

Editor  
S.B.C. Karunakaran

# Arise

July 2016 - September 2017

Rise : 3 Ray : 5

Association of Retired IOB's Employees

## TRUTH TRIUMPHS ONLY WHEN HOPE LIVES LET US TAKE ON THE MORAL BANKRUPTCY OF BANK MANagements

First war of Indian Independence took place in 1857 and it took another 90 years of countless struggles, incarcerations, deprivations, denials and lives to get our independence. For two thousand years, the Jews wandered around the globe to get back to their homeland to establish their own country **Israel**. It is more than 70 years and still counting for Palestinians to get their country. One Rank one pension to the armed forces took several decades of struggle. At home, pension itself took more than a decade of struggle to get introduced in banks and another 15 years to get second option pension. Decades of struggle alone saw the Bank officers' unions get the right to negotiate their service conditions including wages and terminal benefits. Only struggles and undying hope to achieve what one desires brought to fruition the dreams and not verdicts in courts of law. Litigation is a part of the struggle but not the struggle itself, and doors slammed shut by the courts do not mean the demand is unjust or unjustified. It is not the end of the road but only a direction to take diversion to go forward. Pensioners of the Defined Benefit Scheme are a slowly vanishing tribe and time is of essence to realize our demands else the achievement may just become academic with none alive to reap the benefits.

CBPRO and AIBPARC in particular are leaving no stone unturned and are parleying with all who matter. Com. K.V. Acharya (President-AIBPARC & Joint Convener-CBPRO) has fully devoted himself

to the task of bringing awareness not only among the retirees but also among all those who matter in decision making that include the IBA, Bank executives, bureaucrats, Central Government Ministers, Parliamentarians and other opinion makers. He is getting good cooperation from the other joint convener Com. A. Ramesh Babu of SBI Pensioners Federation. There is every need to take to the path of struggle that has to catch the attention of the powers that be. This issue carries the circulars of AIBPARC disclosing the programs that have been chalked out and implemented.

It is perplexing to note that not a single Chief Executive of any bank has a heart to resolve the grievances of retirees. Most of the issues like *Pension updation, 100% DA neutralization and Family pension* are all settled and implemented benefits but unilaterally suspended later. Withholding or suspending unilaterally an existing statutory benefit gives rise to a dispute which does not therefore amount to a demand. So what the bank retirees/pensioners have today for most part is not a '*Charter of Demands*' but a '*List of Grievances*'. The bank managements are today morally bankrupt, devoid of compassion and bereft of gratitude. They are morally bankrupt because they do have no qualms of conscience in arbitrarily withholding/suspending existing statutory benefits. Denying an existing benefit to one who has a weaker, rather no bargaining power is nothing but short-

**STAND ON YOUR LEGS - NOT ON YOUR KNEES (Fidel Castro)**

changing. Short changing the senior citizens, many of whom are well past their 80s betray the lack of compassion. The edifice of every bank stands today on the strong foundation laid down by the retirees in yester years by the sweat of their brow, at times by even risking their life and property in hostile centres. But there is no gratitude for the contribution made by the retirees. On the contrary, all they got on the conclusion of the X Bipartite Settlement was a Record Note minuting the questionable stance of the Bank Managements with an insulting and dishonest disclaimer that Banks have no contractual obligations.

If Bank Managements have no contractual obligations what is the meaning of all those minutes, MOUs and Settlements signed during the course of Pension negotiations that culminated in Pension Settlement of 1993 followed by Pension Regulations of 1995? Did not all the above Minutes, MOUs and clarifications repeat ad-nauseam that the pension to bank employees would be only on the lines of pension obtaining for Central Government and RBI employees and no modification would be agreed? Were not the unions told that they could only **dot** the 'i's and **cross** the 't's in the Bank Employees' Pension Regulations drawn on the lines of the pension schemes of of RBI/Central Government? Does not **Pension Regulation No.35** provide for pension updation wherever applicable as per formula given in Appendix-1? Was not the pension of those retired during IV Bipartite Settlement period updated with reference to the pension obtaining for those who retired during V Bipartite? Was not the formula given in Appendix I identical to the formula obtaining for Government pensioners? Had there been no contractual obligation why was the pension updated for those who retired during IV Bipartite Settlement period? Was not DA formula as obtaining in RBI in view of Bipartite Pension Settlement extended to pensioners till and including the signing of VIII Bipartite Settlement? Had not RBI subsequently extended 100% DA neutralization even to those who retired before 1/11/2012 and Kolkatta High Court held that RBI formula had to be followed by banks? Did not Supreme Court judges who dismissed the appeal of bank pensioners in 100% DA neutralization say that the question of applicability of RBI formula to bank pensioners would be separately decided

in the appeal filed/to be filed by IBA against this Kolkatta High Court judgement? (Supreme Court has since taken up the dismissal for review and Judgement is reserved) When Family pension has been made uniform without ceiling in Government followed by RBI where is the justification to deny the same to bank pensioners when their pension scheme is on the lines of the scheme obtaining in Government? Full Pension is 50% of last 10 months' average pay while family pension ranges between only 15% and 30% of last drawn pay, that too with a ceiling making it only 8%-10% for higher ranges of pay. In other words, family pension is much lower than normal pension. When banks have fully provided for pension of every pensioner for his/her full life span where is the need for additional provision for family pension *when in reality on the death of every pensioner the pension provision made for his/her life span would be written back to the extent exceeding the family pension payable?* If Pension is a deferred wage which is payable on completion of a minimum prescribed years of service, how can the same be denied to those who with pensionable years of service resigned or were compulsorily retired before the date of pension regulations/ second option pension date? When those who voluntarily retired under a special package with 15 years of service are eligible to opt for pension, how can the same be denied to those who resigned or compulsorily retired after completion of 20 years of service?

After the Banks' pension settlement of 1993, the government employees have seen many significant improvements in their pension scheme like pension becoming payable on 50% of last 10 months' average pay or last drawn pay which ever is higher, full pension on completion of 20 years of service instead of 33 years of service, pension upgradation where the pension payable gets stepped up from 50% of pay on attaining the age of 80 years such that it becomes 100% of pay on attaining the age of 100 years (*This is on account of Pay Commission's recommendation that older pensioners require a better deal because their needs, especially those relating to health, increase with age. But Banks want retirees to bear the Premium of Medical insurance*), improved medical facilities etc. Bank retirees are, as of now, not asking for any of these benefits but are only asking for restoration

of existing benefits that have been extended but arbitrarily withheld/suspended for no reason. Yes, we the Bank retirees have therefore no '*Charter of Demands*' but only a '*List of Grievances*'. But not a soul is willing to redress our grievances in spite of our crying hoarse. To our dismay, we are even admonished by some that we should not cry but rather be happy for what we have and advised by yet others not to have heart-burns over what government pensioners/RBI pensioners are having. We are lectured about Pension being paid to Central Government pensioners out of Consolidated Fund of India unlike pension fund of banks charged to banks' profits as if Consolidated Fund of India gets endless funds from nowhere to be spent first on government employees and only the residue has to be earmarked for other expenses when, in fact, Consolidated Fund is funded only by taxes on public that include the taxes paid by you and me and by banks and also by dividends paid by our banks out of the profits earned by our hard work. It is drummed into our ears that Government employees have a right for all benefits and can be charged to Consolidated Fund of India made of contributions from us but you and I can have right neither on the Consolidated Fund of India nor on banks' operating profits.

We are also advised by the pundits that bank employees' pension scheme is a Funded Scheme without these morons not able to distinguish between the nature and purpose of Funding under Defined Benefit Scheme and under Defined Contribution Scheme. Under Defined Contribution Scheme, Funding is mandatory and the benefit payable depends on the yield of the Fund whereas under Defined Benefit Scheme, the benefit is defined and is not linked to the yield of the Fund and the said defined benefit has to be paid under either 'pay as you go' method as obtaining in Central Government Pension Scheme or Funded method as obtaining in banks. Under Funded method, pension provision is front-ended where pension for the expected life span of all retirees present and future has to be mandatorily funded front-end and subjected to actuarial valuation every year to ensure that the Net present value of the Fund equals the value of future payouts as per AS 15 ( R ) Standards and in case of shortfall noticed during actuarial valuation, the same has to be made good as per

Reg.11 of Bank Employees Pension Regulations, 1995 which stipulates that banks shall make such additional annual contributions to the Fund as may be required to secure payment of the benefits under these regulations. So, it is a statutory contribution that has to be made to secure payment of the benefits under these regulations before arriving at net profit. It is not an appropriation out of profit but a charge on profit and loss account before arriving at the net profit of a bank. Pension Regulations is a subordinate legislation and hence is statutory in nature. While provision for NPAs arises due to only regulatory directions of RBI but the above contribution to pension fund is a statutory requirement which has to be, therefore, contributed/paid notwithstanding provisions for NPAs.

Further Pension is a property and hence a constitutionally guaranteed right under Art.300A of the Constitution. Earlier pension was acknowledged as property coming under Fundamental right before the amendment of the Constitution removing right to property from fundamental right and making it only a Constitutional right. A constitutional right cannot be taken away except by authority of law. Still IBA and bank managements are denying with impunity our property viz. pension updation, 100% DA neutralization, improved family pension, 5 years' notional addition to specialist officers, reckoning special allowance as part of pay for terminal benefits, leave encashment to compulsorily retired, compassionate allowance to dismissed employees etc. They have the gumption to deny us our property because we are all senior citizens without the wherewithal and energy to fight their might. What is the difference between a land-grabber who grabs the lands of the poor and weak and the present day bank managements who deny the weak the rightful share? This denial is not only to confined us the pensioners. This denial is meted to every weak client/customer of banks. When we fight for our rights, we should also fight for the weak customers. A corporate client will get the lowest rate of interest on Loans and the lowest rate of processing fee and get also all write-offs/waivers when the account becomes NPA but a poor jewel loan borrower has to cough out processing fees apart from commission for the appraisal of jewels.

A corporate can transfer lakhs under RTGS/NEFT at a charge of few Rupees while a poor student or a poor worker has to pay a heavy portion of DD amount as commission. To help predatory corporate capitalism, senior citizens and other depositors reeling under every increasing prices have to suffer ever falling interest rate for the fallacious reason that inflation rate has come down with powers that be disdainfully ignoring the fact that prices have not come down but only the rate of price increase has come down.

Yes, it is a struggle we have to wage not only for us and by us but a struggle we have to launch for other weaker sections too and together with those sections.

If a couple of women much against the society they live in can launch protracted legal battles that have ended in historic court verdicts in recent weeks, we need not feel weak as, after all we are not battle scared but battle scarred men and women who waged many a battle in the past and lost not a single battle. Let us keep alive our Hope as after all Truth triumphs only when Hope lives. As the voice of reason has failed to wake up the conscience of men in power, it is time to raise the noise of struggle wake up them from their slumber. Let us all come together to realize our just demands.

**Hum Saath Challenge – Ladenge – Jeetenge!**

## **COM. ASHOK GANGULY NO MORE**

Com. Ashok Ganguly left no stones unturned, spared no efforts and travelled widely to canvass membership for ARISE. Our sizeable presence in North East and Bengal owes in no small measure to Com. Ashok Ganguly who laboured hard and co-ordinated with Com. Amar Kumar Mukerjee. Comrades of Bengal and North East feel orphaned and We in ARISE are in Deep sorrow on the sudden demise of Com. Ashok Ganguly in a boat targedy in Hooghly river.

RED SALUTE TO THE DEPARTED  
COMRADE AND CONDOLENCES TO THE  
MEMBERS OF BEREAVED FAMILY.

## **USE AND NOT ABUSE RIGHT TO INFORMATION**

RTI is a good tool in our hands and let us not let this tool slip from our hands by our recklessness. The Hon'ble Supreme Court in the case of Aditya Bandopadhyay had observed that "The Act should not be allowed to be misused or abused, to become a tool to obstruct the national development and integration, or to destroy the peace, tranquility and harmony among its citizens. Nor should it be converted into a tool of oppression or intimidation of honest officials striving to do their duty. The nation does not want a scenario where 75% of the staff of public authorities spends 75% of their time in collecting and furnishing information to applicants instead of discharging their regular duties. The threat of penalties under the RTI Act and the pressure of the authorities under the RTI Act should not lead to employees of a public authorities prioritizing 'information furnishing', at the cost of their normal and regular duties".

# WHY IS FINANCE MINISTRY SHY OF ADDRESSING THESE REAL CONCERNS OF BANKS?

Compiled by S.B.C. KARUNAKARAN AND K.S. RENGARAJAN

Anyone reading the following news item can understand the hardship faced by banks and will realize the need to address the concerns of banks. But there is only silence from the Finance Ministry and RBI. To the Finance Ministry, the sole aim is to consolidate the banks unmindful of the disaster it may bring. Banks have asked in vain the government for lower taxes in the Budget and to compensate them for their efforts on financial inclusion. They have also demanded tax exemption on provisions against bad loans to be made 100%. At present, only 7.5% of the capital set aside for NPAs and 10% of the rural advances can be deducted from the gross income of the bank while all other earnings are taxable. A senior banker said, "Flat exemption of this order is unfair as banks have to keep aside capital for regulatory requirements like the cash reserve ratio where they earn no interest and also keep aside capital for bad loans to preserve the stability of the financial sector. So, for this, banks should be treated differently for tax purposes." As per the Reserve Bank of India (RBI) guidelines, banks have to set aside 4% of their total deposits (current accounts, savings accounts and fixed deposits) as a cash reserve ratio with the central bank without earning any interest. Another 20.75% of bank deposits have to be invested in government bonds and 40% of their total bank loans have to be given as Priority Sector advances. Besides, they also have to set aside money against bad loans. In a low credit growth (around 4% for the banking system) and high bad loan scenario (10% of advances), as is the case with many banks, the taxes are often misdirected, according to bankers, as there are no profits to be taxed. When the principal or interest component is unpaid for 90 days, a loan is termed as a non-performing asset (NPA) with

15% provision. If it is unpaid for a year, it becomes a substandard loan attracting 25% provision. And two years of no repayment from the date of being classified an NPA turns a loan into a doubtful asset, calling for a 40% provision. A year, thereafter it becomes a loss account requiring 100% provision if the bank isn't able to get any repayment. NPAs of banks have almost doubled in the 15 months from Rs 3,40,556 crore in September 2015, to Rs 6,68,825 crore in September 2016, according to data from the RBI. A minimum of 15% of this total NPAs has to be kept aside as provision but banks are forced to pay taxes on this. Banks opine that they should be kept outside the purview of the Minimum Alternate Tax (MAT), especially when they are making losses. MAT is a tax to be paid by companies not on their profits but on their gross turnover and is targeted at companies who do not pay any taxes. Hence the loss-making lenders were forced to pay MAT. Banks compute two income statements; one is the corporate tax where they pay 34% tax just as any company and the other is MAT, which is at 18%. The higher of the two has to be paid as tax by the banks. So, when the lenders were making losses, the income tax department demanded MAT as the corporate tax was lower. A senior banker said, "All the government schemes like financial inclusion, demonetization are run by the banks, and quite efficiently. There is a cost involved for which banks should be adequately compensated if they have to turn profitable. The 100% cash reserve ratio (CRR) requirement in September 2016 cost the banking system about Rs 1,500 crore of losses as the money was impounded by the central bank as reserves without any interest."

Will the Government address these concerns?

# CONSOLIDATION WILL GIVE THE SCALP OF PUBLIC SECTOR BANKS TO THE GLOBAL PREDATORY CAPITALISM - BIG BANKS ARE NOT GOOD FOR THE COMMON MAN

by S.B.C. KARUNAKARAN

We, as a nation have been drugged to divisiveness and go after agendas that should have no place of importance in our public discourse. We are made to live the fantasy of a single dimensional hoary past disregarding the multidimensional society we have always been which we have acknowledged in our compact on becoming a free country to live as a society united in purpose while diverse in culture, language and ethnicity. Today this diversity is under attack by the fundamentalist majoritarians imposing uniformity in the name of unity, by fundamentalist minorities pursuing insularity in retaliation and by ultra-left always in rejection mode engaging in polemical politics. Barring the ultra-left, the other two have moved from the fringes to occupy the centre-stage of our politics, thanks to most of us falling prey to the false aura of their identity politics. There are also practitioners of other identity politics having their own boroughs of influence but not having pan-Indian appeal or influence. This cock-tail of divisive identity politics is a heady drink that can propel any society into insanity. Sanity is the last thing predatory corporate capitalism prefers in any society it exploits.

Predatory corporate capitalism employs all techniques on hand to exploit and enslave the mankind, and anything is welcome to predatory capitalism if it can distract people from becoming aware of and rebelling against the exploitation – the distraction divides people into various hues of extremism and makes them chase ghost enemies. Another distraction turns the populace into ultra consumerists in pursuit of pleasures than happiness in harmony with nature and humanity.

## **GDP oriented growth is inhuman**

Today what we witness is not growth of wealth but exchange of natural wealth for human-made wealth. This exchange is gift-

wrapped as value-added growth and we are all drugged to eulogize this exchange which not only destroys and depletes our extinguishable natural wealth but also uproots millions who eke out their livelihood by nurturing and harnessing the natural wealth. In the process, the natural wealth of millions get transformed into man made wealth in the hands of few. Manipulation by controllers of capital result in price and currency exchange rate distortions that also make natural wealth cheaper while man made/manufactured wealth costlier ending in a bad bargain for third world and developing countries who have only natural wealth to sell. This is nothing but short-changing the owners of natural wealth as the rules of the game are set by predatory capitalism in the name of Market. This is in essence the process that causes today's income and wealth disparity. A 2015 report based on data of the Swiss bank Credit Suisse finds that global wealth inequality continues to worsen and has reached a new milestone, with the top 1 percent owning more of the world's assets than the bottom 99 percent combined. The top 1 percent owned almost exactly 50 percent of global assets, while the bottom 50 percent of humanity owned collectively less than 1 percent. The richest 10 percent owned 87.7 percent of the world's wealth, leaving a mere 12.3 percent for the bottom 90 percent of the population.

