

# Coordination of E Associate Banks' Retirees' Organizations.

No. 16-2-738/4/5/28, S.B.H colony,  
Asmanghad, Malakpet,  
Hyderabad 500036  
Email : statebankretirees@gmail.com

Date :11/09/2018

The General Secretary.  
All India State Bank Officers' Federation,  
Bengaluru

Respected Sir,

## **Non-implementation of Orders of Supreme Court in Bank of Baroda Vs G Palani & Ors.**

Associate Banks of State Bank of India introduced Voluntary Retirement Scheme during the year 2001. All other Public Sector Banks also introduced identical Scheme. However, Public Sector Banks, other than eAssociate Banks, amended Pension Regulation 28 (Superannuation Pension) allowing payment of pension to those who had served over 15 years. But, eAssociate Banks did not amend Pension Regulations, but clarified either through Circular or by incorporating a clause in the Scheme stating that benefit of addition of service upto five years, notionally for the purpose of calculation of pension under Regulation 29(5), is not available to those who retire under VRS 2000/01.

Thereafter, pensioners approached various Courts. Hon'ble Supreme Court in Bank of India Vs K Mohandas & Ors decided that the pensioners are entitled to this benefit as available in Regulation 29, which includes addition of service upto five years, by affirming the Judgment of Hon'ble High Court of Karnataka. Most of the Banks paid arrears of pension during the year 2009. But, Allahabad Bank, Vijaya Bank and eAssociate Banks did not pay this benefit. EAssociate Banks, preferred to continue litigation stating that the pensioners were informed about non-availability of benefit under Regulation 29(5), before opening of the Scheme, ignoring the legal principle 'absence of estoppels against statute'. Writ Petitions filed by over 616 petitioners from eSBM were allowed and Writ Appeals filed by the Bank were dismissed by the Division Bench of Karnataka High Court. Cost of Rs.10,000/- payable to each of the petitioners/former employees was ordered as the Bank continued litigation without any grounds or merit. Still, the Bank filed SLPs, which were converted into Civil Appeals. Alongwith, Civil Appeal 5525/2012 of Bank of Baroda Vs G Palani & Ors, which decided 1616 - 1684 issue, appeals filed by State Bank of Mysore were dismissed, while affirming the Judgment of Hon'ble Karnataka High Courts.

Thereafter, Indian Banks Association instructed the member Banks who were parties to the 7th B P S to pay arrears along with interest at 9% in

### Conveners:

- Shri.P.D. Vaidya (eSBS)  
Cell : 94263 34688
- Shri.C.N. Prasad (eSBM)  
Cell : 97400 72620
- Shri.V. Sombabu (eSBH)  
Cell : 98853 52930

### Advisory Committee:

- Dr. A. Ananthakrishna Rao  
(Chairman) (eSBH))
- Shri. K Sukumaran (eSBM))
- Shri.Chandrasenan (eSBT)

### Core committee:

- Shri.K. Vijaya Kumar (eSBT)
- Shri.C Gopinathan Nair (eSBT)
- Shri.C N Prasad (eSBM)
- Shri.Y N Ramesh (eSBM)
- Shri.R P Saxena (eSBBJ)
- Shri.B C Bassi (eSBP)
- Shri.D.S. Jattana (eSBP)
- Shri.Prakash Sarma (eSBIR)
- Shri.V Sombabu (eSBH)
- Shri.P D Vaidya (eSBS)

# Coordination of E Associate Banks' Retirees' Organizations

respect of 1616 – 1684 issue. Since, Indian Banks' Association had already advised member banks to extend this benefit of addition of service to the extent of five years during 2009 consequent to the Judgment of Hon'ble Supreme Court in 2009 itself, there is no mention of payment of this benefit of addition of five years, in this circular. Hon'ble Supreme Court has not restricted the benefits to petitioners only and the Banks rightly paid arrears alongwith interest to all similarly placed pensioners. But, our Bank paid this arrears on different dates and arrears were paid during the month of June and July, without commutation of differential pension.

On the 24th ultimo, arrears with interest was paid to eSBM pensioners who retired under VRS and who were petitioners. Non-petitioners were paid arrears only. Unfortunately, arrears have not been paid to similarly placed pensioners of other eAssociate Banks. Wherever, arrears have been paid, they are not in terms of Judgment of Hon'ble Supreme Court. They are entitled to following benefits, in addition to what is already paid

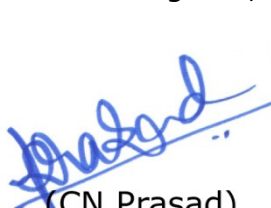
- a. Payment of Pension in terms of Regulation 29 duly adding five years of service to similarly placed pensioners of eSBH, eSBIR, eSBBJ, eSBT and eSBS. This benefit needs to be extended to those who retired under Exit Policy 2006-07 ;
- b. Dearness Relief in terms of Regulation 37 ;
- c. Commutation on the differential Basic Pension, recoverable for a period of 15 years from the month of payment ;
- d. Interest at 9% on the total amount due and payable as on the date of payment of arrears.

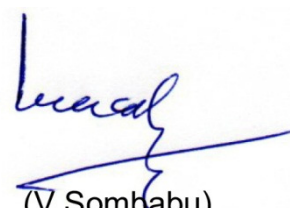
Since, the Bank has paid 1616 -1684 arrears to all those who retired during 7th BPS period from eAssociate Banks and pension extending the benefit of addition of five years of service to eSBM pensioners, on account of Judgment of Hon'ble Supreme Court in Bank of Baroda Vs G Palani & Ors' case, our Bank has agreed, admitted and accepted that this Judgment covers both the issues. Consequently, all those who have retired during this period are entitled to receive all benefits ordered by Hon'ble Supreme Court. Petitioners are contemplating filing of Contempt Petition on account of non-implementation of Judgment in full.

In this background, we request your kind assistance and indulgence in implementation and extension of all these benefits to similarly placed eAssociate Bank pensioners. Copies of the Judgments are attached for your immediate reference.

Thanking you,

With regards,

  
(CN Prasad)  
Convenor

  
(V Sombabu)  
Convenor