

Monday, 29 May 2023

The Chief Labour Administrator
Department of Labour
Ministry of Industry, Commerce and Employment
Thimphu

Dear Sir,

I am writing to file a grievance against my employer, Royal Insurance Corporation of Bhutan (RICB), regarding my suspension and the revocation of that suspension, which I believe to be unjust and arbitrary.

In this regard, I believe the disciplinary proceedings initiated by the Management of RIBB against me was not in accordance with the RICBL's Service Rules and Regulations (SRR) 2019.

The Management Committee during its 122nd meeting held on 28th September 2022 without constituting Disciplinary Committee/Authority decided to initiate the disciplinary proceedings without framing any administrative charges against me in line with **clause 12.9 of RIBB's SRR 2019** and further it is also not in accordance to **clause 12.5 (a) which states that** "All administrative and disciplinary issues and grievances concerning an employee of the Corporation shall be acted upon by the Disciplinary Authority or Disciplinary Committee of the Corporation as per the provisions of this Rule, except criminal proceedings, which shall be under the jurisdiction of the Court of law".

Therefore, keeping in line with **clause 12.5 (a)** that the Management Committee do not have the authority to proceed with the disciplinary proceedings against me. The Management Committee on own its discretion initiated disciplinary proceedings by issuing me show cause notice dated 3rd of October 2022 signed by the Chief Executive Officer and delivered to me on 10th of October 2022. I responded to the show cause notice within the given deadline.

However, I was called along with my colleague to attend the disciplinary committee meeting held on 30th October, 2022 which was on Sunday to inform us about the decision of disciplinary committee to suspend us immediately. The suspension letter was issued next day on 31st October, 2022. The reason for suspending me and my colleague was to carry out an investigation to determine my involvement in connection to Mr. Ugyen Wangchuk's a loan default case.

Background leading to my suspension from the service

The Legal Department of RICBL filed a loan recovery suit against Ugyen Wangchuk, C/o Druk Tsentop Construction & his sister Tshering Pem, in the Thimphu Dzongkhag Court on loan default case for 11 loan accounts on June 27, 2018 for total outstanding due amounting to Nu. 78,368,390.11 (Seventy-Eight Million Three Hundred Sixty-Eight Thousand Three Hundred Ninety and Eleven).



In the process of the court hearing, Thimphu Dzongkhag Court summoned me, Jurme Chetsho, and Jambay Wangchuk to explain our connection in the sale of land at Depsi to Ugyen Wangchuk, as well as the withdrawal of funds from his loan account without his written consent. The Dzongkhag Court noted our submission and there was nothing mentioned in the Judgment rendered by the Dzongkhag Court. However, we were neither summoned by the High Court nor by the Supreme Court to provide any justification regarding the financial transaction that has happened between us and Mr. Ugyen Wangchuk. The management of RICBL appealed to the Office of the Gyalpoi Zimpon on 22-07-2022 after their appeal was dismissed by the Supreme Court that also without involving us. The Office of the Gyalpoi Zimpon also dismissed the appeal sometime at the end of the September 2022.

However, on 26th September, 2022, RMA learnt about the transactions carried out by the employees of RICBL without the consent of the client and enquired about it. The management investigated and has responded to RMA on 29th September, 2022 regarding the transactions based only on the judgments passed by the Court without first enquiring with the employee concerned.

However, I believe under the pressure of the RMA and after dismissal of the appeal by the OGZ, the CEO issued show cause notice on 3rd October 2022 to us which was delivered to me only on 10th October, 2022 asking for an explanation regarding the withdrawal and deposit of funds without Ugyen Wangchuk's consent. After submitting the explanation letter, I and Ugyen Lhamo appeared before the Disciplinary Committee on October 30, 2022 which was on a Sunday, and we were suspended the following day on October 31, 2022. During the meeting, the CEO made derogatory remarks about the employees, suggesting that they should "prostrate" ourselves to His Majesty the King and appeal for a "re-litigation" of the case.

They took the liberty of interpreting the judgement of the High Court on their own and again on November 2, 2022, the Chief Executive Officer issued a letter requiring the four employees to pay one-third of the loan each amounting to Nu.8.5 million by January 13, 2023.