Concentration of wealth shifts priorities and preferences on what should be produced out of scarce natural and human resources much to the detriment of the poor. Economies of scale brought about by concentration of wealth replace men by machines leading to a jobless growth. Market moves from production and marketing of necessities to fads projected as needs through manipulation to further impoverish the poor and also to satiate the greed of the haves. With narrower income earners and high disparity in

income, the market drives out the common man from both production and consumption. Somalian pirates are the result of exploitative capitalism and not the result of debasement of social values. When wealth gets concentrated in the hands of few, they have no incentive to employ men instead of highly efficient machines. These machines, the gifts of technology are disruptive causing loss of jobs. **Livia Gershon** (BBC writer) wrote "Disruptive technologies such as artificial intelligence and big data are changing the world of work. Retail jobs are disappearing in the US while the online sellers supplanting them fill their warehouses using robots instead of human workers. In China, manufacturing businesses that fled wealthy countries to find low-wage workers are now replacing those humans with machines. And on farms around the world, automated systems are beginning to take on backbreaking tasks like weeding lettuce. Studies have found that new technologies threaten around 40% of existing US jobs, and two-thirds of jobs in the developing world.

Notwithstanding the rhetoric of the far-right in all countries swearing by ultra-nationalism, the global capital has no territorial sentiments or remorse over exploitation of the weak. GDP growth in any country has no trickle down effect, and the income and wealth disparity is growing beyond belief. There should have been united movement of people across the world against Finance Capital, the fulcrum of predatory global capital but instead there is ultra-nationalism in every country identifying the other/the alien as the reason for the malady. So, the target becomes cheap Indian and Chinese Labour to the Americans, the EU to the Brexit British, One nation with oneness to Indians and so on. Global capital having full control of mass media stoke the fears of common people to insanely hate these false enemies. They stoke the fears and finance the fear-mongering right wingers in very many subtle ways. People have become insane to accomplish cultural purity and lost sight of the politics and economics of exploitative predatory global capital which is the real bane of the society. The fight should have been to reverse the exploitation of global predatory capital and bring back controlled capital to better the lives

of all the people around the world to usher in a century of participation and co-operation, an elevation to a new cultural synthesis among different cultures instead of insular cultural purity by building barriers or by exterminating other cultures.

Though global integration is eulogized, the chosen way to integrate the globe is not through free movement of people or goods but through ensuring a seamless movement across borders for Finance Capital which has turned the whole world into a casino for speculative capital to have a free play. The global predatory capital is therefore more interested in a finance capital totally under its control and is not really interested in any millennium goals to bring decent living standards around the globe. The global capital is too busy in building gated (walled) communities everywhere for its servants and will not be sad rather will be too happy if the majority outside these gated communities rot to death bringing down thereby the number of the mouths to feed. It wants a strong police force, not any more to maintain law and order and to prevent crimes but to suppress protests of ordinary people and to silence them if need be. Look at the proportion of expenditure out of taxes collected by any government. A miniscule portion is alone spent on education, health, shelter and social security while a large portion is spent on armed forces, police and bureaucracy. all serving and protecting the interest of the predatory corporate capital.

Finance capital is the fulcrum of exploitation. Finance Capital is the mechanism through which sanctions are imposed against nations that try to free themselves from the fetters of Global Capital. Finance capital is maintained and marketed by banks. Banks are now brought under more and more stringent Basel norms with a view to making local and small banks fail so as to shift their local/regional capital to big banks that transform them as global capital under the control of mega banks of the First World Country. Global Finance Capital, the puppeteer cannot control too many small banks and hence the need for only a few puppets as big banks at national level. BASEL serves this end well and RBI is too willing to submit blindly to BASEL though BASEL miserably failed to

prevent the financial melt-downs. Nobody is willing to answer why BASEL failed to prevent the financial crisis of 2008/2009. The failure should have made us discard BASEL as useless but the failure is advanced as a reason to have more stringent BASEL norms, and in our country, RBI acting more pious than the Pope makes it still more harsh. The largest economy and largest purveyor and as well consumer of finance capital, the USA is not following BASEL norms and still we are coerced to have BASEL.

The following will reveal the irrationality of BASEL norms for our country:

- Ø Norms to assess risk weight of assets or to classify NPAs is not uniform in the world.
- Ø India follows more stringent NPA norms.
- Ø No country classifies all the credit limits of an individual or an entity NPA even if only one limit becomes NPA when all other limits are performing.
- Ø No country insists on making provision for standard assets
- Ø No country is having such high SLR and CRR
- Ø RBI fixing a higher percentage than Basel prescribed norms though Indian Banking is dominated overwhelmingly by Public Sector Banks having the backing of the Sovereign and the SLR & CRR are high.

No Banks in Developed nations have directed lending as PSBs have or are coerced (though indirectly by unwritten diktats) to lend for Development activity (which was earlier done by Term Finance Institutions like ICICI, IDBI, IFCI etc which the government closed by converting them all into commercial banks) or to invest in government bills and bonds i.e PSBs have no autonomy in the deployment of their funds except for less than 10%. (SLR and CRR account for about 30% of deposits, of the remaining 70% lendable resources, 40% of it is earmarked as directed lending for priority sector lending with further sub-targets within that, another 50% of lendable resources goes to coerced lending leaving only 10% of lendable funds for banks to deploy on their own). When banks are thus not allowed to make policy decisions and the failure

the banks encounter today are the direct outcome of the policy decisions made by the government, the banks shall not be blamed for their present Balance sheet positions. It is the government which made (rather coerced) banks to lend to infrastructure, steel, mines and minerals, telecommunication etc wanting to make better use of the global economic growth (that is to have value addition to our goods and services to reap rich dividends). It is unfortunate that the global economy went into recession and the policy decision implemented through banks burdened all banks with huge NPAs on their books. If the economy picks up, all the assets created now will begin to yield and the banks will tide over the difficulties. True, there are cases of mismanagement like that of Vijay Mallya but they are exceptions while the major cause for the present crisis is global economic recession. Tatas are selling Corus Steels in UK which was their prized catch when they acquired it a few years back wanting to take full advantage of the roaring steel industry. But things did not work out as expected. Tatas also acquired jaguar to help their sagging domestic auto industry and it paid off. So, economic decision going right or wrong due to circumstances beyond one's control cannot be held against the industry or against the banks which financed them.

- Ø It is a misnomer to call the recapitalization of PSBs as bail outs. Even assuming so, It is not wrong to bail out banks when the world has seen bank bail outs in hundreds with countries spending anywhere between 13% and 50% GDP to bail out banks. The reason for bail outs is as one economic study by UK (the report of UK's Vickers Commission in 2011) concluded, that banks if allowed to fail will reduce output by 2/3 whereas a bailout costing 3% GDP on 5% chance of failure will prevent it. But predatory corporate capital dictate these bail outs resulting in bail out of the big banks and let go small banks to go under liquidation or acquisition.
- Ø USA bailed out its big banks even when the impending failure was because of these banks' illegal and speculative activity. (It is another story that the USA did not go the whole hog to bail its small banks or its common citizens).



But PSBs of India did not speculate, rather they did their duty by the nation, to build its economic infrastructure and to increase the breadth and depth of the economy. So the recapitalization will only help the economy with banks being able to lend and boost the economy. Further the recapitalization is insignificant compared to the taxes and dividends collected from PSBs all these years, not to speak of spin off effect of taxes collected from the industries prospered through bank finance.

- Ø 'Bailout' is a misnomer in the context of PSBs as their CRAR (Capital Adequacy ratio) is not below the BASLE minimum of 8%.
- Ø A 'bailout' happens when a bank has failed. In regulatory terms, this means the bank's capital adequacy ratio of capital to risk-weighted assets falls below the regulatory norm. This norm is 8% as per the Basel standards. The RBI prefers to keep the norm one per cent above the Basel standards, that is, at 9%. Not a single PSB has capital adequacy below 9%. PSBs as a whole are well above this bench mark.
- Ø News Media make recapitalization appear as beyond the means of the Government. News paper headlines talk of a capital requirement of only Rs 500,000 crore for PSBs over the next five years. The five year estimate (which itself rests on assumptions of weak profit growth in PSBs whereas banks may become stronger once the global economy picks up or the Government changes strategy to not only "Make in India" but also "**Make for India**" as suggested by former RBI Governor Raghuram Rajan for which disposable income of the people has to go up and the one way of doing it is to pay adequate salary and wages to the working people, **decent pension to old age people** retired either from organized sector or unorganized sector, remunerative income to the marginal and small farmers, helping SMEs etc. Well, as it was explained in the web-magazine 'The Wire', the five year outlay of Rs.500000 crore translates into an annual requirement of Rs 100,000 crore. Of this, the equity requirement is

roughly half, or Rs 50,000 crore. The remaining half can be raised by way of bonds. Of the requirement of equity, as there has to be equal subscription by the government and the public, the government has to subscribe and pay only half of equity – or Rs 25,000 crore a year for the next five years. *This is not a big outlay and certainly not a huge outlay as the media makes it look.* This sum is a small portion of the nation's GDP and is very much bearable.

- Ø Still the media and the government want to paint the PSBs bad. Now atleast the Finance Ministry should understand that they have gone too far in criticizing the performance of PSBs. Well, the game plan is to paint the PSBs bad, make it a case for mergers. They call it consolidation. Even with consolidation, the Government cannot bring about globally top sized banks. When small size Oriental Bank of Commerce or Corporation Bank can perform better than bigger banks it cannot be said that size matters for productivity or profitability. So the idea behind consolidation is not to have globally big banks or better productivity and profitability but to have banking oligarchy that will phase out mass banking a la the phasing out of gas subsidy and public distribution system.
- Ø CBI is also used for this purpose. Though the present crisis is due to the policy of the government, a picture is sought to be painted as if it is a case of mismanagement and malafide. It is curious that the PSBs officers as Public Servants are booked along with the borrowers as co-conspirators but not the officers of Private Sector Banks even when they are members of a consortium or when the lent funds of all banks are pooled to these private banks from where only the funds were used or misused by borrowers. For instance, in the case of Deccan Chronicle, the consortium funds were pooled into ICICI from where only the funds were diverted to other purposes like buying IPL franchise team. Only PSB officers are facing the music and not a single officer of any private sector bank.

Ø The game plan is to destroy PSBs and sell them for a song to private corporate lock, stock ad barrel with all infrastructure of branches and talented manpower. Air India is a classic example where the Government ensured its failure by placing too many fetters on their operations and is now put up for sale.

Now Cabinet has given its nod to finance any acquisition proposed and accepted by respective bank boards of the concerned public sector banks. Boards of all banks are truncated with no representation for many stake holders including for its workmen and non-workmen employees. All these boards are name's sake autonomous but act only on the direction of their masters in Finance Ministry. We all know how the Soviet Bloc of countries in eastern Europe used to toe the line of USSR as independent nations having no real independence. Boards of banks have worse autonomy than these east European

countries of Cold War era. The day after the strike by employees against consolidation the government audaciously responds with cabinet approval for funding consolidation. The die is cast and time is running out. We all have to pull up our stocks to fight consolidation that will promote only jobless growth and further widen income/wealth inequality. Consolidation that is inimical to mass banking, that shuns equitable people-friendly growth, that strips Public Sector Banks of their nature and that does away with the purpose for which they were created, has to be resisted.

Even as multiple Public Sector Banks, we as pensioners are being denied many of our hard won rights. The oligarchic structures (Monsters) that will emanate from the ashes of present banks will have neither the heart nor the patience to listen to our grievances. So it is in our interest too to fight anti-people consolidation proposals of the Government. Let us resist.

---

## **Supreme Court rules, "Only a statutory provision and not administrative orders can take away Pension, Gratuity and Leave encashment that are property protected by Art 300A of the Constitution"**

### **Banks and IBA are law unto themselves and say 'No'**

Very many judgements held, "Pension, gratuity etc are property in the hands of employees who cannot be divested of the same except under the authority of law." But IBA and bank managements continue to ignore these judicial pronouncements driving the retirees to seek legal redress that is costly and time consuming.

Even in our own bank, retirees were denied gratuity on the ground of pending criminal proceedings in spite of absence of any provision for withholding in the Gratuity Act. Endless rounds of discussions, repeated requests and submission of various citations failed to yield any result. Only when the retirees began at our instance to agitate legally and started receiving favourable orders, the bank relented and the retirees started receiving the gratuity. Due to

information distortion a couple of cases were delayed but since settled. Yet, Leave encashment to many compulsorily retired of the past years remains to be settled though it is also a property like gratuity and pension. Pension updation though provided under Reg.35 of Pension Regulations and implemented once was stopped unilaterally and continues to be denied.

Supreme Court in Civil Appeal No.6770 of 2013 { Arising out of SLP (Civil) No.1427 of 2009) State of Jharkhand & Ors Vs. Jitendra Kumar Srivastava & Anr with C.A.No6771/2013 {Arising out of SLP (C) No.1428 of 2003 held,

***"Article 300 A of the Constitution of India states that No person shall be deprived of his property save by authority of law. Once we proceed on that premise, the answer to the***

***question posed by us in the beginning of this judgment becomes too obvious. A person cannot be deprived of this pension without the authority of law, which is the Constitutional mandate enshrined in Article 300 A of the Constitution. It follows that attempt of the appellant to take away a part of pension or gratuity or even leave encashment without any statutory provision and under the umbrage of administrative instruction cannot be countenanced.***

**We give here below extracts of the above judgement:**

Crisp and short question which arises for consideration in these cases is as to whether, in the absence of any provision in the Pension Rules, the State Government can withhold a part of pension and/or gratuity during the pendency of departmental/ criminal proceedings? The High Court has answered this question, vide the impugned judgment, in the negative and hence directed the appellant to release the withheld dues to the respondent. Not happy with this outcome, the State of Jharkhand has preferred this appeal.

It is an accepted position that gratuity and pension are not bounties. An employee earns these benefits by dint of his long, continuous, faithful and un-blemished service. Conceptually it is so lucidly described in D.S. Nakara and Ors. Vs. Union of India; (1983) 1 SCC 305 by Justice D.A. Desai, who spoke for the Bench, in his inimitable style, in the following words:

*“The approach of the respondents raises a vital and none too easy of answer, question as to why pension is paid. And why was it required to be liberalised? Is the employer, which expression will include even the State, bound to pay pension? Is there any obligation on the employer to provide for the erstwhile employee even after the contract of employment has come to an end and the employee has ceased to render service? What is a pension? What are the goals of pension? What public interest or purpose, if any, it seeks to serve? If it does*

*seek to serve some public purpose, is it thwarted by such artificial division of retirement pre and post a certain date? We need seek answer to these and incidental questions so as to render just justice between parties to this petition. The antiquated notion of pension being a bounty a gratuitous payment depending upon the sweet will or grace of the employer not claimable as a right and, therefore, no right to pension can be enforced through Court, has been swept under the carpet by the decision of the Constitution Bench in Deoki Nandan Prasad v. State of Bihar and Ors. [1971] Su. S.C.R. 634 wherein this Court authoritatively ruled that pension is a right and the payment of it does not depend upon the discretion of the Government but is governed by the rules and a Government servant coming within those rules is entitled to claim pension. It was further held that the grant of pension does not depend upon any one’s discretion. It is only for the purpose of quantifying the amount having regard to service and other allied matters that it may be necessary for the authority to pass an order to that effect but the right to receive pension flows to the officer not because of any such order but by virtue of the rules. This view was reaffirmed in State of Punjab and Anr. V. Iqbal Singh (1976) 1 ILLJ 377SC”.*

Right to receive pension was recognized as right to property by the Constitution Bench Judgment of this Court in Deokinandan Prasad vs. State of Bihar; (1971) 2 SCC 330, as is apparent from the following discussion:

*“29. The last question to be considered, is, whether the right to receive pension by a Government servant is property, so as to attract Articles 19(1)(f) and 31(1) of the Constitution. ....*

*30. According to the petitioner the right to receive pension is property and the respondents by an executive order dated June 12, 1968 have wrongfully withheld his pension. That order affects his fundamental rights under Articles 19(1)(f) and 31(1) of the Constitution. The respondents, as we have already indicated, do not dispute the right of the petitioner to get*

pension, but for the order passed on August 5, 1966.....

31..... By a reference to the material provisions in the Pension Rules, we have already indicated that the grant of pension does not depend upon an order being passed by the authorities to that effect. ....

32. The question whether the pension granted to a public servant is property attracting Article 31(1) came up for consideration before the Punjab High Court in *Bhagwant Singh v. Union of India* A.I.R. 1962 Pun 503. It was held that such a right constitutes "property" and any interference will be a breach of Article 31(1) of the Constitution. It was further held that the State cannot by an executive order curtail or abolish altogether the right of the public servant to receive pension.

33. The matter again came up before a Full Bench of the Punjab and Haryana High Court in *K.R. Erry v. The State of Punjab* I.L.R. 1967 P & H 278. The High Court had to consider the nature of the right of an officer to get pension. The majority quoted with approval the principles laid down in the two earlier decisions of the same High Court, referred to above, and held that the pension is not to be treated as a bounty payable on the sweet will and pleasure of the Government and that the right to superannuation pension including its amount is a valuable right vesting in a Government servant.

34. This Court in *State of Madhya Pradesh v. Ranojirao Shinde and Anr.* MANU/SC/0030/1968 : [1968]3SCR489 had to consider the question whether a "cash grant" is "property" within the meaning of that expression in Articles 19(1)(f) and 31(1) of the Constitution. This Court held that it was property, observing "**it is obvious that a right to sum of money is property**". Having due regard to the above decisions, we are of the opinion that the right of the petitioner to receive pension is property under Article 31(1) and by a mere executive order the State had no power to withhold the same. Similarly, the said claim is also property under Article 19(1)(f) and it is not saved by Sub-article (5) of Article 19.

Therefore, it follows that the order dated June 12, 1968 denying the petitioner right to receive pension affects the fundamental right of the petitioner under Articles 19(1) (f) and 31(1) of the Constitution, and as such the writ petition under Article 32 is maintainable."

In *State of West Bengal Vs. Haresh C. Banerjee and Ors.* (2006) 7 SCC 651, this Court recognized that even when, after the repeal of Article 19(1)(f) and Article 31 (1) of the Constitution vide Constitution (Forty Fourth Amendment) Act, 1978 w.e.f. 20th June, 1979, **the right to property though no longer remained a fundamental right, it was still a Constitutional right**, as provided in Article 300A of the Constitution. Right to receive pension was treated as right to property.

