



ALL INDIA BANK RETIREES' FEDERATION

D-1/1, Sector-C, Scheme-71,
Near Kasara Bazar School, Indore – 452 009.

Chairman

Sri S.R.Kulkarni

President

Sri S.M.Deshpande

Vice President

Sri D.A.Masdekar
Sri Ashok Patil
Sri J.B.Dave
Sri F.Martis
Sri B.Ramji
Sri M.K.Jha
Sri C.Gopinathan Nair
Dr. R.D.Yadav
Sri K.K.Guptha

General Secretary

Sri S.C.Jain

Dy. Genl. Secretary

Sri R.S.Desai
Sri D.P.Gupta
Sri S.V.Srinivasan
Sri DebeshBhattacharyya

Organising Secretary

Sri P.P.Karandikar
Sri Kalyan Sengupta
Sri V.K.M.Varma
Sri M.N.Pandit
Sri B.G.Raithatha
Sri C.N.Prasad
Sri Kishore Gujarati
Sri A.L.Chandramouli
Sri C.Gopinathan Nair
Sri A.K.Bansal
Sri Sunil Srivatsava
Sri Dilip Ghosh
Sri S.Velayoudam
Sri Anindya K. R. Basu
Sri Pratap Shukla
Dr.G.S.Jog

Treasurer

Sri M.S.Chourey

Ref: 2015/245

Date: 111.09.2015

**The Office Bearers/ Central Committee Members/ State Body Chiefs
A.I.B.R.F**

Dear Sir

**Re: SUPREME COURT DECISION DATED 1.07.15
IN CIVIL APPEAL NO 11230F 2015**

We have been receiving several mails / SMS from our many members and also some of our central committee members with the request/ demand to approach to the Government/ IBA to implement the principles laid in the said judgement and sanction updation of pension to bank pensioners based on this judgement of the Supreme Court. In addition to the above some individuals have been widely circulating this judgement in face book /whatsapp with the inference / impression that this judgement has a direct bearing on Pension Regulations 1995 applicable in banking industry and why retiree organisations including AIBRF are not approaching to IBA/ Government for its implementation.

2. In view of the above perception it is necessary to first know factual position of this case and how the matter was finally disposed off by the Supreme court in favour of the retirees and what benefits were granted to the respondents.

FACTS OF THE CASE

- (1) The respondents were working on different posts of Lecturers, Librarians and PTI in colleges of Rajasthan Government and retired prior to year 2006.**
- (2) They were appointed in the service between the year 1950 to 1976.**
- (3) They were granted Selection Scale in Lectureship on or before 1986.**
- (4) For implementation of recommendations of 6th Pay Commission to such retirees ,Rajasthan Government issued circular dated 12.09.2008 wherein benefit of selection grade was not extended while updating their pension as per the formula of 6th Pay Commission.**
- (5) The Supreme Court has ruled that while updating basic pension of this group, benefits of selection scale which is higher one should be extended as they meet all the**



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requirement and pension is matter of right and not bounty as decided and the principles laid down in the famous judgement of Supreme Court in Nakara v/s Union of India. Financial burden cannot be only criteria for denying benefit of updation in such cases and in the instant case number of affected surviving retirees is not more than 200 to 250.

3. We wish to point out that this case has been fought and decided for correct interpretation of updation formula given in 6th Pay Commission.

4. We may mention that in banking industry the existing pension scheme came in to effect by way of settlement arrived between unions and IBA in 1993, followed by decision of Sub Committee constituted to frame rules and regulations to implement the scheme and finally adoption of Pension Regulations in 1995 as approved by RBI/ Government of India and published in Gazettes. One can observe that updation clause was the part of settlement of 1993 as well as part of the details worked out by the sub-committee. However the updation clause did not find any mention or place in the Pension Regulations Of 1995 and were dropped from the regulations on the objection taken by the government.

5. In view of this, the following issues on pension updation for bank pensioners is to be legally examined and tested

(1) Whether it was legal violation in dropping specific clause of updation of pension from the regulations as given in the settlement of 1993. And court can be approach with the request to insert this clause in the Regulation as the basic sprit and intention to bring pension scheme was on the model of pension scheme as applicable to the government retirees.

(2) Basic sprit of defined benefit pension scheme as applicable in banking industry is to provide social security to the retirees in advancing age and therefore pension scheme for the past retirees should be liberalised along with wage revisions of employees as envisaged in the principles laid down in the case of Nakara v/s Union of India. Therefore the court should be approached with the prayer that principles laid down in Nakara case should be made applicable for bank pensioners also.

6. As for as pension being legal right and it is nothing but deferred wages and not bounty is as present settled issue and no bank has raised it directly or indirectly. Existing pension



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regulations are being implemented in last 20 years without any major issues. It is being paid on due dates to each eligible pensioners with DA review as per the existing provisions of the Regulations.

7. Today the most important issue for us is to approach courts with the prayer that bank retirees are also entitled to get benefit of liberalised pension as per the decision in Nakara case and as implemented by Pay Commissions. We have to concentrate and put our full weight on this aspect. AIBRF has been working on this aspect at organisational level and also on legal forum in consultation with senior lawyers.

8. Whilst on this subject, we may mention that our comrades in RBI and LIC are also fighting on this issue on continuous basis at the organisational level as well as courts.

9. It may also be mentioned for information that retiree comrades of 6 public sector banks have been fighting legal case in Punjab & Haryana High Court on the issue of updation of pension for last several years without success.

10. In view of this it is our humble request to all our members to keep patience and do not be carried out by some communications. AIBRF is fully seized of the situation and taking appropriate action from time to time.

With Regards

Yours Sincerely

**(S.C.JAIN)
GENERAL SECRETARY**