IBOA CONNECT

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Vol : 10 - Issue : 4 *Internal Circulation* *February 2026*

Preventive Vigilance - A Word of Caution Against Procedural Deviations in Arresting NPA Slippages

Dear Comrades,

Our Branch Managers and Officers have been playing a pivotal role in closely monitoring, recovering, and upgrading Special Mention Accounts (SMAs), thereby effectively curtailing NPA slippages. Their sustained and dedicated efforts have significantly strengthened the health of the loan portfolio and contributed to an overall improvement in asset quality. As a result of this tireless efforts, our Bank has emerged as one of the best performers in the banking industry in reducing Special Mention Accounts.

Our Branch Managers and Officers invest substantial time and effort in monitoring accounts, initiating timely recovery measures, and upgrading SMAs and NPAs. These efforts have directly contributed to enhanced profitability, as reflected in the Bank's balance sheet, which clearly bears testimony to their commitment to the growth and performance. We sincerely appreciate the dedication of our officers, whose contributions have placed our Bank in an enviable position among the peer banks.

While acknowledging and commending these achievements, we also strongly emphasize the importance of strictly adhering to the laid-down norms, systems, procedures, and corporate guidelines in achieving such milestones. It has come to our notice, that in certain instances Branch Managers and Officers are ensuring that accounts do not slip into NPA category solely to meet the commitment of achieving the NPA slippage target, even when customers have not remitted their dues within the stipulated timelines. It is a matter of great concern for us. Such practices of transferring personal funds to avoid Slippages reportedly being carried out either as their individual decision or under pressure from zonal administrations runs contrary to the system and procedure.

It must be clearly understood that these practices such as transferring personal funds to avoid Slippages are in violation of the guidelines issued by the Corporate Office. While the intention of officers may be to arrest slippages, deviation from prescribed systems and procedures cannot be justified under any circumstances. Though such actions may temporarily help branches or zones in achieving the NPA slippage targets, they do not reflect sound banking practices and may adversely impact the Bank's credibility.

Moreover, such practices often leave documentary evidence, including irregular inter-account transfers, which are in the nature of procedural lapses and also give room for viewing such transactions with suspicion and as a misconduct and it will become an arduous task to establish their innocence in the matter. This could expose the concerned officers to disciplinary action and may land them in the consequence of affecting their job security. The concerned Branch Managers and the other officers too should understand and uphold the dictum and view that "Job Security is fundamental, Everything else comes Next ". In fact this is the maxim of Preventive Vigilance.

We therefore strongly advise all Branch Managers and Officers to intensify their monitoring and recovery efforts at the SMA stage itself, so as to prevent accounts from slipping into NPAs. However, even after sincere and best efforts, if an account slips into NPA, officers must strictly follow the prescribed procedures for recovery and upgrading the account through genuine recovery from the borrower. Adherence to this process alone will safeguard officers from possible penal actions and protect their career progression.

We also caution our officers not to succumb to pressure from any higher authority to misrepresent or suppress the real status of the accounts. The Corporate Office has issued clear and comprehensive guidelines for all job roles, and these must be followed meticulously in all circumstances. Such disciplined adherence alone will ensure safe banking practices and protect officers throughout their career.

Following established systems and procedures must become a habit and a matter of routine for all of us. This discipline not only prevents violations of guidelines but also safeguards both the individual officer and the Institution, ensuring the long-term stability, ensuring Institutional and individual integrity, and trust in our banking operations. Let us collectively build a strong Bank demonstrating that our commitment of compliance is one without any compromise as that alone will ensure the growth of the Bank in the right direction.

Comradely Yours

R Sekaran
Secretary General

CENTRAL PUBLIC SECTOR ENTERPRISES TURNAROUND

Context (Introduction)

Public Sector Enterprises (PSEs), once associated with policy paralysis, inefficiency and fiscal burden, have undergone a remarkable transformation in the last decade, particularly at the Central level (CPSEs).