**Article 300 A of the Constitution of India reads as under:**

**"300A Persons not to be deprived of property save by authority of law. - No person shall be deprived of his property save by authority of law."**

Once we proceed on that premise, the answer to the question posed by us in the beginning of this judgment becomes too obvious. A person cannot be deprived of this pension without the authority of law, which is the Constitutional mandate enshrined in Article 300 A of the Constitution. **It follows that attempt of the appellant to take away a part of pension or gratuity or even leave encashment without any statutory provision and under the umbrage of administrative instruction cannot be countenanced.**

It hardly needs to be emphasized that the executive instructions are not having statutory character and, therefore, cannot be termed as "law" within the meaning of aforesaid Article 300A. On the basis of such a circular, which is not having force of law, the appellant cannot withhold even a part of pension or gratuity. As we noticed above, so far as statutory rules are concerned, there is no provision for withholding pension or gratuity in the given situation.

# Turn around strategy

S.B.C.KARUNAKARAN

{We in ARISE do not share the official view of classifying certain banks as weak banks. Even as per the definition of weak banks given under the guidelines by BASEL committee (see box) these banks including IOB cannot be called weak banks.

## **Basel Committee on Banking Supervision - Guidelines for identifying and dealing with weak banks** By Bank for International Settlements.

This report uses the following definition: A weak bank is one whose liquidity or solvency is impaired or will soon be impaired unless there is a major improvement in its financial resources, risk profile, business model, risk management systems and controls, and/or quality of governance and management in a timely manner. The definition focuses on a bank which is facing potential or immediate threats to its liquidity and solvency, rather than one with observable weaknesses that are isolated or temporary and do not threaten its viability. While all weaknesses, whatever their magnitude and character, must be addressed by the bank, the problems of a weak bank, as defined above, are more fundamental. They include, but are not limited to: poor governance or management; inadequate financial resources (capital and liquidity); a non-viable business model or strategy; weak asset quality; and poor systems and controls. As banks do not become weak overnight, problems that seem to emerge rapidly are often a sign of financial or governance/managerial weaknesses that have been allowed to persist for some time. These problems can rapidly become a major concern for a supervisor if minimum prudential requirements are not met and the bank's viability is threatened. The supervisor's task is to identify these problems early, ensure that preventive or corrective measures are adopted, and work with the resolution authority to ensure that agreed recovery and resolution plans are in place should preventive action fail. The resolution strategy will need to take account of the bank's systemic significance. For larger banks (such as G-SIBs), this could involve the use of resolution powers as described in Section 3 of the FSB's Key Attributes. For smaller banks, this could mean a liquidation/insolvency proceeding.

While this classification has to be rejected, unions are not averse to give suggestions on Turn around strategy. Only in this backdrop, AIBOC appointed a committee to prepare its Turn around plan for submission to the Government and this task has been assigned to Com.Ananda Kumar, Former General Secretary of IOBOA & Senior Vice President of AIBOC and presently Senior Vice President of ARISE- This note has been submitted by the author here to this Committee}

Every one talks of turn around strategy but none from the management seems to be serious except appearing to be serious. Parrot like, they advise improvement in CASA, improving quality advances and stepping up NPA recovery on war-footing. All rhetoric and glitches with no idea of ground realities and no vision about the future.

Gyan Sangams cannot produce anything worthwhile when these are structures created to breathe out what the government wants as autonomous decisions of bankers. We have brought out below what requires to be done by the banks, RBI and the Government and what requires not to be done.

### **1) On Consolidation**

Though convinced of the need to make the top management accountable for the present plight, we are conscious that such actions will not pull the bank out of the present quagmire. Successive governments irrespective of their political ideologies and inclinations, are united in their approach to economic reforms and particularly in their plans to consolidate Public

Sector banks. Apart from sentimental attachment, there are valid and vital business reasons for organizations like ours to oppose consolidation. Consolidation per se will not guarantee health of banks as the experience of US economic melt-down showed and called the bluff of "Too Big to fail". Making banks big will only alienate it from serving the common man of this country and will only serve or be subservient to mega corporate who will get low interest subsidized by ordinary depositors foregoing a large chunk of present interest rate. Large corporate do not require big Indian Banks to tap international market for funding their activity but the common man of this country wants banks of present stature and nature. Without prejudice to our stated position on merger, we have to say that any consolidation shall not be on the lines proposed now like merging strong and weak banks which is not the best way to synergize the new consolidated entity. ***Any consolidation should result in reduction of overheads, freeing the available resources to exploit potential prospects, avoiding cultural shock to the workforce, not stoking hostility due to local sentiments and not also alienating the clientele. Sound strategies are available to address these concerns which can be discussed when and if the consolidation is really on the table.***

## 2) On Resource mobilization

When the Government expects Public Sector Banks to carry out Government business and Government sponsored schemes for the greater good of the society at no *cost* or at less than *cost*, the Government should not expect banks to compete with one another by offering competitive rates on deposits from various government departments and agencies. So, Government should earmark every department and agency to a designated Public Sector bank so that the total deposits from all government departments and agencies are equitably distributed among all PSBs at RBI determined rate revised every year. The exchequer does not stand to lose because government may get more of dividend for the interest lost. Banks will also be spared of

unhealthy competition and unhealthy practices to woo deposits and as a result, will improve their bottom line substantially.

## 3) On Cleaning up the Balance Sheet

Banks have to recover, or sell the loan assets/collaterals to recover and fully or partly waive and write off. Normal impediments in implementing these is further compounded by contradictory directives from different authorities. India's Supreme Court has an impression that "write-offs" are a fraud, RBI has been forcing banks to dispose of the bad assets at throwaway prices without any detailed modalities yet due to their self-imposed urgency to clean up balance sheets, and Government wants a bigger role for CVC to look into the sale of NPAs with huge hair cuts.

India does not have a matured bond market, and private participation in riskier asset purchases is extremely shallow and narrow. NPAs even if securitized at low price to give high yield will not be helpful because of high risk when the bond market is shallow and narrow. In this context Government's idea of Bad Banks cannot take off.

New Bankruptcy law and the New Companies Act will take time to stabilize as they are yet to be tested for their effectiveness in the corridors of court. It took nearly 10 years for DRTs to become effective and for SARFAESI Act about 5 to 7 years to stabilize and yield results.

In view of the above problems in cleaning up the Balance Sheet, Government should adequately recapitalize, if necessary with commitments from banks to structure and implement turn-around strategy. To start with, Banks should focus equally vigorously on credit expansion without compromising asset quality, restructure stressed assets that have potential to turn around **once the economy picks up** (Yes this caveat '*once the economy picks up*' has to be factored and accepted), and recover NPAs through cash recovery or through sale of securities or sale of the loans to Asset Reconstruction Companies or to other banks/NBHCs as permitted by RBI now.

RBI has now permitted banks to sell NPAs to other banks and NBFCs to discover competitive prices. Still, with a view to making these sales competitive and remain above board, the Government can make a law mandating the buyers of NPAs to share with the bank 50% of the surplus received by the NPA buyers on ultimate sale of these assets till the bank recovers the full book outstanding plus 75% - 100% undebited interest.

RBI announced two schemes of debt conversion to equity, one scheme (viz. *strategic debt restructuring*) where debt is converted to equity to the extent necessary to take control of the management and the other scheme (viz. *Scheme for Sustainable Structuring of Stressed Assets*) where management still remains with the borrower but only debt above the sustainable level which is that portion of debt that cannot be serviced from project revenue is converted into equity. Equity does not ease the risk of realization but eases the liquidity due to relief from provisioning and capital adequacy norms which results in better liquidity for banks to expand their credit portfolio.

If RBI can permit conversion of debt into equity in the books of banks, why cannot banks sell them instead to the Government who can in turn issue back to the banks bonds carrying 0% interest with the same NPAs as underlying assets? This is a mere accounting entry where no cash is paid by the Government for buying these assets. We have a similar practice now where banks do not get cash payment but only security receipts issued by ARCs for NPAs sold by banks. (RBI directed banks to make provision for Security Receipts in excess of 50% of stressed assets. Government has directed to bring down the SRs from 50% to 10% by 2018). If ARCs can issue SRs Government can very well issue SRs in the form of bonds which may be declared as qualifying for SLR securities. If Government contemplates recapitalizing banks by issue of bonds without paying cash in the kitty of banks, the Government can very well buy NPAs by issue of bonds that qualify as SLR securities. This helps banks in two ways- The NPAs go out of the books and the bonds in their place qualifying as

SLR securities will help their liquidity that will help credit expansion. Government incurs no expenditure as the bonds carry zero interest and no interest shall be charged on the NPAs sold. As government now owns these NPAs, they can be declared 'deemed revenue due' to the government. Banks will act as agents in realizing the NPA assets using their normal recovery mechanism/tools. Directors/Promoters/Partners/Owners of NPA companies/firms/concerns have PAN and AADHAR, and all companies and LLPs have PANs, CINs and DINs. All these NPAs can be linked to respective AADHAR, PAN, CIN & DIN. While steps will be taken to realize the collaterals, everyone filing a tax return has to pay not only the income tax but also a percentage of NPA due from him/her say 15% of taxable income or 10% of NPA due whichever is lower because NPA is 'deemed revenue due'.

#### 4) On Recapitalization

While the above innovative suggestions may be looked into, We request the Government to liberally recapitalize banks like IOB. After all, Government is only ploughing back only a part of what it received from these banks as tax and dividend in the past with prospect to recover again in a short span what is given now. The Government may plough additional capital than what is proposed to help banks like IOB to take advantage of above cited debt conversion schemes permitted by RBI to reduce NPAs.

#### 5) Accountability at the Top

It is strange and unfortunate that the Finance Ministry is insisting on a Tripartite Agreement among Bank, Unions of employees and the Government agreeing to work for achieving quarterly milestones as per action drawn by SBI Caps. In this tripartite agreement, only one section is required to give up and that is the employees. Neither the Management represented by the Directors nor the Government is required to bear any burden. The capital support that the government is going to provide is too inadequate and in any case, only a small portion of what they received in the past years as dividends and various taxes including income tax. Asking employees to forego promotion or perks as a precondition for capital support is not legitimate

and reasonable, all the more when year after year the sweat and labour of the employees yield operating profit equal to or even surpassing the so called strong banks. If the operating profit is eaten by the provisions the banks have to make on high value advances, the top executives responsible for their creation have to be brought to justice. It is the recklessness or the malafide of the top management that is partly responsible for the present malady and employees cannot be asked to bear the cross when these irresponsible and corrupt executives will have a comfortable post retirement life with all perks and luxuries.

#### **6) Criminalize high NPA through presumption of fraud**

The fact of these banks making operating profits with still more potential left in them to make more profits should awaken the government to the reality that the potential should not be allowed to go unused for want of capital. If a bank is in a position to be competitive to mobilize resources and lend but is not able to do so for want of capital, the sensible thing to do would be to capitalize them on war footing and amend the laws and procedure for recovery of big ticket advances. The government which can demonetize the currency by the stroke of a pen is not contemplating on amending the law to recover the money except through civil laws (like the new law on bankruptcy). Criminalization of loan default of high value advances where the default will be presumed as an act of malafide unless proved otherwise by the promoters/directors will go a long way in recovery. Shift the burden to high value NPA borrowers that the default is not willful.

#### **7) Align income tax law with BASEL**

It is also curious that the income tax department coming under Finance Ministry will tax NPA provisions by writing them back as income on the ground that only write off provisions making the debt nil would be admissible and not the provisions/technical write offs made to satisfy BASEL norms based accounting procedure. It is an irony that the banks would have to pay tax on provisions deemed as income by the taxmen but treated as expenditure in compliance of BASEL norms impacting the profit and

consequently impacting the capital adequacy norms and reducing the banks into weak banks. If these banks are weak, they have to be subjected to differential treatment in directed lending and other government imposed/induced policies, and reserve requirements.

#### **8) Implement BASEL rationally**

In a consortium lending, an account becoming NPA with one bank does not make the account NPA with other banks. But if the borrower deals with a single bank all the credit limits will be treated as NPA even if one limit becomes NPA. This discriminatory treatment that affects mostly the small borrowers has to be changed. So also many other changes in restructuring and risk weightage in respect of loans having very valuable collaterals are required. RBI has to be realistic and reasonable in implementation of BASEL norms. Even in respect of Capital adequacy, let not the RBI insist on a higher percentage than what is required under BASEL, more so when our banks are mostly public sector and the Reserve requirements (SLR and CRR) are high.

#### **9) Banks to have real autonomy in interest fixation**

RBI should not expect banks to lower interest rates whenever they lower Bank Rate/Repo Rate. Resources for lending come mainly from deposits and not from borrowing from RBI. When deposits carry contractual rates which have not undergone change it is not correct to expect banks to lower their lending rates when ever RBI reduces its interest rate. This is also not good for the common man. Common man (Having no worthwhile social security and medical aid unlike Western Countries/Socialist countries) expects a decent earning for his savings. If banks lower the interest rates continually, the common man is driven to NBFCs and Chit Companies where he is more often cheated. RBI/Government has no control over the deployment of funds by these companies. Hence driving deposits from banks to private entities is not good for the economy or the society. Banks shall be allowed to have autonomy in interest determination.



## 10) Focus of MOU

It is also unfortunate that when these banks are making very good operating profits, the action plan for recovery was not left to them but to an outside agency like SBI Caps who was asked to give an action plan within a few days as a quick fix solution. These are all attempts to somehow privatize banks in the name rejuvenating these banks and forcing them to do para banking at the cost of their core business. When a bank is starved of capital, it has to find avenues to improve fee based income and para banking is one solution. In other words, a bank which is having all potential to do its core activity and earn enormous profits is asked to do errands for others due to inadequacy of capital. A public sector bank will be reduced to a hand maid of many private sector players functioning in the para banking arena. If the suggestions in MOU are implemented, these banks will be paying the same salary, rent and incur the same establishment expenditure with some reduction in expenditure on perks of their employees to earn a rupee in para banking foregoing their potential to earn more than twice that in core banking. Allow banks to focus on core competencies, provide them the environment to lend to business than depend on mortgages like housing loan which are not going to rejuvenate the economy though helpful to some extent by indirectly helping construction/construction related industry. But channelizing scarce resources to mortgages at the cost of economic growth and job growth industries is not advisable.

Be that so, there is every reason to reject the MOU as unreasonable not only to the employees but also to the banks and the nation. Should it be still insisted the MOU should have the following clauses-

- 1) The Banks are supposed to earn on an average 2% over BR. Government should make good the shortfall in the interest charged in respect of all directed lending.
- 2) Government should exempt so called weak banks from opening accounts and lending activities/sectors that are not remunerative or defray in full the expenses/loss of income.
- 3) Banks should desist from holding Board Meetings in any place other than its Corporate headquarters to avoid wasteful expenditure.
- 4) Action plan for revival should be drawn not by any outside agency but only by respective banks through mutual agreement between respective managements and all unions of employees.
- 5) The quarterly targets should also include bringing to justice within 6 months all top executives responsible for the high value NPAs.
- 6) All vacancies relating to workmen and non-workmen representatives to the Board should be filled up before commencing the Recovery Action plan. Employees who have been asked to give up perks cannot be denied their right to partake in and oversee the decisions taken to implement the Recovery Action plan.
- 7) The Action Plan has to be only for a period not exceeding one year beyond which the government has to fully recapitalize these banks to the extent required without any strings.

### A true story to wind up our narrative

We are reminded of the post-2008 turnaround of Abu Dhabi Commercial Bank (ADCB) whose new CEO Ala'a Eraiqat led by example and **refused to cut corners** (*i.e He never cut any service that is already available to the customers but cut only all avoidable/wasteful expenditure with the involvement of all staff*). By focusing on core competencies and a level of transparency previously unheard of in the region, he steered the bank through this most turbulent period. He ensured that every employee was **aware of the crisis and** of each **hard-won success** that came from the turnaround effort. To demonstrate his conviction that results come from people, the new CEO made a commitment to every staff member that **no-one would be fired on account of the crisis**. (In our context, this assurance can be modified as no transfer without consent to distant places/outside State/Zone upto certain scale/grade). Competitors

such as Citibank or HSBC were able to come in with their private banking divisions and syphon off some of the wealthiest Emiratis – So ADCB didn't go after that segment, but they certainly went after credit cards and the micro businesses. The small and medium support firms for the petroleum sector were all targeted as ADCB customers. This is what we need now – Let us not try to become big or cater to big businesses – cater to small business, start ups and the commoners around us.

**Conclusion:**

The above suggestions may be summed up as under:

- Making banks bigger by consolidation is not the solution. US has demonstrated its negative utility.
- Buyers of NPAs to share with the PSBs the surplus realized/recovered
- Government deposits should be earmarked for all PSBs with every department/ministry allotted one PSB for placing deposits at RBI determined uniform rate.
- Permit PSBs to convert NPAs into Zero interest SLR Bonds instead of equity

- Link NPA borrowers via Aadhaar and recover 15% of dues, when they file income tax returns
- More than ordinary employees, the Government and decision making top management must be held accountable
- Criminalization of high value loan default by legal presumption of default as malafide unless proved otherwise.
- Remove the discrepancy where NPA provisions are treated as income and taxed by Government, while BASEL accounts the provisions as expenditure.
- Realistic and reasonable implementation of BASEL norms by RBI.
- When interest rate falls, allow PSBs to adjust its contracted deposits costs first, to reduce their Lending rate.
- Use PSBs to implement Government policies but allow them to have their own policies and procedures too, and grant different treatment to PSBs as to reserve requirements etc., more so in view of sovereign ownership.

## NEW MEDICAL INSURANCE SCHEME

P. KRISHNARAJ AND S. THYAGARAJAN

Members are aware that a New Medical Insurance Scheme had been introduced by Indian Banks' Association to Bank retirees with effect from 1<sup>st</sup> November 2015 and the same has been renewed from 1<sup>st</sup> November 2016. And it's due for renewal from 1<sup>st</sup> November 2017.

**Main features of the Scheme are as follows:-**

1. Retirees had been asked to submit their consent letter to the Bank for the above Scheme within a specified period; this would be the onetime option and retirees would not be allowed to opt for the same thereafter; New retirees will be asked for this onetime option during September every year alongwith the proportionate payment of premium for the month of October, since their insurance period as a staff expires by the end of September of that year.

