by taking a pledge which, *inter alia*, reads as follows:-

“We are committed to creating a strong AML-CFT complaint environment through nurturing a culture of compliance on sustainable basis to mitigate reputational regulatory and financial risks to our Bank. We shall strive continuously to enrich and update our knowledge about KYC/AML-CFT procedures and events to identify, mitigate money laundering/terror financial risks...”

14. It has also been stated that each bank's staff also observes "Risk Awareness Day" on 1st September of each year for taking a pledge which, *inter alia*, reads as follows:-

"I would continuously strive to embed risk perspective in all my activities in the Bank by assuming the role of risk manager. I shall endeavour to enrich myself on an ongoing basis with the skills and knowledge required to do my job."

15. With this object the respondent no.1 has over the past years introduced the concept of mandatory learning for different grades of employees. Every year, bank has revised and updated the courses that are considered relevant and important as per evolving learning requirements, due to changes in technology and emergence of new products and services and regulatory guidelines. Completion of mandatory learning has been given a 5% weightage in the annual appraisal of employees. With the object of implementing non-legislative recommendations of the Financial Sector Legislative Reforms Commission (FSLRC), relating to capacity building in banks and non-banks, streamlining training intervention and suggesting changes thereto, in view of ever-increasing challenges in banking and non-banking sector.

16. Based on the recommendations of the committee, Reserve Bank of India has also issued guidelines vide Circular dated 11th August, 2016 stating that banks should identify specialised areas for certification of the staff manning key responsibilities. The Reserve Bank of India has stipulated that to begin with, the banks should make acquiring of a

certificate course mandatory for officials working in domains such as credit, risk, forex, treasury and accounts, and banks are free to require certification for other areas of work also.

17. In the light of the above, the respondent no.1 has thoroughly revised its mandatory learning guidelines, and the role-based certification exercise was devised, whereby, the employees/officials can seek continuous upskilling of the job profile in respect of his current assignment. In the process as aforesaid the employees are required to study the role manuals and video tutorials available online 24x7 on bank's portal, and have the option of attending doubt clearing webinars organised by bank. Incidentally, the Reserve Bank of India during its annual inspection of the banks, had also pointed out in its Risk Assessment Report, the non-completion of specified certifications by the eligible officials. Thus, to ensure that all employees give learning, the attention that it deserves, and to ensure improvement in the official's job knowledge, and reduce operational risk on account of lack of knowledge, Banks's Central Board in its meeting dated 24th March, 2021 accorded its approval to amend SBIOSR and introduce Rule 65(A). The aforesaid Rule 65(A) inter-linked the mandatory lesson and non-completion thereof, with the disentitlement of reimbursement expenses. To morefully appreciate the same, the relevant rule being Rule 65(A) is extracted hereinbelow:-

“65(A): Mandatory Learning

65A. (1) *Officers of such class or grade as determined by the Bank are required to attend and complete physical/online training*

programmes/certificate courses/e-lessons organised for skill upgradation from time to time. Training programmes/certificate course/e-lessons oriented for specific job assignments (hereinafter called Mandatory Lessons) are required to be completed within timeline prescribed by the Bank in order to ensure that the officer has the required skill for discharging the responsibility for the assignment.

65A. (2) In order to ensure that Mandatory Lessons are completed by the class or grade of officers within the timeline, the Central Human Resources Committee (CHRC) may stipulate that officers who fail and/or neglect to complete Mandatory Lessons within the prescribed timeline shall be disentitled to claim reimbursement of expenditure that an officer is entitled to as per his grade/scale on monthly basis. The terms and conditions for such disentitlement shall be stipulated by the Central Human Resources Committee (CHRC).”