The decision of the disciplinary committee I believe is unjust and unfair as I was suspended by the disciplinary committee without giving adequate reason for violation of RICB's SRR 2019. As per the **clause 12.12.1** of RICB Service Rules and Regulations (SRR) 2019 states that an employee shall be suspended if the disciplinary proceedings are contemplated or pending in respect of serious misconduct or major breach of code of conduct or if employee's continued presence is prejudicial for a fair investigation or detrimental to the interest of the corporation. Keeping in line with aforementioned clause, it still surprises me since the disciplinary committee has failed to classify nature of my alleged misconduct and whether my presence in the company was prejudicial to a fair investigation or detrimental to the interest of the corporation.

Further, I believe they acted under the pressure of the RMA to shield themselves and it baffles me for suspending me when;

- a) The High Court Judgment was upheld by the Supreme Court regarding the loan default of Mr. Ugyen Wangchuk on 13/07/2022.



- b) The appeal of the Management against the judgement of the Supreme Court was dismissed by the Office of the Gyalpoi Zimpon sometime in September 2022.
- c) The judgement of the High Court did not mention us by names but has categorically implicated all the relevant dealing officials of the bank in the loan default case of Mr. Ugyen Wangchuk but they selectively implicated only four of us from among so many relevant dealing employees connected to the loans sanctioned to Mr. Ugyen Wangchuk for the reasons unknown to us.
- d) As is the practice in the court of law, if four of us was implicated by the court, four of us would be called by the Dzongkhag Court, High Court or the Supreme Court at the time of pronouncing the judgment. Four of us were never called by the court at the pronouncing of the judgment.
- e) Some of the members of the disciplinary committee were also member of the Management Credit Committee who were involved in sanctioning of one loan (BGE/2019/5) in 2019 of the 12 loans sanctioned to Mr. Ugyen Wangchuk. Did they shield themselves by trying to implicate only four of us?
- f) Further, the Legal Department and the management of RICBL has conducted unauthorized hearing in the court of law without out power of attorney. They represented us by appealing to the Supreme Court and His Majesty the King through our OGZ without our knowledge and consent. We have registered a suit against the management in Thimphu District Court pertaining to above alleged misconduct.

The reacted against the pressure of RMA by taking action selectively only on four of us to shield themselves from RMA's pressure and also made us a bait when all their appeal and efforts has been exhausted. Furthermore, the Management monitored our actions and I received a letter to inquire whether I am approaching higher authorities, dated 17th Jan 2023. What is the reason for them to monitor our actions if their conviction to suspend us was certain and necessary. It proves to me that they wanted us to prostrate to His Majesty the King and appeal for a "re-litigation" of the case. Therefore, I believe, they were waiting for our action to react which is not only appropriate but unbecoming for such a reputed and one of the oldest professional company in the country to treat their own employees this way. Suspension is a serious disciplinary measure, and it should not be used as a way to pressure employees into taking action. If the company has concerns about an employee's conduct, they should investigate the matter and take appropriate action, regardless of the employee's reaction.

Further, in line with the provision of SRR 2019, the Disciplinary Committee had formed an independent investigation team comprising three employees from the Branch Offices and completed their investigation and the report was submitted to the Chairman of the Disciplinary Committee, the Chief Executive Officer in November 2022.

The Disciplinary Committee without giving due regards to the RICB's internal Service Rules and Regulations 2019, the Disciplinary Committee did not take any decision despite receiving the investigation report and when **the clause 12.13 (a) of the company's internal service rules and regulations 2019 required the Disciplinary Committee to render reasoned decision in writing within 30 days from the receipt of investigation report** which they failed to do so.



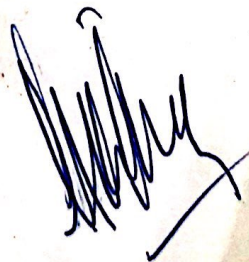
Instead, on 21st April 2023, the Management Committee revoked my suspension arbitrarily again without providing any reasons for their decision. **They did so when my suspension was about to end by default by a week or so.** The maximum period a company can keep me under suspension is 6 months. I was suspended on 31st October 2022 and the suspension was revoked on 21st April 2023. It was just a week or so for my suspension to end. They **revoked my suspension but did not reinstate** me though they did not find anything against me and they even failed to share the investigation report with us. There are several occurrences in the company that the disciplinary committee has taken administrative action without suspending the employees and it baffles me for going through such disciplinary proceedings.