CPSEs today are emerging as drivers of investment, profitability and national savings, offering important governance lessons for State PSUs.

Core Idea

The turnaround of CPSEs is not accidental, but the outcome of systematic governance reforms involving:

- Strategic clarity
- Financial discipline
- Professional management
- Market accountability

This experience provides a template for reforming State-level PSUs, many of which continue to suffer from inefficiency and fiscal stress.

Key Drivers of CPSE Turnaround

1. Policy Clarity through the New PSE Policy, 2020
   - **Classification of sectors into:**
     - Strategic sectors (defence, energy, space, telecom)
     - Non-strategic sectors with minimum presence (1–4 PSEs)
   - **Enabled:**
     - Exit from non-core areas
     - Private participation
     - Focused resource allocation
2. Improved Financial Performance
   - Profit-making CPSEs increased from 157 (FY15)→227 (FY25)
   - Loss-making CPSEs declined from 77→63
   - Net profit: ₹1.30 lakh crore (FY15)→₹3.09 lakh crore (FY25)
3. Contribution to Capital Formation & Savings
   - CPSEs account for:
     - ~10% of national savings
     - Significant share in gross capital formation
   - Gross capital formation by non-financial CPSEs grew by 11.9%
4. Governance Reforms & Market Discipline
   - Listing of CPSEs and adoption of:
     - Corporate governance norms Market capitalisation of CPSEs (FY25): ₹38.57 lakh crore
     - Professional boards
     - Performance benchmarking
5. Sector-Specific Turnarounds
   - Public sector banks:
     - Net profits: ₹8,913 crore (FY14)→₹1.78 lakh crore (FY25)
     - ROE improved from –14.09% (FY18)→+14.09% (FY25)
   - Indian Railways:
     - Electrification of 45,000 km

- Transition towards green energy (solar, wind, hydrogen)
- Defence CPSEs:
  - Defence exports at ₹23,622 crore (2024-25)

Why This Matters for Governance (GS-2)

- CPSEs now:
  - Reduce fiscal burden
  - Support counter-cyclical investment
  - Strengthen strategic autonomy
- Demonstrates that public ownership and efficiency are not mutually exclusive
- Reinforces the role of the state as:
  - Facilitator, not micromanager

Lessons for State PSUs

1. Replicate Strategic Clarity
   - Clearly identify:
     - Core public interest sectors
     - Non-essential commercial activities
2. Improve Transparency & Professionalism
   - Independent boards
   - Market-linked incentives
   - Performance audits
3. Reduce Political Interference
   - Separate ownership from management
   - Minimise populist pricing distortions
4. Use Technology & Skill Upgradation
   - Focus on:
     - Digital systems
     - Energy transition
     - Human capital renewal
5. Cooperative Federalism in Reform
   - Centre can act as:
     - Knowledge provider
     - Reform catalyst
   - State PSU reforms can unlock regional development potential

Challenges Ahead

- Technology disruption
- Skill gaps
- Market volatility
- Need for sustained governance discipline

Reforms must be institutionalised, not personality-driven.

Conclusion

As India prepares for the next phase of growth, State-level PSU reform is the missing link. Learning from CPSE successes can transform public enterprises from fiscal liabilities into engines of inclusive development.

COURTESY : ***INDIAN EXPRESS***

WEDDING BELLS

Selvi. B Sharan Sneha,
(D/o, Com. L Belavendra Dass,
Chief Cashier, Indian Bank)
Married to
Selvan. A Anto Marshall
At
Chennai on 23 01 26

Selvan. Prasanna Venkatesh
(S/o. Com. L Balaji, Manager(Retd), Indian Bank)
Married to
Selvi. Aishwarya Sai Lakshmi
At
Chennai on 28 01 26

Selvi. Vaishnavi Soundarajan
(D/o. Com. R R Shanthi,
Asst Manager, Indian Bank)
Married to
Selvan. Sachin Sabarish
At
Chennai on 28 01 26

Selvi Surabhi
(D/o. Shri. Sandeep Kumar Ghosal,
General Manager, Indian Bank)
Married to
Selvan. Rajat
(Junionr Engineer (Planning), Vadipatti Town Panchayat)
At **Chennai on 03 02 26**

AIIBOA Wishes a Very Happy Married Life to the Newly Wedded Couple.