2. Scheme covers retirees and their spouses only; No age restrictions;
3. Sum insured is Rs.4 lakhs for Retired Officer and Rs.3 lakhs for Retired Clerical Staff and Retired Sub-staff including part time sweepers;
4. Premium payable per year had been increased for the year 2016-17 with separate option/ premium for domiciliary treatment expenses reimbursement.
5. Cashless facility available at network hospitals;
6. Pre-Existing diseases would be covered for reimbursement under the scheme;
7. Domiciliary treatment expenses are covered under the scheme.

8. Domiciliary Hospitalization under unavoidable circumstances shall be covered under the scheme;
9. Pre-Hospitalization expenses incurred 30 days before hospitalization and Post-Hospitalization expenses incurred 90 days after discharge will be covered;
10. Room and Boarding charges not exceeding Rs.5000/- per day and ICU expenses not exceeding Rs.7500/- would be reimbursed;
11. Ambulance charges upto Rs.2500/- per trip to hospital and Taxi and Auto expenses in actual with maximum upto Rs.750/- will be reimbursable.
12. Physiotherapy charges shall be covered for the period specified by the Medical Practitioner even if taken at home.

**Domiciliary treatment expenses Claim procedure:**

1. Member has to obtain a certificate from a Regd Medical Practitioner, mentioning about his domiciliary disease and the period for which the medicines are required for the insured patient. If the certificate is silent about the period, the same will be valid upto 90 days from the date of the certificate. For the 4th month a fresh certificate has to be produced.  
  
If the treatment is for lifetime, then the said certificate is valid for only 12 months, then a fresh certificate has to be obtained for the 13th month.
2. Prescription for medicines. If the prescription contains the period for which the domiciliary treatment is required, then the separate certificate is not necessary.
3. Medicines Bill from pharmacy (this shall be for one month only since claims can be made only on monthly basis)
4. The member has to submit the Dr certificate, prescription and the medicine bills in original

alongwith the claim form to PAD welfare section, IOB, Central Office, with a caption "MD India claim" or to MD India Central Office at Pune or to MD India office at Chennai addresses of which are in the Bank circular. Addresses are given below too.

5. Claim for a particular month should be submitted to MD India before 15th of the succeeding month.
6. Members can use either domiciliary claim form or normal hospitalisation claim form (Part A) with a caption "Domiciliary treatment claim" on top. For the first time, it is better to send them the ECS mandate form duly filled in alongwith a cancelled cheque leaf to have a smooth processing, though MD India has our pension savings bank account details. (For PF optees, this is a must).

For subsequent months, xerox copies of the Dr certificate and/or prescriptions self-attested by the members and the original bill for medicines should be sent alongwith the claim form. However, the members may make a mention that the original certificate/prescription had already been submitted to MD India alongwith the claim of so and so month.

7. Members may also claim the bills for lab diagnosis if advised by the doctor, by attaching the doctor's prescription for the same, alongwith the lab report and the receipt from lab.

**Addresses and Contact numbers of various authorities in this regards are given below:-**

**ADDRESS**  
**Indian Overseas Bank**  
**PAD-Welfare Section**  
**Central Office**  
 762, Anna Salai  
 Chennai – 600 002  
 Contact No.: 044 2851 9674  
 Email id: padwelfare@iob.in

## CONTACT PERSONS

### Mr. Ganesh

Chief Officer

Contact No.: 044

### Ms. Saratha

Officer-in-charge, Welfare section

Contact No.: 044 2851 9674

### Mr. KRISHNAMOORTHY RAMESH V,

Chief Manager, PAD, CO

Contact No.: 044-2888 9326

## MDI India Health Services (TPA) Pvt Ltd

044 24364205, 044 24364206.

Guna Complex, New No.443 & 445,  
Old No.304 & 305, Anna Salai, Teynampet,  
Chennai - 600 018. Ph: 98840 80198

Toll Free Nos.: 1800-233-5690

1800-233-1166, 1800-233-4505

Email Ids : iob-chennai@mdindia.com

### Mr. Hariharan, L

Senior Executive-IOB Helpdesk

Contact No.: 044 7172 9988

Mobile No. : 093807 54430

### Mr. Johnson

IOB Helpdesk

Contact No.: 044-7172 9988

## MDI India Health Services

Head Office

S.No.46/1, E-space

A-2 Building, 4<sup>th</sup> Floor

Pune Nagar Road

Vadgaonsheri

Pune – 411 014

Contact Nos.: 020 2530 0045, 020 2530 003

## Hospitalisation Claim :

**Members shall always note to intimate MDI India before admission to the Hospital or atleast immediately after hospitalisation whether it is cashless facility or not. Prior intimation is a must in any case.**

Members shall note to submit the claim form for hospitalisation expenses, alongwith the original documents within 30 days from the date of discharge from the Hospital.

**Please note that non-intimation of admission to hospital and belated submission**

of claim form shall have to be condoned and recommended by the Nodal Officer (in our case, Chief Officer, PAD, Central Office) as an exceptional case, to MDI India, which cannot be claimed as a right. Hence, members are requested to adhere with the procedures accordingly.

## Renewal of Policy for this year:

Renewal of the New Medical Insurance Policy is due from 1<sup>st</sup> November 2017 and instructions regarding this will be issued by the Bank sooner so that the premium for this year will have to be debited before 31<sup>st</sup> October 2017. We will also be informing our members through our co-ordinators at the respective centres and through our website 'thealise.co.in' as soon as the circular is issued by the Bank.

As regards the staff who have retired between 1<sup>st</sup> October 2016 and 30<sup>th</sup> September 2017, they would be covered under the Staff scheme upto 30<sup>th</sup> September 2017 as their policy period as a staff expires on 30<sup>th</sup> September 2017.

Since there is a gap of one month for the insurance scheme of retirees, they will be asked to exercise their option to continue for the New Medical Insurance Scheme and pay the proportionate premium for October 2017, so that they will be eligible for renewal alongwith other retirees with effect from 1.11.2017.

Circular has been issued by the Bank to pay the prorata premium on or before 22<sup>nd</sup> September 2017 and separate instructions through SMS are also sent to their mobile numbers available with the Bank in Pension Master.

For the present, United India Insurance Company has sent intimation to IBA that there is NO increase in the premium charged to retirees last year for those who opted for without domiciliary coverage. For those with domiciliary coverage, United India Insurance company will be taking a decision sooner and advise IBA.

Meanwhile, United India has come out with a Super Top-up Policy for retirees over and above the Basic Policy amount under the present scheme.

The salient features of the offer from the United India Insurance Company are as under:

1. The Basic Policy for Award staff and Supervisory staff is Rs. 300,000 and Rs. 400,000 respectively.
2. **The Super Top-up Policy for Award staff and Supervisory staff will be Rs. 400,000 and Rs. 500,000 respectively.**
3. The eligibility for domiciliary treatment shall be 10% of the Basic Policy only.
4. There shall not be any domiciliary treatment reimbursement under the Super Top-up Policy.
5. The Super Top-up Policy will be operative from 1<sup>st</sup> November, 2017 coinciding with the renewal of the present Mediclaim Policy.
6. The Premium on the Basic policy and Super Top-up Policy is payable by the concerned Pensioner/Retiree/ Insurer.
7. The Insurance Premium payable on the Super Top-up Policy is as under:
  - a. For Rs. 400,000 Super Top-up Policy the premium shall be Rs. 2,975 plus GST.
  - b. For Rs. 500,000 Super Top-up Policy the premium shall be Rs. 3,225 plus GST.

Bank is yet to receive instructions from IBA regarding renewal of the Insurance Policy as well as about Super Top-up Policy offered by the United India Insurance Company. As it is, the top-up policy offered by the United Insurance company seems to be beneficial to bank retirees since the top-up amount is higher than the offer given by other insurance companies and also claims may be easier and convenient if the top-up also is taken from the same company. We note to inform our members immediately on receipt of instructions from IBA/Bank.

#### **Suggestions to few retirees:**

We come across queries from few retirees if the Insurance scheme is beneficial to us and some wish to quit from the scheme since they don't claim anything under the scheme, not even domiciliary treatment expenses.

Our sincere suggestion to members is that Medical Insurance scheme is not to be looked upon as an investment with a return. One may feel he is healthy today and does not require even domiciliary treatment and hence, need not waste money on the premium. And in few cases, they will have their spouse/wards through whom they get the reimbursement. But we do not know what is in store for us in future. At that time, we may not be able to take any insurance as almost all the insurance companies do not issue policy for senior citizens.

And for those who think that paying premium without claiming is a waste, please note that your health is in tact to that extent and you just take it, that you have made a donation to a charity or if you are a believer in God, take it as an offer to God for keeping you in good health for this year. And if you add up the premiums for about, say, 10 years, even then, you would have paid about Rs.2 lacs only towards premium, whereas any critical claim after 10 years will surpass this amount. So one need not be so calculative about this expense on insurance premium. We should make ourselves independent without being a burden on anybody else atleast financially, for medical reasons.

And the most important reason for continuing this policy is that since we are placing to IBA/Govt., as one of our demands, that the cost of premium shall be borne by the Banks for their ex-staff also, we feel, continuing in the scheme would be beneficial to us in future, without the necessity for requesting for one more option for medical at that time, if we succeed in our demand.

However, you are the best judge of your affair and you may take decision accordingly.

**Some of the complicated cases which were pending with M.D. India for a long time could get settled with the intervention of ARISE Central Unit Team.**

# RELIEF TO MEMBERS DENIED OF GRATUITY ON RETIREMENT

Most benefits we have in banks, as employees or retirees were not given on a silver platter but were the fruits of hard bargain and prolonged struggles. There is no such thing as low hanging fruits for employees or retirees or even poor depositors or small borrowers. *The low hanging fruits are for big corporate who will not only exclusively have these fruits but they, letting their accounts slip into NPAs, will not also pay for the fruits.*

Can you recollect any instance of CEOs of recent years spending time with ordinary employees or officers? Spending time with them is not lecturing from podiums but really mingling with the employees in a get together or a bank sports event or a social gathering without those black cats of secretaries and courtiers hanging around him/her, rather barricading him/her from being approached by ordinary mortals like you and me.

Can you recollect the last time any bank gave you any benefit in the recent years on its own? Now wrack your brain, search every crevice in your brain, try hard to recollect when did a bank management or government spontaneously extend a benefit in recent years on its own to its employees or retirees? You draw a blank. But

you can recollect without difficulty scores of instances when bank managements withdrew and withheld our benefits. Classic instance to date is the withholding of pension updation by all banks when Bank Employees Pension Regulations, 1995 under Reg.35 provides very much for periodical pension updation. This attitude explains the incorporation of anti-employee rules and regulations or clauses in Bi-partite settlements/ MoUs in clear violation of statutes to deny statutory benefits to employees and retirees.

One such withdrawal or withholding of our benefit is through arbitrary regulations in Bank Officers Service Regulations, 1979 having Reg. 20(3)(iii)} providing for withholding all terminal benefits except officers' own contribution of PF pending completion of disciplinary proceedings and Bank Employees' Pension Regulations, 1995 having Reg.46(2) providing for withholding gratuity pending completion of departmental or judicial proceedings. The withholding of gratuity provided in these regulations is violative of Payment of Gratuity Act, 1972. **(See box for these regulations and S.4 and 14 of Payment of Gratuity Act)**

## Payment of Gratuity Act, 1972

**S.4. Payment of gratuity.**—(1) Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years,— (a) on his superannuation, or (b) on his retirement or resignation, or (c) on his death or disablement due to accident or disease:

**S. 14.** Act to override other enactments, etc.—The provisions of this Act or any rule made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act or in any instrument or contract having effect by virtue of any enactment other than this Act.

## INDIAN OVERSEAS BANK (OFFICERS') SERVICE REGULATIONS, 1979

**Reg.20(3)(iii)** - The Officer against whom disciplinary proceedings have been initiated will cease to be in service on the date of superannuation but the disciplinary proceedings will continue as if he was in service until the proceedings are concluded and final order is passed in respect thereof. The concerned Officer will not receive any pay and / or allowance after the date of superannuation. He will also not be entitled for payments of retirement benefits till the proceedings are completed and final order is passed thereon except his own contribution to CPF.

## INDIAN OVERSEAS BANK EMPLOYEES PENSION REGULATIONS, 1995

**Reg. 46. Provisional Pension:-** (1) An employee who has retired on attaining the age of superannuation or otherwise and against whom any departmental or judicial proceedings are instituted or where departmental proceedings are continued, a provisional pension, equal to the maximum pension which would have been admissible to him, would be allowed .....

(2) In such cases the gratuity shall not be paid to such an employee until the conclusion of the proceedings against him. The gratuity shall be paid to him on conclusion of the proceedings subject to the decision of the proceedings. Any recoveries to be made from an employee shall be adjusted against the amount of gratuity payable.

It is settled law that a statute prevails over rules and regulations which are either subordinate legislations or administrative instructions. Payment of Gratuity Act, 1972 has a non-obstante clause in **S. 14** saying clearly that **this Act shall have effect notwithstanding** anything inconsistent therewith contained in any enactment other than this Act or in any instrument or contract having effect by virtue of any enactment other than this Act. No other act, no rule and no contract ( which ought to include bipartite settlements too) can, therefore, take away the rights given under this Act.

In spite of the clear language of the Act, the above provisions were incorporated and even after courts struck down these provisions as ultra-vires the managements were not relenting. Even when the Supreme Court said the last word , many banks including our bank did not relent on the plea that they were not impleaded in those cases. We ultimately persuaded the bank to take independent legal opinion and the then General Manager Mrs. Indira Padmini did obtain legal opinion. This opinion was confined only to withdrawal of gratuity to those who were having prosecutions against him but have no pending disciplinary proceedings of the bank. We hold the view that there can be no withholding of gratuity even where disciplinary proceedings are pending

at the time of retirement. Be that so, the then MD was not inclined to act on the legal opinion even though it was confined only to those who are facing criminal prosecution. There was again a stalemate and the change of guards too did not bring any relief forcing members to seek legal remedy at our instance.

Our President represented on behalf of aggrieved members before the controlling authority in Chennai and guided other office bearers in other centres to represent on behalf of affected members. The bank assured the Controlling authority that they would expeditiously dispose of all the cases as per the Statute. At last, the members received their gratuity but without interest. Our President took up the issue of non-payment of interest with the controlling authority who expressed her unpleasantness to the bank's representative. Now the interest has since been paid. ***We are thankful to IOBOA for the efforts they took with the bank.*** If there is anomaly here too, we may have to take up with the controlling authority. We are still persuading the bank not to invoke the above regulations even in cases of pending domestic disciplinary proceedings as they are ultra vires the Statute. We trust that the bank will not starve our members in their old age and force them to seek legal remedy.

# NEWS FROM A.I.B.P.A.R.C.

## ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION

### (AIBPARC - A wing of AIBOC)

C/O. BANK OF INDIA OFFICERS' ASSOCIATION (EASTERN INDIA BRANCHES),  
BANK OF INDIA, KOLKATA MAIN BRANCH, 23-A, NETAJI SUBHAS ROAD, KOLKATA - 700 001.  
TEL : 033 2213 2429, MOBILE: 98304 03145, E-mail: aibparc@gmail.com

**CIRCULAR NO. 25/16. 24th Aug. 2016**

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors with a request to percolate the information to the grassroots.)

Dear Comrades,

**Meweting at Chennai on 17th to 20th August, 2016.**

1) **Meeting of CBPRO on 19th August, 2016:**

Com. K. Chandrasekharan, General Secretary, T.N. State Unit welcomed all the members. The meeting was presided by Com. R.N. Benerjee, Jt. Convener and Com. K.V. Acharya, Jt. Convener. Com. Ramesh Babu could not attend the meeting because of personal reasons. Absence of Com. S.C. Jain, Jt. Convener from AIBRF was noted.

Com. S.R. Sengupta, General Secretary, AIBPARC was also in the presidium. Besides, all other representatives from different organisations were present and made whole hearted participation in the discussion. The meeting took place at IOBOA academy for Skill and Research Development. The meeting started sharp at 11 a.m. and continued upto 1-30 p.m. The meeting took into account various issues pending with IBA for the pensioners and retirees as under :-

- a) Pension Updation,
- b) 100% DA neutralisation,
- c) Uniform Family Pension as obtaining in RBI and Govt. of India,
- d) Improvement in Medical Aid Scheme and Domiciliary Treatment, e) Leave Encashment to compulsorily retired people,
- f) Pension Option for all the left over people.

The meeting also discussed about further consolidation of bank retirees organisations and court cases in respect of retirees. Further detailed deliberations the meeting decided the following course of action :

- i) Delegation to Governors of states,
- ii) Delegations to the Chairman of IBA,
- iii) To hold demonstrations before boards of public sector banks whenever they meet, iv) To hold demonstrations in all metros and in all the important centres of the country,
- v) To hold media publicity on the issues of pensioners and retirees,
- vi) To review the developments after 3 months and yet, if there is no progress, the

CBPRO will decide about other action programmes.

2) **Meeting of Bank employees and retirees at Chennai on 19th August at 5 p.m.**

Com. K. Chandrasekharan, Secretary, T.N. State Unit welcomed all the members. The German Hall was packed to the capacity. Nearly 500 people assembled at the meeting which was addressed, amongst others, by Com. S.R. Sengupta, General Secretary, AIBPARC, Com. K.V. Acharya, President, AIBPARC and the newly elected President and General Secretary of Indian Overseas Bank Officers' Association. The speakers mentioned about the total unity amongst all sections of employees against the anti labour policy of the present Government. The strike of 2nd September, 2016 all over the country by all sections of employees has to be a grand success and the speakers gave a call accordingly. Com. Murli Sundararajan, President, Com. Srinivasan, General Secretary of IOB Officers' Association were present and addressed the members. We advise our affiliates and



members to come out on 2nd September, 2016 in large numbers and demonstrate on the day along with all other units in the industry. The message should be loud and clear. Let 2nd September, 2016 be a red letter day of the history of trade union in the industry.