The Management Committee during its 140th Meeting held on 19th April 2023 revoked my suspension with an immediate effect. However, the revocation of suspension was not in line with **clause 12.12.1.e** of the SRR 2019 as the suspension can be revoked only by **an appropriate authority**. Is the Management Committee the appropriate authority to revoke the suspension since, as per the definition mentioned in **clause 1.8 a)** the **appropriate authority means the authority designated for specific purpose by the Board of Directors of the Corporation or by the Chief Executive Officer**. Did the Board of directors or CEO appoint such appropriate authority? Management committee has been constituted by the CEO through office order to manage the day to day affairs of the corporation but the Management Committee that revoked my suspension was not constituted by the CEO **for a specific purpose** but it's the same Management Committee that manages day to day affairs of the Corporation. Oddly, the majority of the members of the Management Committee that revoked my suspension are the same members as that of the disciplinary committee who suspended me on a flimsy ground.

Further, the Management Committee violated the **clause 12.11.a** since they do not have the authority to penalize any employees except by the Disciplinary committee/Authority but the Management Committee during its 140th Meeting held on 19th of April, 2023 has **decided to take appropriate administrative action** after the enforcement of the High Court's judgement. Further, they transferred me to General Administrative Department from Credit Department. As such the contents in the suspension revocation letter issued to me dated 21st April, 2023 by the CEO, I believe is an unauthorized decision as the Management Committee is not the appropriate authority to take such a decision as mentioned above.

Consequently, I would like to submit that if this was the case, i.e., **if they are required to wait to take the administrative action after enforcement of High Court judgement** which was bound to happen by default;

- a) What was the need for the Management Committee to form a disciplinary committee on Sunday 30th October 2022 and suspend me the following day?
- b) There was no need for the committee to institute investigation team to investigate when the court has already pronounced judgement and as well the Hon'ble High court has already pronounced the Judgment which implicated all the relevant dealing officials of the bank involved in the loan default case of Mr. Ugyen Wangchuk's 12 loans and 7 bank guarantees.



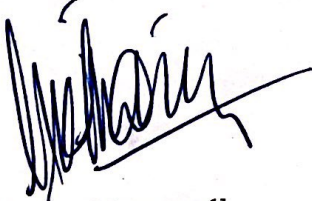
- c) There was no need for the disciplinary committee to institute an investigation team to investigate when the disciplinary committee does not want to act when the investigation was completed.
- d) Further, the High Court has not mentioned in their judgement asking the Management of the RICBL to take any sort of administrative action when the High Court has ordered all the relevant dealing officials of the bank related to 12 loans and 7 bank guarantees to pay 1/3 of the liabilities of the client.

In light of above, I humbly request you to investigate this matter and provide me with justice against the unfairly suspending us and revoking the suspension arbitrarily. For last six months during my suspension period, I and equally my family had to go through mental harassment and trauma and still the management is distressing me with such penalties for no fault by their unfair treatment which is not in line with various provision of the RICB SRR 2019. I am losing 173 days of my service which has implication to me financially. I am deprived of 50 % salary and allowances which was not paid during the suspension period, I lost earned leave of almost by 15 days and further I am losing since the management is not considering the suspension period (October 31, 2022 to April 21, 2023) as active service for my promotion and post service benefits.

Therefore, I hope that you will take appropriate action and help me get justice in this matter. All the supporting documents has been annexed for your kind perusal.

Thank you for your attention to this matter.

Sincerely,



[Jigme Namgyal]

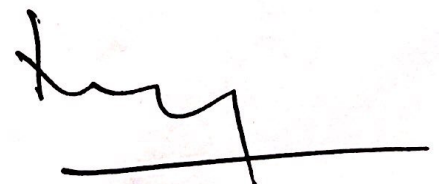
GAD, RICBL,

Thimphu

Mobile No. 17620765

officially Chief CR

Please review and follow up with the medication



05/06