Retirements

S.No.	NAME	DESIGNATION	BRANCH
1	Com. NAVEEN KUMAR NIGAM .	DEPUTY GENERAL MANAGER	CBS PROJECT OFFICE MUMBAI
2	Com. YATNESWAR PRASAD MISHRA .	ASST. GENERAL MANAGER	FGMO DELHI
3	Com. ALEYAMMA ABRAHAM .	CHIEF MANAGER	CO:COMPLIANCE DEPT
4	Com. DEEPAK KUMAR .	CHIEF MANAGER	ZO:MEERUT
5	Com. SANJIV ALOKE EKKA .	CHIEF MANAGER	IC KOLKATA
6	Com. NAGENDRA PRASAD .	CHIEF MANAGER	IC BENGALURU
7	Com. SHANTANU BANERJEE .	SENIOR MANAGER	RANCHI MAIN
8	Com. AGNES DIAS .	BRANCH MANAGER	PANAJI ST. INEZ BRANCH
9	Com. ROMESH CH BASUMATARY .	Officer-in-Charge CC	GUWAHATI MAIN
10	Com. BINOD KUMAR DAS .	Officer-in-Charge CC	GHAZIABAD NAVYUG MARKET
11	Com. ARUN KUMAR .	SENIOR MANAGER	IC KOLKATA
12	Com. MD SADEQUR RAHMAN .	SENIOR MANAGER	GOLAGHAT
13	Com. RAJESH KUMAR .	Officer - Currency Chest	A J C BOSE ROAD
14	Com. MRINAL KANTI MONDAL .	SENIOR MANAGER	ULUBERIA
15	Com. VAIDEHI G .	SENIOR MANAGER	ZO:TIRUPPUR
16	Com. RAM MOHAN V .	RECOVERY OFFICER	ZO:SALEM
17	Com. RAVIKANTH GAIKWAD	Approver of Documents(DAMC)	DAMC HYDERABAD
18	Com. DEVENDRA SINGH RAWAT .	SENIOR MANAGER	KASHIPUR CHEEMA CHAURAHA
19	Com. TRIVENI BIRUA .	Officer - Currency Chest	CIRCULAR RD
20	Com. RAJ KUMAR GOND .	ASST. BRANCH MANAGER	SHUJALPUR
21	Com. SURENDRANATH NAIK .	ASST. BRANCH MANAGER	JATNI
22	Com. LAKSHMI CH .	ASST. BRANCH MANAGER	HIMAYATNAGAR
23	Com. LAKSHMAN DAS .	ASST. BRANCH MANAGER	MAHARANIPETA
24	Com. JITU MANI BARMAN	ASST. BRANCH MANAGER	LOHOAL
25	Com. PADMINI A .	ASST. BRANCH MANAGER	VIJAYANAGARAM
26	Com. MUKESH NARAYAN JHA .	ASST. BRANCH MANAGER	DEORH
27	Com. HEMANTA DAS .	ASST. BRANCH MANAGER	RANGAMATIGAON
28	Com. ANOOP SRIVASTAVA	MANAGER	KIDWAINAGAR
29	Com. MIHIR KUMAR RAKSHIT .	ASST. MANAGER	BURDWAN
30	Com. SANJAY KUMAR GUPTA .	ASST. MANAGER	MIDNAPORE CONTAI

AIIBOA Wishes the above Comrades a Very Happy, Healthy and Peaceful Retired Life.