With best wishes,

**(S. R. SEN GUPTA)**  
GENERAL SECRETARY

---

**CIRCULAR NO. 27/16. 29th Aug. 2016**

---

**(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors with a request to percolate the information to the grassroots.)**

Dear Comrades,

**Sub : CBPRO meets Hon'ble Speaker of Lok Sabha and Additional Secretary, Department of Financial Services, Govt. of India.**

We are reproducing hereunder CBPRO Circular No. 009/2016 dated 24.08.2016 which is self-explanatory,

With best wishes,

**(S. R. SEN GUPTA)**  
GENERAL SECRETARY

---

**Circular No. 009/2016 Dated: 24.08.2016**

---

**To All Constituents of CBPRO**

Dear Comrades,

**Sub: CBPRO MEETS HON'BLE SPEAKER OF LOK SHABHA ALSO MEETS ADDITIONAL SECRETARY, DEPARTMENT OF FINANCAL SERVICES, GOI.**

The CBPRO delegation availed the opportunity of meeting Smt. Sumitra Mahajan, Hon'ble Speaker of Lok Shabha, on 23.08.2016 who gave a very patient hearing to our submissions. We sought her Good Offices and requested her to impress upon the concerned authorities to come out with a comprehensive justice rendering exercise to Bank Pensioners and Retirees who have been requesting for the full implementation of the provisions of the Pension Regulations in regard to all the issues which we have raised in our memorandum submitted to Hon'ble Santosh Kumar Gangwar Ji, MOS Finance.

We had a very encouraging response from her and we are confident with her special stature in the Government and the Parliament and the great respect she commands from everybody, we definitely stand to gain.

In pursuance to the decision taken in the CBPRO meeting at Chennai on 19.08.2016 a meeting was arranged to apprise the Hon'ble Santosh Kumar Gangwar Ji, MOS Finance in respect of all our pending issues. The meeting was scheduled for 23.08.2016 at 4 p.m. But few hours before the scheduled meeting the Hon'ble Minister had to suddenly leave for Patna on some important assignments. However the Hon'ble Minister asked us to meet Shri Girish Chander Murmu the Additional Secretary, Dept of Financial Services, Government of India and submit the memorandum and other relevant papers to him and also represent our issues before him.

The CBPRO delegation had a very meaningful discussion with Shri Girish Chander Murmu, Additional Secretary, who was not only well aware about the details of our issues but also was proactively responding to our issues. To sum up we can only say that it was quite a reassuring exercise and we hope for favourable developments in view of our discussions with Shri Murmu, a top ranking official of the Ministry.

The CBPRO delegation consisted representatives of various constituents: Shri P.K.Pathak of SBI Pensioners' Federation, Shri D.K. Hans of AIBPARC, Shri D.D.Maheswari and Shri Shyam Kishore Sikka of RBONC, Shri A.N. Madhusudan, Shri B.G. Manakeshwar, shri S.V.Chaudhari and Shri Sharad P Sathe of FORBE and Shri K.V.Acharya, Joint Convenor CBPRO. We specially thank leaders of FORBE for organising the above meetings.

As per the decision of CBPRO meeting at Chennai our delegation will also meet the Chairman of IBA during the first week of September and urge upon the IBA to fulfill the assurances given to us when we met the IBA officials in May 2016. We request all our constituents to coordinate at every level and carry out all the programmes of CBPRO as decided in Chennai meeting and keep up the momentum so that we achieve success.

With warm greetings,

Yours comradely,

**A. Ramesh Babu K.V. Acharya**  
Joint Conveners

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors with a request to percolate the information to the grassroots.)

Dear Comrades,

We are sending herewith a draft memorandum to be submitted by local CBPRO delegates to the Chairman/ Managing Director and CEO of Banks in respective headquarters and also to The State Governors. This is for information and necessary action.

(S. R. SEN GUPTA)  
GENERAL SECRETARY

**Quote :**

Respected Sir,

**Sub : Pending Issues of Bank Pensioners and Pensioners and Retirees.**

We the representatives of Coordination o Bank Pensioners' and Retirees' Organisation (CBPRO) are extremely thankful to your goodself for giving this audience to explain about the very long pending grievances of Bank Pensioners and Retirees. CBPRO represents national level Bank Pensioners and Retirees Organisations covering more than 4 lacs Bank Retirees from SBI and Public and Private Sector Banks. The CBPRO has been submitting memorandums to Hon'ble Minister of Finance, Secretary, Department of Financial Services and IBA. This coordinated body has also been pursuing the Bank pensioners and retirees with concerned authorities with the hope of getting justice to the entire population of banks senior citizens for many of whom the time is fast running out. We have been also requesting the IBA to hold discussions with us so that as representatives of the pensioners and retirees we can articulate our grievances effectively. We are also doubly happy that the United Forum of Bank Unions is also striving to render justice to their elder brothers.

Sir, with our today's meeting with you goodself, we are hopeful that this will certainly hasten the decision making process of IBA resulting in a comprehensive relief to the bank retirees in respect of their long pending issues. we understand that IBA has completed the data collection from different member banks in regard to all our issues and calculations by the actuaries are also completed. The required mandate is also available with the IBA from the member banks to

decide on these issues when the IBA got mandate from all the banks to negotiate on the charter of demands submitted by the UFBU for the 10th bipartite settlement. The issues of the retirees were part and parcel of the charter of demands. Hence we had a natural expectation that the 10th bipartite settlement would come out with respectable solutions in respect of our issues. Though we were dismayed seeing the record note, we still hoped that IBA would heal our agony and pain when they asserted in record note that our issues would be sorted out on humanitarian grounds and with sympathy. It is more than a year now after the conclusion of 10th bipartite settlement but the issues remain still unresolved. Now we fervently hope that with your valuable intervention we will get justice without any further delay.

We have abundantly explained our issues in our earlier correspondences. Still we wish to once again place the issues before your goodself for your kind consideration.

1. Uniform 100% DA relief to pre-November 2002 retirees.
2. Improvement in family pension,
3. Pension updation,
4. Anomaly and discrimination to SBI pensioners under 7th Bipartite settlement,
5. Realignment of pension to the SBI retirees under 5th to 8th bipartite settlement,
6. One more option to left out employees (both compulsorily retired and resigned with pensionable service).
7. Medical insurance scheme to retirees as available to serving employees,
8. Improvement in exgratia to pre-1986 retirees.

Sir, the bank pension scheme is not only the result of a settlement it also has the legal sanctity as the same has come out as regulations titled 'Bank employees pension regulations' passed by the respective bank boards, approved by the Govt. of India and also published in the official gazette of Govt. of India. The bank pension scheme is also a defined benefit pension scheme. It is also important to note that the pension corpus itself is robust with nearly Rs.150,000/- crores and any extra cost which is often quoted as a stumbling block to concede our request in respect of all the above is not only not tenable but also against the statutory provisions in the bank employees pension regulations (special reference to regulations 35(1) and 56).

In State Bank of India there are major discriminations

1. One of the major discriminations caused affecting 33 thousand pensioners retired between November, 1997 to October 2002 is continued payment of pension on salary scales in force in November 1993 and not on the basis of scales of pay in force at the time of retirement, as required under the provisions of Rule 23(1) of SBI pension fund rules.
2. There are two class of pensioners drawing 50% or 40% basic pension basing on the basic pay fixed for determining such percentage which is not there in the entire country where all the pensioners are paid 50% basic pension basing on one half of average monthly salary drawn during the last 12 months.
3. Anomaly in fixation of pension to the retirees retired under 5th BPS to 8th BPS. The chairman of SBI recommended to GOI for permission to rectify the anomaly which is within the pension fund rules of SBI.

The above are the statutory obligations which the bank managements have to fulfill. We would also like to state that an unnecessary confusion is created over the cost of funding as per AS 15 (revised). This requirement is only a one time provisioning to be made by the banks. The actuaries who were asked to work out the calculations have done the same on the basis of the assumptions given by the IBA in respect of span of life of a retired employee, probability of survival of the spouse in case of family pension obligations and the inflationary tendency in respect of 100% DA to pre-2002 retirees who are entitled for arrears from May 2005 during which period the inflation was at a much lower rate, periodicity of wage settlement and percentage of loading to the basic pay etc. In short the decision to consider our issues depends more on the willingness on the part of the bank managements to remove the impasse in regard to these old pending issues of bank retirees rather than the affordability of the banks. It is pertinent to note that the operating profits of all the banks has been improving year after year. If in spite of this the banks have shown losses it is mainly due to mounting NPAs for which employees and officers are not responsible. The operating profits are the clear indications of the operating efficiency and effectiveness of the bank employees and officers, both past and present.

We also wish to state that when the pension settlement was signed and the pension

regulations were framed it was made abundantly clear that the pension scheme in banks would be identical as available to Central Govt. employees. Over a period Central Govt. employees pension scheme has undergone various improvements with every pay commission recommendations like up-gradation and improvement in updation formula. Unfortunately in respect of bank retirees even the agreed understandings and regulations are yet to be implemented fully. This has resulted in a peculiar situation where even a General Manager who retired in 1990s getting a monthly pension of about Rs.26,000/- which is less than a senior clerk who retires today.

Sir, the issues of bank pensioners and retirees are pending for a very long period forcing the senior citizens of banking industry to knock the doors of the courts and to go to the street. This is not at all a happy situation for a welfare state like ours who value and respect the elders. These elder citizens of banking industry have put in exemplary service during their tenure in the banks and immensely contributed to all round economic development of the nation by faithfully, sincerely and enthusiastically implementing the Govt.'s policies and schemes.

Sir, we fervently hope you will render justice to us. Thanking you,

Yours sincerely,

Sd/-

**Local Delegation leaders of CPBRO**

Unquote.

---

**CIRCULAR NO. 39/16.**

**05.12. 2016**

---

**(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)**

Dear Friends,

**Sub : Long pending issues of Bank Pensioners and Retirees.**

We are reproducing hereunder the full text of the letter of CBPRO dated 30.11.2016 addressed to CEO of IBA on the aforesaid subject for information of members. With best wishes,

**(S. R. SEN GUPTA)**  
GENERAL SECRETARY

---

Dated: 30.11.2016

---

To

The Chief Executive Officer,  
Indian Banks' Association,  
World Trade Centre 6th Floor,  
Centre 1 Building,  
World Trade Centre Complex,  
Cuff Parade, Mumbai 400005

Respected Sir,

**Sub: Long Pending Issues of Bank Pensioners and Retirees**

We understand that the Managing Committee of IBA in its meeting held on 29.7.2016 to consider the issues pertaining to Retirees resolved that in the absence of specific mandate from Member Banks to IBA to discuss the issues on their behalf be treated as withdrawn. The absence of mandate from the Member Banks to discuss these issues was cited as reason for not taking any further action on those issues.

In this connection we would like to invite your kind attention to Charter of Demands submitted to IBA by the organisations of serving officers and employees in October 2012 contain a separate chapter on Superannuation Benefits including Pension. You will appreciate that IBA had then forwarded a copy of the said Charter of Demands to all the Member Banks and sought requisite mandate to discuss the Charter of Demands. Accordingly all the Member Banks had given mandate to IBA authorising it to discuss Charter of Demands including Superannuation Benefits. Under such circumstances the reason given by IBA for not taking any further action is unfounded and factually incorrect. We request you to examine the issue in right perspective.

It is also pertinent to mention that the Pension issues of Bank Employees and Officers are governed by Bank Employees Pension Regulations 1995. A perusal of Pension Regulations would reveal that there is no provision to secure mandate from Bank Managements as a pre condition to consider any improvement. Even on this count, the ground for not taking any further action by IBA is violative of Pension Regulations.

The very fact that IBA had signed a Record Note at the time of signing Xth Bipartite/Joint Note on 25.05.2015 on all the pending issues of Retirees including improvement in Family Pension, 100% DA neutralisation to pre 2002 Retirees and updation of Pension etc stands a mute testimony

to the legitimate demands of Retirees in this regard. The said record note need to be respected by IBA by settling the issues contained therein at the earliest. The very fact that IBA has collected from Member Banks the data relating to (i) 100% DA for pre 2002 Retirees (ii) Improvement in Family Pension (iii) Pension Updation and (iv) One more Pension option to leftover Retirees/Resignees vindicates the desirability of a positive consideration of our demands.

**It is also reiterated that at the time of signing of Record Note IBA has given a solemn assurance about resolving the issues amicably.** It is disheartening that despite such a commitment, IBA has been changing its stance to avoid a meaningful discussion to resolve the issues giving lame excuses irrelevantly. We have been repeatedly requesting you to hold negotiations with the **Coordination of Bank Pensioners' and Retirees Organisations (CBPRO)** which comprehensively represent the Bank Pensioners and Retirees. We once again request you to honour the commitment by initiating meaningful discussion for resolving the issues relating to Bank Pensioners and Retirees.

As regards the contention of IBA that Pension Scheme of Banks is a Funded Scheme and additional liability if any towards pension is to be allocated from the profits of the Banks is misleading. We wish to invite to your kind attention to Pension **Regulation 5(3) which provides that the Banks shall be a contributor to the fund and shall ensure that the sufficient sums are placed in it to enable the trustees to make due payments to beneficiaries under these Regulations. Regulation 11 further provides that Bank shall cause an investigation to be made by an actuary into the financial condition of the fund every financial year on the 31st day of March and make such additional contributions to the fund as may be required to secure payment of the benefits under these Regulations.** It is thus clear that the Pension Regulations do not provide for allocation of additional funds from the profits of the Banks. Hence inadequacy or otherwise of profit cannot be cited as a ground for declining the legitimate demands of Bank Pensioners and Retirees. Various Judicial pronouncements including by Hon'ble Supreme Court also substantiate our contentions. It is reiterated that the **Pension is considered as deferred wages** and hence the Bank Pension Scheme being a **DEFINED BENEFIT PENSION SCHEME** cannot by any stretch of imagination be

sought to be distorted by the Managing Committee of IBA.

It is also clarified that the contributions to the **Pension Funds are covered under Pension Regulations which are subordinate legislations and hence it is mandatory on the part of Banks to adequately provide for Pension Fund.** It is a paradox that the Regulatory Provisions dictated by RBI for Non Performing Assets (NPA) are made by the Banks without any application of mind irrespective of profitability of the Banks. It is submitted that Regulatory Provisions of RBI cannot be treated superior to Legislative Provisions. You are therefore requested to consider the issues relating to Bank Pensioners and Retirees holistically in this perspective.

**We once again reiterated that the Pension Regulation 35(1) provides that Basic Pension and additional Pension, wherever applicable shall be updated.** You will appreciate that this provision providing for Pension updation was implemented in true spirit at the time of introduction of Pension Scheme in the Banks by effecting updation in respect of those employees who superannuated between 1.1.1986 and 31.10.1987. **The present demand is relating to updation of Basic Pension and hence is to restore the practice of updation.**

In view of the foregoing facts we request you to hold talks with us on all the pending issues concerning the Bank Pensioners and Retirees and resolve the same immediately.

Thanking you,

**A. Ramesh Babu    K.V. Acharya**  
Joint Conveners

---

**CIRCULAR NO. 44/16.                          28.12. 2016**

---

**(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)**

Dear Friends,

**Sub : 100% DA neutralization to pre-November, 2002 Retirees.**

We are reproducing hereunder a letter written by Jt. Conveners of CBPRO written to chairman, IBA as on a recent date. The letter is self-explanatory. This is for information of members.

With good wishes,

**(S. R. SEN GUPTA)**  
GENERAL SECRETARY

**QUOTE**

**Dated: 27.12.2016**

**The Chairman,  
Indian Banks' Association  
Mumbai.**

Dear Sir,

**Sub: 100 % DA Neutralization to pre 2002 Retirees Judgment of the Division Bench of Hon'ble High Court of Kolkata.**

Though Bank Trade Unions were fighting for pension as a third benefit in addition to PF, they had to settle at the insistence of the Government for Pension only as a second benefit in lieu of Provident Fund as obtaining under Central Government Employees' Pension Rules on which RBI Employees' Pension Scheme is modeled. In fact, the DA though payable at quarterly average for Serving Employees in Banks it is payable at half yearly average to Bank Pensioners merely because it is so payable to Central Government and RBI Pensioners. It is therefore evident that RBI is following Central Government Pension and Banks are following RBI Pension scheme modelled on Central Government Pension Scheme.

Banks' Pension Settlement dated 29th October, 1993 specifically provided for payment of DA to Pensioners as applicable to RBI Pensioners from time to time. It was so paid till and including the 8th Bipartite when RBI switched from tapering DA to 100% DA neutralization to all those who retired on or after 1/11/2002. In view of the above settlement, Banks also extended 100% DA neutralization like RBI to all those Pensioners who retired on or after 1/11/2002. However accepting this distinction of Pensioners on the basis of retirement date as unreasonable, inequitable and not in accordance with the Central Government Pension Rules, **RBI extended 100% DA neutralization to all those who retired before 1/11/2002.** Having thus far implemented the 6th Bipartite Settlement dated 29th October, 1993, Banks discontinued implementation of the settlement all of a sudden. The matter was agitated in various Courts by Various Association of Pensioners. United Bank of India Retirees' Welfare Association litigated before the Hon'ble High Court of Kolkata where they won the writ and writ appeal. Their review petition to modify the clerical/typographical errors were also allowed and consequently United Bank of India

has been directed to pay 100% DA neutralization to the Pensioners who retired before 1/11/2002 in terms of the above Bipartite Settlement. We only wish and hope the Poor Retirees in their ripe age cannot be and should not be asked to wait endlessly every time till an issue is settled by the Hon'ble Supreme Court in spite of their winning the cases at the High Court.

As this government is known for its care for the weak and powerless, the Bank Retirees only have expectations and have been hoping for an end to endless litigations in service matters and the Government will be more inclined to be employee-friendly. Moreover the Hon'ble Prime Minister is also highly appreciative of the contributions made by the Retirees during the demonetization exercise in reducing the work pressure of the Banks' workforce. He has also exhorted Senior Citizens should not be put to hardships by the Government and their Agencies by indulging in unnecessary litigations.

Your good-self may appreciate that DA is only a protection against inflation and it does not give any additional real wages to the Pensioners. The delaying approach has caused many Pensioners leave this world without ever having this full protection against inflation by 100% DA neutralization. Pre Nov, 2002 Pensioners are a dwindling lot who are going to fade away completely in a few years from now. With the fast disappearance of this group, the Pension expenditure will only come down on account of these pensioners. In other words, the additional outlay on account of those who retired before November 2002 will decline year after year soon reaching NIL in a few years.

Though the Retirees are more likely to win the litigation in the Hon'ble Supreme Court, the IBA would do well to bestow the benefit of 100% DA neutralization on its own and this gesture will not go unnoticed and will not go unreciprocated by the Retirees.