18. Prior to deliberating further on the above, it is necessary to note that the learned senior advocate representing the petitioners, had contended that though on one hand the officers who did not complete and/or comply with the guidelines of mandatory learning were being denied the right to receive reimbursement of expenses and/or allowances, however, the officers, who are under suspension and had not completed the mandatory learning were being extended such benefit. He has also tried to make out a case that there is no reasonable justification in denying the benefit of reimbursement of expenses to one set of employees who did not update their skills and the other set of employees who did update their skills though, both set of officers are governed by the same rules and are otherwise considered to be equals. According to him, there is no intelligible differentia between these two sets of officers for them to

be classified differently. This, according to the learned advocate for the petitioners, constitutes violation of Article 14 of the Constitution of India and in support thereof, reliance has been placed on the judgments delivered in the cases of **Virendra Krishna Mishra (supra)** and **B. Mandmad Reddy & Ors. (supra)**. In this context, I may note that the class of officers, who have failed to update themselves can never be equated to the set of officers/employees who have updated themselves. There is a reasonable and intelligible differential between these two sets of officers. The same is also applicable to the officers/employees who are under suspension. The officers/employees who are under suspension can never be equated with the class of officers who are on actual duty. There can be no comparison between the officers who were on active duty and the officers who are under suspension. The object sought to be achieved in distinguishing them has been dealt with in the latter part of the judgement. This apart, from the prayers made in the petition, I find that the petitioners had not challenged Rule 65(A) of the SBIOSR. They are only interested to challenge the circulars based on which the aforesaid rule was implemented. In my view, unless the rule itself is challenged, the consequence of such rule cannot be impeached. In this context, I may note that the petitioners have claimed that their members have not upgraded themselves and have been denied the opportunity of promotion. It is contended that non-reimbursement of the expenses acts as double jeopardy. In this context, I may note that the petitioners have no legal

right to seek reimbursement of the expenses and since, there is no legal right, question of enforcement of such right in a court of law cannot arise. Further in today's world, where cyber fraud interferes with the lives of individuals on a regular basis, the least that is expected from a bank is to ensure that adequate steps are taken to protect the account holders. In the instant case, the members of the petitioners are not interested in advancing themselves with the mandatory learning. The petitioners who otherwise do not have any right to receive the reimbursement as the same does not form part of SBIOSR, cannot be aggrieved by withdrawal of such reimbursement for them, having not adhered to the directives issued by the respondent no.1, especially having regard to Rule 65(A), as aforesaid. In my view, Rule 65(A) empowers the bank to issue the circulars which are impugned in the petition. The circular does not appear to be unreasonable so as to shock the conscience of the Court. The petitioners are trying to take advantage of their own wrong. By not updating themselves, they are exposing the bank to security risks especially relating to money laundering and technological/cyber frauds. Despite the above the petitioners are bold enough to approach this Court to enforce a right to seek reimbursement of the expenses which is non-existent. In the light of the above, it cannot be said that mandatory learning has no nexus with the object sought to be achieved for granting reimbursement of expenses. The members of the petitioners cannot at the cost of jeopardising the security of the customers of the bank seek to approach this Court for

enforcement of a non-existent right. It is for this reason that the officers who have not updated themselves cannot be equated with those officers who have updated themselves. As such there can be no question of violation of Article 14 of the Constitution on such ground.

19. The judgment relied on by the petitioners in the case of ***B. Manmad Reddy and Ors.*** (supra) deals with the issue of classification between two sets of employees who are promotees and direct recruits, even after being integrated into a single cadre were being treated differently and in that context the Hon'ble Supreme Court had observed that there is no gainsaying that classification must rest on a reasonable and intelligible basis and the same must bear a nexus to the object sought to be achieved by the statute. By its very nature classification can and is often, fraught with the danger of resulting in artificial inequalities which make it necessary to subject the power to classify to restraints lest, the guarantee of equality becomes illusory on account of classifications being fanciful instead of fair, intelligible or reasonable. The said judgment does not assist the petitioners. The equivalence that the petitioner has tried to draw with the officers who have updated themselves and those officers who have not, is not permissible as both do not stand on the same footing. The objects sought to be achieved by classifying the employees/ officers differently is to ensure that all concerned officers get updated to reduce the element of risk and the vulnerability that the bank faces in the ever evolving global scenario where the bank is obliged to update its system

security in a routine manner to fight technological fraud. The next judgment relied on by the petitioners in the case of ***Vidrendra Krishna Mishra*** (supra) deals with the encadrement of three posts only without considering other similarly placed posts and are covered by the same recruitment rules, as such the above judgment also does not assist the petitioners.

20. The writ petition fails and is accordingly dismissed along with the connected application.

Urgent photostat certified copy of this order, if applied for, be made available to the parties, on priority basis, upon compliance of all formalities.

(RAJA BASU CHOWDHURY, J.)