As Joint Conveners of CBPRO, an umbrella organisation comprising almost all the organisations of retirees in the Banking industry we once again appeal to you to honour the judgment of the Division Bench of the Hon'ble High Court of Kolkata in respect of DA petition filed by United Bank of India Retirees' Welfare Association and put an end to the sufferings of the very very aged Retirees who are virtually counting their days. Your most urgent action in this regard will be highly appreciated and justice delivered to them even at this advanced age.

Thanking you,

Yours sincerely,

**A. Ramesh Babu     K.V. Acharya**  
Joint Conveners CBPRO

---

**CIRCULAR NO. 2/17.**

**16.01.2017**

---

**(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)**

Dear Comrades,

**Sub : 100% DA neutralization to retirees of pre-1.11.2002.**

We are reproducing hereunder the text of CBPRO's letter dated 09.01.2017 addressed to Chief Labour Commissioner (Central) for information of our members. With good wishes,

**(S. R. SEN GUPTA)**  
GENERAL SECRETARY

**QUOTE :**

---

**Dated: 09.01.2017**

---

**The Deputy Chief Labour Commissioner (Central)**  
**Shram Raksha Bhawan,**  
**Shiv Shrushti Road,**  
**Eastern Express Highway,**  
**Sion, Mumbai 400022**

Sir,

**Sub: Denial of 100% Dearness Allowance to Pre-2002 Bank Pensioners and Retirees.**

We have come across the dispute raised by AIBRF with your office in respect of the above.

We are a Coordinated body of Bank Pensioners and Retirees Organisations known as **COORDINATION OF BANK PENSIONERS' AND RETIREES ORGANISATIONS (CBPRO)** consisting of Federation of SBI Pensioners' Associations, AIBPARC, RBONC, FOBRE and AIRBEA having more than Three lacs membership. All the constituents of CBPRO are duly registered organisations espousing the cause of Bank Pensioners and Retirees. We have represented on several occasions to the Indian Banks' Association to redress our grievances including denial of 100% D.A. neutralisation to Pre-2002 Retirees. We had also requested the UFBU to take up our issues. Accordingly the issues were discussed in the last Bipartite Settlement (10th Bipartite Settlement) concluded between the Unions of Employees and



- \* 100% DA NEUTRALISATION TO PRE 2002 RETIREES.
- \* REVISION IN FAMILY PENSION IN LINE WITH GOVERNMENT AND RBI PENSIONERS.
- \* MEDICAL INSURANCE PREMIUM SHOULD BE FULLY BORNE BY THE BANKS AS IS DONE IN THE CASE OF SERVING EMPLOYEES.

We request the outstation comrades to make their travel arrangements immediately to participate in the Dharna on 15.03.2017 at Jantar Mantar, New Delhi in large numbers and to ensure that all the action programmes become an unprecedented and stupendous success.

**WE REQUEST OUR COMRADES TO COME ONE AND COME ALL, BUT COME THEY MUST.**

Thanking you, Yours comradely,

**A. Ramesh Babu     K.V. Acharya**  
Joint Conveners

Unquote.

## 2. Reconciliation Meeting at Mumbai on 24th January, 2017 :

Comrades, we have received a mobile message yesterday from the Joint Conveners of CBPRO on the above subject. The said message has been immediately forwarded to the General Secretaries of all affiliates through mobiles. It is now being reproduced for information of Governing Council members. As and when CBPRO will be issuing detailed circular in this regard, the same will be reproduced again in totality.

Quote :

CBPRO PARTICIPATED IN CONCILIATION MEETING AT MUMBAI AND DISCUSSED AT LENGTH 100% DA NEUTRALISATION WITH DOCUMENTARY SUPPORT. IBA SENT ITS OBSERVATIONS AND OBJECTIONS BY LETTER. AIBOC REPRESENTATIVES SUPPORTED OUR ISSUE. NEXT MEETING FIXED FOR 28TH FEBRUARY, 2017. CBPRO WILL ISSUE DETAILED CIRCULAR. REGARDS. – JT. CONVENERS.

Unquote.

GENERAL SECRETARY

---

**CIRCULAR NO.6/17.**

**30.01.2017**

---

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)

Dear Comrades,

**Sub : Report on Conciliation proceedings held at Mumbai on 24th January, 2017.**

We are reproducing hereunder the text of CBPRO circular no. 2/17 dated 27.01.2017 on above subject and also the copy of AIBOC circular on the same subject for information of members.

With best wishes,

GENERAL SECRETARY

Quote:

---

**Circular No. 02/2017**

**Dated: 27.01.2017**

---

**TO ALL THE CONSTITUENTS OF CBPRO**

Dear Comrades,

**SUB: CBPRO PARTICIPATES IN CONCILIATION PROCEEDINGS ON 24.01.2017.**

The CBPRO team appeared before the Assistant Labour Commissioner to participate in the conciliation proceedings in respect of the complaint given by the AIBRF to the Deputy Chief Labour Commissioner (Central). We deemed it necessary to participate in the conciliation proceedings as the dispute raised was in respect of denial of 100% DA neutralisation to those retired between April 1998 and October 2002 only. The fact is that 100% DA neutralisation is denied to all those who retired before November 2002. Hence we decided to approach the Deputy Chief Labour Commissioner (Central) to put the issue in right and appropriate perspective and ensure coverage in respect of all pre-2002 Retirees. Accordingly we wrote to the Deputy Chief Labour Commissioner (Central) on 9th Jan, 2017 explaining the issue properly and also stated that as **CBPRO** we are representing five(5) major Retirees organisations namely Federation of SBI Pensioners' Associations, AIBPARC, RNBOC, AIRBEA & FORBE representing the vast majority of the Retirees numbering more than three(3) lakhs. In response we got intimation dated 17.01.2017 from Assistant Labour Commissioner (Central)-III to participate in the conciliation proceedings scheduled for 24th January, 2017 in their office at Mumbai.

For the said conciliation meeting the notices were sent by the Assistant Labour Commissioner to Indian Banks' Association (IBA), AIBOC and AIBEA.

The team of CBPRO consisted of Com. K V Acharya, Joint Convener CBPRO, Com. S. B.



Gokhale, R.S. Rajiwdekar from Federation of SBI Pensioners' Associations and Com. K S Rengarajan, R.N.Joshi and R.V. Kamath from AIBPARC. The team met the Assistant Labour Commissioner at 1.15 P.m. and the proceedings concluded at about 2.30 P.m.

We are extremely thankful to the Assistant Labour Commissioner for patient hearing of our submissions. We also profusely thank the AIBOC leadership who were represented by their Vice President Com. Sanjay Manjrekar and their Maharashtra State Unit President Com. Manoj Wadnekar. The AIBOC leaders during the conciliation proceedings informed the Assistant Labour Commissioner that they were in full agreement with the CBPRO demand to extend 100% DA Neutralisation to all Pre-2002 Retirees. They also stated that they have mainly responded to the notice of the Assistant Labour Commissioner as not only AIBOC is espousing the cause of Retirees in respect of all their issues including 100% DA neutralisation to Pre-2002 Retirees and also underlined the fact that at a time when there was no credible and active All India level organisation to Bank Retirees and Pensioners, AIBOC took the lead to form AIBPARC (which is a constituent of CBPRO) and mobilise and organise the Retirees and Pensioners under one Banner. On the day of conciliation proceedings Com. Harvinder Singh, General Secretary AIBOC was in constant touch with the undersigned assuring of full support of AIBOC to our issues. The presence of AIBOC leadership in the conciliation proceedings was of a great strength, confidence and satisfaction to us. We are also forwarding separately the circular issued by AIBOC wholesomely supporting our issue.

Surprisingly the Indian Banks' Association (IBA) did not participate in the conciliation proceedings instead had sent their written submissions reiterating their oft - repeated stand that the Pension Scheme is a Funded Scheme and allocation has to be done from the profits of the Bank based on the actuarial valuations done on yearly basis and at the same time Pension in the Public Sector Banks is paid as per provisions of Bank Employees Pension Regulations 1995. The CBPRO team very powerfully presented the case before the Assistant Labour Commissioner and furnished her with the copies of the Pension Settlement of 1993, Minutes of the Small Committee meeting after the signing of the settlement, Provisions of the Pension Regulations which are in line with the Pension settlement not only in regard to 100% DA neutralisation but also in regard to other issues of the Pensioners like Pension Updation, Family Pension improvement

etc. We also pointed out denial of 100% DA neutralisation is also violation of the Pension settlement clause(6) which was relied upon by the Division Bench of Hon'ble Kolkata High Court in respect of writ petitions on 100% DA neutralisation. Individual Retiree and Retiree's organisations elsewhere also filed or impleaded in different courts on the same issues and it is neither fair nor proper to force the elder citizens of the Banking Industry to knock the doors of the courts right up to Hon'ble Supreme Court. Financially it is a costly exercise, time consuming and depriving lot many Retirees who have left this world waiting helplessly for delivery of justice to them.

We also submitted the judgment of Hon'ble Supreme Court in respect of Rajasthan lecturers where it was held that Pension or improvement in Pension cannot be denied on the ground of financial burden. Arbitrary classifications based on Retirement dates is violative of Fundamental Rights and hence denial of 100% neutralisation to Pre-2002 Retirees has no Authority of Law and hence violative of our Constitutional Right to property.

**Comrades**, at the end of the conciliation proceedings held on 24th January, 2017 the respected Assistant labour Commissioner recorded the minutes duly signed by the entire team of CBPRO, representatives of AIBOC and also by the Assistant Labour Commissioner. The copies of the submissions made by the Indian Banks' Association and the written observations submitted by Com. Harvinder Singh, General Secretary AIBOC was handed over to us. The copy of the minutes of the proceedings was also handed over to us. The Assistant Labour Commissioner adjourned the discussions to 28th February, 2017 at 12.30 hrs in the same office.

**Comrades**, the formation of CBPRO has successfully brought major Retirees Organisations together and all the constituents have brought in vibrance to the Retirees movement. The issues of the Retirees which were blissfully forgotten or kept in the cold storage for nearly two decades have got articulation, clarity and a big push after the advent of CBPRO which has not missed to knock any Forum, be it submission of memorandums and personal audiences with Hon'ble Ministers, Ministry officials, IBA, Political leaders, Officers of Labour Commissioners, Serving Officers and Employees Organisations and also launching action programmes like Demonstrations and Dharnas to redress the grievances of the Retirees.

It is unfortunate that instead of responding

to the repeated appeals of CBPRO to the AIBRF to join the CBPRO to ensure total unity they should indulge in spreading falsehoods about CBPRO or about its participation in the conciliation proceedings held on 24th January, 2017. AIBRF's Ostrich-eyed attitude and propaganda about CBPRO and its participation in the conciliation proceedings is highly regrettable. **In fact we participated and presented the case of 100% DA neutralisation covering all the pre-2002 Retirees and not only the Retirees between 1998 and 2002.** We also mentioned in our meeting about the other pending issues of Retirees. As a responsible and matured organisation consisting of very Senior and Aged members we do not want to lower the standards of discourse and our struggle by replying or commenting to the uncalled for remarks made by AIBRF in their circular dated 24.01.2017 and leave it to the wisdom of the vast majority of the wise membership to know where the truth really exists. We will continue to make all sincere efforts to uphold the dignity of the Bank Retirees movement including further larger unity among the Retirees which should awaken the powers that be to treat the Bank Retirees honourably and render justice to them at least now.

We also wish to inform that the appeals pending before the Hon'ble Supreme Court is likely to come on any date in the month of February, 2017 in which affiliates of our constituents also impleaded. Already the appeal on updation of Pension is also pending in the Hon'ble Supreme Court.

With warm regards,

Yours Comradely,

**A. Ramesh Babu      K.V. Acharya**  
Joint Conveners

---

**Circular No. 2017/04                      Date: 25.01.2017**

---

**All Affiliates/State units/Members,**

Dear comrades,

**AIBOC COMMITTED TO THE ISSUES OF RETIREES CONCILIATION PROCEEDINGS SUBSTANTIATES ITS STAND**

In response to a dispute raised by one of the Retirees' Organizations on 100% neutralization of DA for pre 2002 pensioners, Assistant Labour Commissioner (Central) Mumbai had called the conciliation meeting yesterday i.e. on 24.01.2017. Since, AIBOC was made one of the respondents, Com Sanjay Manjrekar, Vice President of the Confederation and Com. Manoj Wadnerkar,

President, AIBOC Maharashtra State-1 Unit attended the conciliation meeting as the undersigned had to attend another urgent engagement in Mumbai itself. We submitted our written statement which was already sent to the conciliation officer on 07.01.2017 (copy which is annexed to this circular). We also submitted that the issue of 100% neutralization of DA to pre 2002 retirees was one of the issues in our Charter of Demands for the 10th Bipartite Settlement and the same along with other unresolved issues of the retirees is recorded in the 'Record Note' signed by the IBA and the UFBU constituents on 25.05.2015. It was also brought to the notice of the Presiding Officer that since subsequent to the signing of the Record Note there was no response from the IBA, AIBOC had raised this issue in our Strike Notices in December 2015 and again in September 2016 and the Regional Labour Commissioner (Central), who had held the conciliation meetings in the matter has ultimately recorded the failure of talks. IBA and the Workmen Union which were also made respondents did not attend the yesterday's proceedings. However, IBA has filed their comments where in they have stated that IBA is an independent and voluntary organization and discusses / negotiates with Workmen Unions / Officers Associations on behalf of its member banks on the basis of mandate given by these banks and that IBA is not employer of Workmen/ Officers of these banks and thus they are not a direct party to any industrial dispute including that of the case of Retirees' Organization who have raised the dispute. Subsequently, in a separate meeting, the Assistant Labour Commissioner (Central) also heard the representatives of CBPRO (Co-ordination of Bank Pensioners' and Retirees Organisations) which have also raised the issue of 100% neutralization of DA. **(AIBPARC is one of the constituents of CBPRO)**. Since the issue raised by both the unions was common, the Presiding Officer decided to conciliate in common and adjourned the case to 28.02.2017.

It needs no emphasis that AIBOC has always shown concern for the retirees and the pensioners and has been raising and settling their issues unlike some retired executives who did nothing for the retirees when they were in service though they had the powers but are acting as championing the cause of retirees today when they are victims. It was AIBOC which kept the issue of 2nd option of pension alive and ultimately clinched the same in the 9th BPS to the benefit of lakhs of retirees. Again, it was AIBOC which clinched 2nd option of pension for

VRS optees who were clandestinely denied the same by IBA by wrong interpretation of the settlement. Further, at a time when there was no credible and active all India level organisation to mobilize and represent the banks retirees and pensioners, AIBOC took the lead to form AIBPARC and mobilize and organize the retirees and pensioners under one banner.

We once again reiterate that the issues of the retirees viz. 100% neutralization of DA to pre 2002 retirees, automatic updation / upgradation of pension / revision in family pension and pension to the resignees and other left outs are on the top of our agenda and achieving the same is our goal.

With comradely greetings,

Comradely Yours,

**(HARVINDER SINGH)**  
GENERAL SECRETARY

Unquote.

---

**CIRCULAR NO. 10/17. 22.02.2017**

---

**(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)**

Dear Comrades,

**Sub : AIBPARC MAKES A STRONG REPRESENTATION BEFORE ALC (C) IN FAVOUR OF THE REMOVAL OF DISCRIMINATION IN GRANTING DA TO PRE-NOVEMBER, 2002 RETIREES AND EXPOSES THE HOLLOWNESS OF ARGUMENT OF THE OTHER SIDE.**

We are reproducing hereunder a detailed representation signed by the Jt. Conveners of CBPRO on the above subject. The representation is self explanatory.

With best wishes,

GENERAL SECRETARY

QUOTE

---

**Dated: 17.02.2017**

---

To

**Mrs Kalpana Sisodia,  
Assistant Labour Commissioner (Central)-III  
Shram Raksha Bhawan,  
Shiv Shrusti Marg,  
Eastern Express Highway,  
Sion (E), Mumbai-400 022**

Respected Madam,

**Sub: Dispute in respect of discrimination in grant of Dearness Allowance to Bank Employees Retired before Nov. 2002 (known as pre-2002 retirees).**

We wish to thank you profusely for conducting the proceedings in a cordial way in respect of the dispute raised by us vide our letter dated 09.01.2017 and also the representation submitted to you on 24.01.2017 during the proceedings. Your Good-self has adjourned the conciliation proceedings to 28.02.2017 at 12.30 hrs.

We are also happy that the All India Bank Officers Confederation (AIBOC), one of the parties to whom the notice was served by your Good-self in respect of the above dispute not only endorsed and supported our issue of extending the 100% DA neutralization to pre-2002 Retirees by way of a detailed letter dated 07.01.2017 addressed to you but also their representatives Shri S.A. Manjrekar, Vice President AIBOC and Shri Manoj S. Wadnekar, President AIBOC Maharashtra State Unit-1 were personally present during the proceedings and endorsed our demand to extend 100% DA neutralization to pre-2002 Retirees. Subsequently the General Secretary, AIBOC, Shri Harvinder Singh issued a circular dated 25.01.2017 reiterating their support for demand made by CBPRO and its Constituent AIBPARC. The said circular is enclosed for your ready reference.

All India Bank Employees Association, the other party to whom the notice was served by your Good-self was not present and the reason for their absence is not known.

The Indian Banks' Association though not present had sent a letter of submissions to your Good-self vide their letter no. HR&IR/KSC/85/748/1742 dated 29.12.2016. After going through their letter we consider it is our responsibility to give our observations and repudiations, wherever necessary in respect of the points raised by them.

1. It is not correct to say that IBA did not have the mandate to discuss the issues of the Retirees during the negotiations for wage settlement for Serving Employees and Officers. In fact the Charter of Demands submitted by the Unions and Associations contained a chapter exclusively on Retirees issues and while giving the mandate it is clear that the Member Banks have given the mandate to IBA to discuss the entire Charter of Demands and no exclusions what so ever

were made by the Member Banks in respect of the issues raised in the Charter of Demands.

2. Though it was expected that the Pension Regulations will be implemented fully and properly unfortunately there are volitions of the Pension Regulations either in not implementing it fully or implementing some of the Regulations initially and omitting to implement the same afterwards, a classic example being non updation of pension as per Pension Regulations.
3. It is not appropriate to say that additional liabilities, if any towards Pension is to be allocated from the profits of the Banks whereas the Pension Scheme being a **DEFINED BENEFIT PENSION SCHEME** and as per Regulations, the Bank shall be a contributor to the Fund and shall ensure that sufficient sums are placed in it to enable the trustees to make due payments to the beneficiaries under the Regulations and make such annual contributions to the Fund as may be required to secure payment of the benefits under these Regulations. We also wish to point out that the amount lying in the Pension Fund is quite sufficient to meet the obligation arising out of extension of DA relief to pre-2002 Retirees. Hence whether it is payment of DA relief or any other entitlements cannot be denied to the Pensioners.
4. Calculation of Basic Pension and payment of Dearness Relief are two different issues. The DA relief formula is amended and improved to 100% DA neutralization in the 8th Bipartite Settlement as against the tapered DA till then. Bringing an artificial classification in respect of DA relief among the homogeneous group of Retirees is not only unconstitutional and irrational but also against the laid down guidelines which clearly provide DA relief on the module of Retired RBI Employees as well as DA payable as applicable to Serving Employees. Calculation of Basic Pension is as per the Pay as on the date of Retirement and DA relief is against constant price rise and the harshness of price rise is the same to whether an Employee Retired pre-November 2002 or post-November 2002. Hence there cannot be any discrimination. (Ref-Golden rule as pronounced in famous Nakara judgment of Hon'ble Supreme Court)
5. The assertions made by IBA in regard to calculations of Dearness Relief to those who

are in service before 01.11.2002 is not tenable as mentioned above.

6. The assertion of IBA is again denied as per the submissions made by us in point No. 4 and 5.
7. It is strongly refuted that the 8th Bipartite Settlement has made any distinction in regard to payment of Dearness Relief between post-November 2002 Retirees and pre-November 2002 Retirees. The joint note in respect of salary revision for Officers and the settlement between the Unions and IBA only state "on and from 1st February, 2005 Dearness allowance shall be payable for every rise or fall of 4 points over 2288 points in the quarterly average of the ALL INDIA AVERAGE WORKING CLASS CONSUMER PRICE INDEX (General) based 1960=100 at 0.18% of pay". Hence the new DA formula is applicable to all serving Employees as well as to all Retirees.
8. It is suggested that when any change is sought to be made in the current settlements by violating the provisions of Bank Employees Pension Regulations to the detriment of the Retirees and also any change jeopardizing their entitlements, the Retirees' Organisations views should be taken to protect and safeguard the interest of the Retirees.
9. The very fact that on obtaining mandate from the Member Banks, IBA has been negotiating on all matters concerning Bank Employees and Officers in respect of wage settlement and service matters right up to 10th Bipartite Settlement and the process is set in motion for the 11th Bipartite Settlement also. Hence IBA cannot now say that it is not a direct party to any industrial dispute concerning the Serving Employees and Retirees. Pension being a deferred wage and terminal benefits being a part of service matters are discussed and settled between the Unions and Associations on the one hand and the IBA on the other, we assert that IBA is a relevant party and should go by the Pension Regulations and Settlements and should not give rise to any violations.
10. In view of the above submissions, we request your Good-self to advise IBA to settle the dispute raised by us in respect of 100% DA neutralization relief to the pre-2002 Retirees and redress their grievances immediately. It is also necessary to give this relief immediately as the persons who are

suffering from the denial are in the advanced stage of the evening of their life and out of more than one lakh Retirees who are originally entitled, more than 50% have already passed away undergoing the suffering and denial of justice to them which should stir the conscience of the powers that be. It is both a question of conscience and conforming to the rule of law. We seek your Good-offices in delivering justice to those who are arbitrarily denied the relief accruing under 100% DA neutralization formula.

Thanking You,

Yours Sincerely,

**A. Ramesh Babu      K.V. Acharya**  
Joint Conveners

---

**CIRCULAR NO. 18/17.**

**29.03.2017**

---

**(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)**

Dear Comrades,

**Sub : Finalisation of the charter of demands of bank pensioners and retirees.**

You are aware of the fact that as per decision taken in the last meeting of the Governing Council of AIBPARC, several members of the house have applied their minds over the above subject. Com. K.B. Ballur, Working President and Com. P.S. Patki, Senior Vice President have sent their observations to the Central Office which have been forwarded to the coordinators Com. SBC Karunakaran, Senior Vice President and Com. K. Chandrasekharan, Asstt. General Secretary and State Secretary of Tamil Nadu State Unit. Our coordinators have labored hard to give a final shape to the draft charter of demands. We are thankful to all our leaders who have taken the pains. We are now forwarding the complete paper to each affiliate with a request to go through the same and tell their observations on it. Any amendment, change, alteration etc. may please be sent within next 15 days in specific terms so that the paper can be finalised after having a thorough discussion in the next meeting of the managing committee (extended).

With best wishes,

GENERAL SECRETARY

**QUOTE :**

**Preamble**

In the recent times, IBA has been taking a stand that they do not have mandate from the banks for discussing and resolving the retirees' issues. This stand of IBA is neither reasonable nor consistent with the stand that was followed by them in the past. IBA only negotiated with the UFBU for extending one more option for pension. Based on the mandate given by the bank, IBA discusses and finalizes the wage revision and other service conditions. Terminal benefits are linked with wages and hence the mandate given by the banks has an inbuilt character that facilitates discussion on pension, gratuity, encashment of leave, PF etc. In reality no issue is a retirees' issue. All the issues of the retirees' are in the nature of residual issues that should be discussed by IBA with the UFBU and the decisions arrived should form part of the bi partite settlement / joint notes. In fact these issues are to be discussed with retiree associations too. The IBA is a 70 year old body with 237 members comprising of public sector banks, private sector banks, foreign banks having offices in India, co operative banks, regional rural banks and all India financial institutions. One of the objectives of the IBA is to organize co ordination and co operation on procedural, legal, technical, administrative or professional problems and practices of the banks and the banking industry. When such a responsibility is cast on IBA they cannot disown their responsibility on the pretext of alleged lack of mandate.

**General Rationale for our demands**

Retiree organizations especially AIBPARC have been waiting patiently for early resolution of their issues most of which are settled issues. Sanctity of settlements and respect for statutory regulations have been the casualty and the retirees have been worst hit due to withholding of implementation or unilateral suspension of extension of settled and/or statutorily provided benefits. Even court rulings on policy issues are not implemented forcing every affected individual to seek legal redress thereby making the national litigation policy meaningless. When issues settled themselves are discarded there is no wonder many other understandings on which minutes have been signed are not even in the reckoning. It has to be noted that the pension scheme in banks is strictly and not just broadly on the lines of the pension scheme of the Government. This is the reason why DA neutralization periodicity and frequency being half year is as obtaining in Central Government though the serving

employees of banks are getting DA revision every quarter on quarterly average. Pension as third benefit was denied and extended as a second benefit in lieu of PF only because Government employees are having Pension as a second benefit. Further all future recruits are brought under pension scheme with no option for them to choose pension or PF because Government employees are all under Pension scheme only. *It is not mere understanding but every part of pension scheme that was framed was made identical to the Central Government Pension Scheme. It is ironic that settled issues became issues of further negotiation in the Record Note signed by the IBA and the serving employees'/officers' unions without the consent of the affected parties i.e. retirees represented by their Organizations.* As we have no more time on our hands to wait we place the following the charter of demands and request IBA to hold negotiation with our organization on these demands for immediate resolution.

#### Charter of Demands:

1 Pension Updation – Pension is revised with every Pay Commission whereby the pension of retirees of past years are brought to closer to the pension of current retirees having the benefit of latest pay commission. Similar updation was agreed to be provided in the pension settlement signed in 1993. This was duly incorporated in the Pension Regulations under Reg.35 which provides for updating pension as per formula given in appendix-1. The formula given in appendix 1 is nothing but the formula obtaining in Central Government in 1986. As the only persons who required updation at the time of implementation of pension in 1995 were those who retired under IV Bipartite Settlement and their pension was updated by notionally revising their pay in line with V Bipartite Settlement Pay. However the pension updation that was agreed, provided for and implemented was discontinued unilaterally. However the government is updating the pension of their retirees at every Pay Commission and have also started upgrading their pension after the age of 80 where a pensioner reaching the age of 100 years get his full pay updated as pension. Bank retirees are not even getting pension updation , not to speak of pension upgradation though the bank's pension scheme was framed on the lines of government pension scheme.

2. 100% DA Neutralization – This is also a settled issue that was faithfully implemented till 2005. The pension settlement signed with workmen unions under ID Act provided for DA neutralization as per formula obtaining in RBI from

time to time and so also the MOU signed with officers provided for DA neutralization as per formula obtaining for serving officers. The DA formula has a slab system of neutralization where the pay range falling within the first slab gets 100% DA neutralization and the subsequent slabs get tapered DA neutralization. Full Pay range of Sub-staff and almost full Pay range of Clerical staff and a part of Pay range of officers falling within the first slab were getting 100% DA neutralization. The slab system followed all along was as per RBI formula. In 2005 the VIII Bipartite settlement was signed providing for 100% DA neutralization for the entire pay range abolishing the slab system with effect from May, 2005 to all those who retire/d on or after 1/11/2002 in line with DA formula obtaining in RBI. Subsequently RBI amended its scheme to extend 100% DA formula retrospectively from May.2005 to all the past retirees. However banks failed to implement this amended RBI formula in disregard of the settlement. So uniform 100% DA neutralization has to be extended to all past retirees too with effect from May,2005.

3. Family Pension – When bank pension is framed on the lines of Government pension scheme Uniform family pension at 30% of pay without ceiling as obtaining in Government and in RBI should be extended in banks too. As the scheme exists, family pension payable to wards will be too negligible because it is very rare for pensioners to have wards drawing family pension. So mostly the spouses would only be family pensioners and in fact many pensioners would have no spouse alive or wards eligible to draw family pension. Even the spouses alive may not have long life expectancy which on an average may be less than 10 years. Inasmuch as pension (at 50% of pay) itself is provided for the full life span of every employee as per AS 15(R) standards and family pension sought at 30% without ceiling should not entail any additional cost. With every death the provision already made at 50% of pay becomes excess and banks would be able to write back the excess provision. So only a portion that would be written back has to be spent to give family pension at uniform 30% without ceiling which will not impact the profits of the bank in any way. Further the number is too low and it is also inequitable to have discriminatory percentage for family pension alone while pension for every pensioner is a uniform 50% of pay without ceiling. We demand therefore uniform 30% pay without ceiling as family pension as obtaining in Government and RBI.

4. IBA Medical Insurance Scheme- The scheme made available for retirees is exactly the

same scheme applicable to the serving staff with the exception that the retirees' policy could cover retiree and his / her spouse only. However in the first year United India Insurance Co. went back on their commitment of sanctioning the domiciliary expenses. This scheme is a product of discussion between UFBU and IBA with UIIC. This scheme was brokered by M/s M N Dastur & Co and reportedly Rs.15.00 Crores was paid as brokerage to them. In such a scheme, domiciliary expenses were not paid for 1 year. BOB has come out with a circular agreeing to bear the domiciliary expenses and reimburse the same for that one year as a welfare measure. We feel that the matter needs to be raised in the Bi Partite and at least some compensation should be paid to those who joined the scheme.

5. Welfare Fund Generally Banks with Staff strength of above 20000 staff are allotted 20 crores as welfare fund and banks with less than 20000 staff are allotted Rs.15 crores. 25% of the fund is generally spent for retirees. However, in extending the benefits different practices are followed by the banks. Some extend the benefits to superannuated retirees only denying the benefits to those voluntarily retired. This discrimination should be put to an end. The benefits may be made available to the superannuated retirees and to those voluntarily retired. To ensure uniformity and to counter the stand of the some bank managements, that extension of welfare benefits to those voluntarily retired would serve as an incentive to them to leave the bank before attaining superannuation, the benefit can be extended to those voluntarily retired after they cross the age of 60.

A separate welfare fund can be constituted for taking care of the administration of welfare fund applicable for the retirees and retiree representatives may be nominated to manage that welfare fund.

6. Extending one more option for pension to resignees In case of Banks like Vijaya Bank, Indian Bank, Dena Bank, etc. there is no provision for Voluntary retirement under service regulations. As a result the officers were compelled to resign even after they complete 20 years of service when they decide to leave the bank. As a result around 2000 resignees could not get pension option and thus pension has been denied to them. 21 resignees from Vijaya Bank succeeded legally by going up to the Supreme Court and got option to join their pension scheme and they were allowed to draw pension. But Vijaya Bank refused to extend this option to other resignees in their Bank. This is the fate of other

bank resignees too. The problem is confined to 6 banks. The stand of the Vijaya Banks and other banks is as per the guidance of IBA. This is unfair and runs contrary to the national litigation policy. When facts and circumstances are same, the national litigation policy requires the benefit of one judgment should be extended to the others. As a result good numbers of petitions are pending before various courts. It is time that IBA comes forward to resolve the issue by issuing administrative guidelines.

7. Extension of one more option of pension to those compulsorily retired In terms of discipline and appeal regulations applicable to the Bank Officers, Compulsory retirement is a beneficial provision when compared to dismissal or removal from service. The intention of compulsory retirement is to protect the terminal benefits. However, when one more option for pension was extended as per the 9th Bi Partite settlement, pension option was denied to those who were compulsorily retired. A compulsorily retired officer from Andhra Bank moved the court up to Supreme Court level and got a favourable judgment that he should be provided option to join the pension scheme. It is learnt that the Andhra Bank Management had allowed this petitioner to join the pension scheme. However pension option is denied to those compulsorily retired in banks. Here again the provisions of national litigation policy is disregarded. IBA is fully behind this stand. As a result quite a number of cases are pending before various courts. It is unfortunate IBA should come forward to resolve the issue through issuance of administrative instructions.

8. Extension of one more option of pension to left outs When one more option for pension was extended in accordance with the 9th Bi partite provisions, some PF optees could not join the scheme due to communication gap. They have given authorization to transfer the Bank contribution of PF to the pension fund, but did not provide the additional contribution that they have to deposit in their SB accounts. As a result their pension option was rejected. These kinds of cases are pending in some Banks. Through Bi lateral discussions with the Offices Association and the Employees union and taking up the matter to the board, PNB Management resolved the issue for 456 PF optees. In other Banks, these categories of people are forced to approach the courts and good numbers of cases are pending. IBA should come forward to resolve this issue once for all by providing the option to all these left outs to join the pension scheme.

9. Sanction of PL encashment to those

compulsorily retired Banks were not sanctioning encashment of PL to those compulsorily retired. This facility was stopped at the instance of IBA. Some compulsorily retired Officers from Canara Bank and PNB approached the court and got favourable judgment in all the courts inclusive of the Supreme Court. Supreme Court allowed interest also for delayed payment. Under this background IBA issued a communication advising the banks to allow PL encashment to those compulsorily retired on or after 30.04.15. The stand of IBA was strange. Later on IBA took a stand that individual banks may decide on this issue. So far PNB, BOB, UCO bank and Bank of India had allowed this benefit. Other banks are yet to resolve the issue. On a common industrial issue, this kind of happening runs contrary to fair play and justice. IBA should direct the banks to permit PL encashment to those compulsorily retired with applicable interest.

10. Sanction of Compassionate allowance  
Bank employees' pension regulations provide for payment of compassionate allowance in the case of those who are dismissed or removed from the service. The provision remains as a discretion of management. It appears that the bank managements did not implement this provision at all. It may be appreciated here that Bank employees and officers surrendered the Banks contribution of PF (with which pension fund has been created) and joined the pension scheme. Quite possibly if these categories of people would not have opted for pension and remained as PF optees they would have got the Banks contribution of PF. The compassionate allowance is a provision similar to the one applicable to the Central Government employees. It is learnt that the Central Government has issued guidelines that the disciplinarily authority who awards the punishment should make a mention about the compassionate allowance in the speaking order itself. But in the case of Bank employees and officers no system or mechanism is in place for implementation of this allowance. Clear cut operative guidelines are to be issued by the IBA in this regard.

11. Sanction of Gratuity to those who are facing external action after retirement  
Pension regulations prevent the payment of gratuity in the case of those who are facing external / judicial action by CBI, etc. after retirement. In the case of Bank employees and officers, gratuity is worked out based on service regulation and as per payment of gratuity act 1972 and whichever is higher is paid. The pension regulations are in the nature and character of subordinate regulations and the payment of gratuity act

prevails over the subordinate regulations. Hence the gratuity as per gratuity act should be made available to those who are facing external / judicial action after retirement. Bank Managements are unrelenting on this issue. In fact this regulation itself has to be quashed or to be withdrawn as no issue is pending for this category of staff as they are allowed to retire.

12. Retirees should be allowed to appear as defence assistants for defending the retirees  
Regulation 42 to 48 of pension regulation provide for taking disciplinary action against the pensioners till 4 years from the date of retirement. In some cases Major penalty proceedings by way of departmental enquiries are ordered. These officer retirees at times find it difficult to get defense assistance as retiree officers are not allowed to appear as defence assistants. In some banks retiree officers are allowed to take up the role of defence assistant. IBA may be urged upon to issue explicit and uniform guidelines permitting the retiree officers to appear as defense assistants for defending the retirees who are subjected to departmental action.

13. Provision of office space for retiree association.  
Various Central Government establishments are providing office space for pensioners associations. Most of the pensioners associations are operating from the residences of the functionaries as they are not able to afford to pay rent and hire the premises. As a gesture, goodwill measure and respect to senior citizens pensioners association may be provided with office space to carry on their activities.

14. Special Allowance of X Bipartite Settlement to reckon for terminal benefits including pension

The fundamental principle of all wage revisions upto 9th Bipartite Settlement has been merger of DA upto a date prior to the Settlement period with basic pay with some step up wherever possible to augment the terminal benefits which are deemed deferred wages. With the introduction of uniform 100% DA neutralization in 8th Bipartite Settlement mere merger of DA is not going to cause an increase in the basic wages (i.e. BP + DA) excepting terminal benefits like pension which are linked to basic pay. In these circumstances merging only a small portion of DA into BP and converting a major portion into Special allowance payable only during service and not for terminal benefits is not legitimate and lawful. Any pay component that reckons for DA and which is not paid for any purpose is only pay by whatever name it is called.



A wage component that is Pay cannot be termed an allowance when it is not paid for any purpose and is paid to every employee. As per Gratuity Act DA has to be reckoned for payment of gratuity. So DA paid on special allowance cannot be excluded for payment of gratuity. It will be an anachronism if DA on special allowance will reckon for gratuity but not the Special allowance. Such anachronism and illegality is because of conversion of Pay through a fiction into Special allowance and its exclusion from terminal benefits. This is illegal and an anomaly and has to be rectified immediately.

15. Revision in Gratuity w.e.f. the date of notification by Government of India;

16. Correction of anomaly arising out of retrospective reduction in pension revised under last settlement ; effect of commutation on revised pay should be from the actual date of Commutation and not retrospectively;

17. Welfare funds should have percentage linkage with Operating profits of the Banks and not their net profits;

18. Universal application of Judgements of Hon. High courts/Supreme Court of India in all identically placed retirees /employees uniformly;

18. Interim Relief to the Retirees pending finalisation of the XIth Bi-partite settlement;

19. Setting up structured forum of Grievance redressal for Bank Retirees at Industry and respective member Bank level;

20. Uniform Medical Insurance scheme for Bank retirees on par with working employees/officers;

21. Representation to Retirees on Pension Funds / Welfare Funds of member Banks;

22. Interest free Festival advance to Retirees repayable in monthly instalments;

23. Leave fare Travel facility to retirees once in 4 years;

24. All other unsettled issues raised in the last charter of Demands submitted to IBA.

**UNQUOTE :**

---

**CIRCULAR NO. 25/17.**

**05.06.2017**

---

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)

Dear Comrades,

**Sub : Delegation of CBPRO meets Union Finance Minister on 02.06.2017**

We inform with pleasure that a delegation of CBPRO met Union Finance Minister on 2nd June, 2017 and had a very fruitful discussion on all the issues of the retirees and a copy of memorandum was also submitted which is being reproduced hereunder for information of the members.

With best wishes,

**(S. SARKAR)**

ACTING GENERAL SECRETARY

Quote :

---

**Dated: 01.06.2017**

---

**Shri Arun Jaitley Ji,  
Hon'ble Finance Minister,  
Government of India,  
Ministry of Finance,  
North Block, New Delhi 110001**

**Respected Sir,**

**Sub: Most important and urgent issues of Bank Pensioners.**

**Sir,** we the constituents of CBPRO consisting of five major National Organisations of Bank Pensioners and Retirees namely Federation of SBI Pensioners' Associations, AIBPARC, RBONC, AIRBEA and FORBE wish to submit this memorandum on behalf of the Pensioners and Retirees of the Banking Industry requesting your Good-selves to direct the concerned authorities to resolve the following issues on high priority basis. Bank Retirees are eagerly and anxiously waiting for justice and comfort. We have immense faith and confidence in Your Good-selves. The long pending issues are mentioned hereunder:

**1. UNIFORM DEARNESS RELIEF FORMULA -** In the year 2005 when the wage settlement was concluded effective from November 1st 2002 **the DA formula was amended from Tapered DA formula to 100% DA neutralization formula** effective from 01 May, 2005 in line with the DA formula already in existence for Both serving Government and RBI Employees and officers and also Retired Government and RBI Employees. **But unfortunately the benefit of this amended DA formula is not extended to those Bank Pensioners and Retirees who retired before 01.11.2002.** It is also a fact that the benefit of 100% DA Formula is given to all Government Retirees, RBI Retirees and

other Public Sector Undertakings where the Pension Scheme is available irrespective of their Date of Retirement. Moreover the number of such deprived old Retirees is dwindling very fast as many of them are in the age group of 80 and above.

2. **FAMILY PENSION** - While for Government Retirees and RBI Retirees the Family Pension is improved to 30% of the Pay, **the Spouses of Bank Retirees (mostly women) are subjected to 15% Family Pension that too with ceiling.** Because of this the Family Pension ranges between as low as Rs. 4,000.00 only including DA to the spouses of junior Employees and maximum of Rs. 14,000.00 even to the spouses of Retired General Managers and Chairmen of Banks. This is causing agony to the spouses of deceased Retirees and needs immediate upward revision to 30% as available to others.

3. **PENSION UPDATION (Pension Revision)** - **As per Bank Pension Regulations** there is a clear provision regarding Updation. The Regulation states **Basic Pension and Additional Pension shall be updated, wherever applicable, as per the formula given.** This Regulation was implemented only once i.e. to those who retired between 1st January, 1986 to 31st October, 1987 and even for them it was never updated subsequently whenever the wage revision had taken place. This has put even the senior most Executives of the Grade of General manager who retired in 1990 getting **Pension as low as Rs. 20,000.00 including Dearness Allowance which is lower than the Pension given to a senior clerk retiring today.** Hence we appeal to Your Good-selves to help implementing the provisions of the Pension Regulations in respect of Pension Updation.

The Bank Employees Pension Scheme is exactly on the model of Government Employees Pension Scheme. **Bank Employees Pension Regulation** has very clearly stated that **"In case of doubt, in the matter of application of these Regulations, regard may be had to the corresponding provisions of Central Government Employees Pension Rules** with such exceptions and modifications as the Bank, with the previous sanction of Central Government, may from time to time determine. The Pension Scheme in Banks is also a **Defined Benefit Pension Scheme** and hence **Pension is a Deferred Wage.**

**The Pension Fund of all Banks together is more than Rs. Two Lakh Crores as on date.** The payment of Pension and any improvement thereafter, as per the Regulations, is also paid out of the Pension Fund only. Any Provision, if to be made under AS (15) Revised should be viewed only as a provision and not a real drain on the profits of the Banks as the Pension Corpus is enormous and the present Pension Scheme is a close ended Scheme and the Retirees eligible for this Defined Benefit Pension Scheme are a vanishing population in a matter of about 15 years.

4. **MEDICAL INSURANCE SCHEME** – At the instance of the Finance Ministry the IBA devised Medical Insurance Scheme both for Serving Employees and Retired Bank Employees. While implementing the same the Banks decided to bear the Insurance Premium Cost for Serving Employees but agreed to extend the same scheme to Retired Employees **only if the Retirees agreed to pay the full premium by themselves.** In the case of Retired Employees the coverage of insurance is restricted only to the Retiree and his/her spouse (in a quite a good number of cases it would be available to only one due to the death of the other). But collecting the same premium amount from Retirees without going into the rationale of number of claimants is not only harsh and illogical but also humiliating. Hence our request is to extend the Medical Insurance Scheme to the Retirees on the same lines as available to Serving Employees without collecting the premium cost from the Retirees.

We want to fervently make an appeal to Your Good-selves to consider the above **requests of the Bank Retirees on humanitarian grounds as many of the Retirees are in their advanced age and in the evening of their life.** This will immensely make Bank Retirees feel obliged and also accord a sense of pride to them for the very **valuable services they rendered to the Nation, making banking a very valuable Vehicle of progress and Economic Development of the Nation.** We are very hopeful of your kind and sympathetic consideration.

Thanking you

Yours sincerely,

**A. Ramesh Babu    K.V. Acharya**  
Joint Conveners

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)

Dear Comrade,

**Sub : Medical Insurance Policy – top up facility.**

For last couple of days, the organisation has been flooded with queries and communications of different nature on the above subject. It started from issuance of a circular by a retiree organisation which claimed to have been instrumental in formulating a top up policy with the assistance of New India Assurance Co. Limited. From the said communication it was apparent that persons who were eligible to get a mediclaim cover of Rs.3 lakhs would get another cover of Rs.3 lakhs under the top up scheme and persons who were eligible to get a mediclaim cover of Rs.4 lakhs would be eligible for additional cover of Rs.4 lakhs under the top up scheme.

2. You are aware of the fact that the words "Top up" in the insurance parlance means that once the outer limit of an existing medical insurance cover is completely exhausted, then the additional cover under the top up policy starts its operation. Similar such policy is not new of its kind. It is already prevalent in a few banks where the management makes the payment from the available resources of the welfare funds and arranges for a top up policy for the employees and officers. In few other banks, it takes a different shape in the form of excess loss policy, where the uncovered/unreimbursed amount is allowed by employees' cooperatives or similar such organisations.

3. So far as views of AIBPARC are concerned, we have always felt that the mediclaim cover allowed in the IBA policy (agreed under the last bipartite settlement) is extremely inadequate and needs to be hiked. It has also been our consistent demand that the premium is to be borne by respective banks as it is being done in cases of working employees. This issue is also under discussion in the present bipartite negotiations. Pending formulation of any favourable decision in the current bipartite settlement, some reliefs to the retirees were an abject necessity. Keeping this issue in mind, very senior leaders of AIBPARC and leaders of different affiliates of AIBPARC started active negotiation with different insurance companies to offer as

much benefit to the retirees as was possible in the given circumstances. As a product of their consistent efforts, United India Insurance Co. which has already been providing medical insurance to bank retirees has already come up with a much better offer. As per their written commitment, the top up cover for award staff will be available upto Rs.4 lakhs and for officers it will be Rs.5 lakhs. Please note that the top up insurance cover is over and above the existing covers offered by IBA and prevalent in the industry.

4. The name is "Super Top up Policy" for the retirees of the Indian Banks Association as per terms and conditions of the IBA policy for retirees without domiciliary cover. All the terms and conditions of the existing IBA medical insurance policy will be applicable here. The policy will commence from 1st November, 2017 and will coincide with the main policy. The TPA would be the same as the ones dealing with the main policy. The premium for the super top up policy should be paid with the payment of the premium for the main policy. The coverage will start from the date of receipt of premium without benefit of any pro-rata premium. The renewal date of this policy will remain the same i.e. 1st November, 2018.

5. From the discussion made in para no. 4, it is clear that the proposal is got to be endorsed by IBA otherwise it would be very difficult for the bank management to make the payment of top up policy along with the premium of the existing policy. We have been given to understand that insurance company and its broker have already approached respective bank managements. We request our members to hold patience and not to be restless. The organisation is alive to the situation and will take suitable steps in the right time. We shall take up the issue very soon to understand the views of IBA in this regard. We are also taking up this issue with UFBU in the revised context. Meanwhile, we have received two letters written by CBPRO to IBA and UFBU. We are reproducing the said letters for information of members. We do not have any intention to enter into any unhealthy competition with any other organisation of the retirees. Our motto is to ensure as much benefit as possible for the retirees of the banking sector.

With best wishes,

**(SUPRI TA SARKAR)**

ACTING GENERAL SECRETARY

---

Dated: 26.07.2017

---

**Shri V G Kannan, Chief Executive,  
Indian Banks' Association  
Mumbai.**

Dear Sir,

**Super Top-UP Medical Insurance Policy  
for Bank Retirees.**

We are a Confederation of five major organisations namely Federation of SBI Pensioners Associations, AIBPARC, RBONC, AIRBEA and FORBE representing more than four lakhs Retirees in the Banking Industry. The Retirees are presently covered under Medical Insurance policy of United Insurance Company to the extent of Rs 4.00 lakhs in case of Officers and Rs 3.00 lakhs in case of award staff. This policy was introduced at the behest of Indian Banks' Association in the year 2015 as a sequel to industry level settlement. It has been the experience of the members covered under the medical insurance scheme for Retirees that the amount of medical insurance provided under the scheme is inadequate. Accordingly our affiliate organisations have been taking up with United India Insurance Company for additional medical insurance cover under Super Top Policy. After consistent follow-up, United India Insurance Co has agreed for the following additional coverage to the existing policy under Super Top Up Policy.

1. For Award Staff
  - a. Original sum insured Rs 3.00 lakhs.
  - b. Additional coverage under proposed Super Top-Up Policy Rs.4.00 lakhs at a premium of Rs. 2975/- plus GST as applicable.
  - c. Total coverage Rs 7.00 lakhs
2. For Officers :
  - (a) Original sum insured Rs 4.00 lakhs.
  - (b) Additional coverage under proposed Super Top-Up Policy Rs 5.00 lakhs at a premium of Rs. 3225/- plus GST as applicable.
  - C. Total coverage Rs 9.00 lakhs.

The claims under the Super Top Up Policy shall be entertained only after exhausting the entire sum insured in the main policy of United India Insurance Co. It is also proposed that the claim towards domiciliary treatment shall be restricted only in the main policy under the existing terms without providing the facility of domiciliary claim under the enhanced amount on

account of Super Top-Up Policy.

K M Dastur & Co has already advised the details of the proposed Super Top-Up Policy to different organisations of employees & officers and also to IBA and to all the member Banks.

In as much as the original scheme was introduced during the Industry level settlement, it would be appropriate if the Super Top-Up Policy is formally advised by IBA to the member Banks so as to ensure uniformity of the coverage and its smooth implementation at the industry level. We therefore request you to initiate suitable steps to formalise the proposed arrangement to implement Super Top-Up Policy of United India Insurance Company.

Notwithstanding the above arrangement, we reiterate our demands for the medical cost in case of Retirees to be borne by the Banks as is done for the serving employees. We also request you to formulate a comprehensive medical benefit scheme as also demanded by UFBU to cover the Retired

Bank Employees and also as requested by us in the past as well as mentioned in our Charter of Demands. Since the main medical insurance policy is due for renewal in a couple of months' time, we request you to undertake a comprehensive review of the scheme as per our earlier request.

Thanking you,

Yours faithfully,

**A. Ramesh Babu    K.V. Acharya**  
Joint Conveners

---

Dated: 26.07.2017

---

Shri Sanjeev K Bandlish  
Convenor,  
United Forum of Bank Unions,  
Chandigarh

Dear Com. Bandlish

**Sub: Super Top-UP Medical Insurance  
Policy for Bank Retirees.**

We are the largest confederation of major organisations of Retirees namely Federation of SBI Pensioners' Associations, AIBPARC, RBONC, AIRBEA AND FORBE representing more than four lakh retirees in the Banking Industry. The medical Insurance Scheme for Retirees was introduced in terms of industry level settlement between UFBU and IBA. The scheme provided for coverage of Rs. 4.00 lakhs in case of officers and Rs. 3.00

lakhs in case of award staff retirees. We are happy that introduction of the Medical Insurance Policy provided a great relief to the Retirees who did not have any medical facility. It is praiseworthy that UFBU played a vital role in getting the facility of Medical insurance to the Retirees.

Some of the affiliates of CBPRO constituents had taken up the matter with the United India Insurance Co. for enhancing the Medical insurance cover by providing super top-up Medical Insurance Policy over and above the main policy. Accordingly United India Insurance Company has agreed for Super Top-up Policy in addition to the main policy whereby providing a coverage of Rs. 5.00 lakhs for officers and Rs. 4.00 lakhs for award staff at an additional premium of Rs. 3225/- and Rs. 2975/- respectively plus GST as applicable.

In this connection we have written a letter to IBA (copy of letter enclosed) requesting them to take suitable steps to advise all the Member banks about the Scheme and formalise its implementation and maintain uniformity of the coverage and cost. Since the original scheme is covered under the policy of United India Insurance Company, it would be appropriate to implement the Super Top-up Scheme through the same company for better and smooth administration. We therefore request the leaders of UFBU to use their Good-offices to impress upon IBA to arrange for the implementation of Super Top-up Policy.

We also request you to reiterate our demand for absorption of the cost of Insurance premium by the Banks as in the case of serving employees. It would also be desirable to have a comprehensive review of the Medical Benefit Scheme for Retirees as incorporated in the Charter of Demands submitted to IBA. We are confident that initiative on your part shall bear fruits and provide much desired relief to the Bank Retires.

Yours Comradely,

**A. Ramesh Babu      K.V. Acharya**  
Joint Conveners

---

**Circular No. 38/17.**

**02.08.2017**

---

**(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)**

Dear Comrade,

**Sub : 100% D.A. Neutralization in Pre-November 2002 Retirees' case Judgment in Hon'ble Supreme Court reserved**

We reproduce hereunder the text of CBPRO Circular no. 009/2017 dated 01.08.2017 for information of the members :

With best wishes,

**(SUPRITA SARKAR)**  
ACTING GENERAL SECRETARY

QUOTE :

To,

All the General Secretaries of the Constituents of CBPRO.

As you are aware the above case is pending before the Hon'ble Supreme Court of India. After few adjournments, it came up for arguments today for disposal. The Senior Advocates of all the parties were heard at length. The arguments by the lawyers representing the Retirees' Organizations were very well received. Our presence in the Court helped an excellent coordination among the Senior Advocates who represented the Retirees' Organizations.

The Senior Advocate who represented the Bank Management argued vehemently that there was no discrimination as the employer has a right to restrict the applicability of new benefits/improvements to the future Retirees and for that purpose the cut-off date in this case being 01.11.2002 was in order. He also argued that making the 100% D.A. neutralization applicable to all past Retirees would involve huge financial burden. His argument was that the quantum of amount mutually agreed at the time of signing the settlement as a load factor to be distributed among various components of pay like Basic pay, D.A., HRA, Medical, other allowances, etc. was a limiting factor which was agreed to by all the Unions representing the Employees and Officers. Hence, it could not be questioned at this stage. These arguments were effectively countered by the Senior Advocates who represented various Organizations of Retirees.

**Shri V.K. Bali**, Senior Advocate (Former Chief Justice of Kerala High Court and Former Chairman of Central Administrative Tribunal), who represented AIBRF, argued the case excellently. His arguments were able to impress the Court about the distinctions made out in Para2(b) of the Bipartite Settlement of May, 2005 in respect of applicability of uniform rate of D.A. and the distortions in its implementations vide IBA Circular

dated 28.06.2005 going against the spirit of the Bipartite Settlement. The clauses relating to payment of uniform D.A. from May, 2005 in the Bipartite Settlement and Joint note did not stipulate any cut-off date with regard to exclusion of Pre-November 2002 Retirees from the applicability of 100% D.A. rather it only mentioned about the change in the D.A. formula to 100% D.A. neutralization from 2005. IBA while issuing the circular to the Member Banks unilaterally created artificial classification by wrongly dividing the Retirees into different groups as Pre-01.11.2002 Retirees and post 01.11.2002 Retirees. It was sought to be questioned in the Court by the Senior Advocates representing the Retirees Organizations. The distortion caused by IBA Circular was well explained to the Hon'ble Supreme Court. **Shri Jitendra Sharma**, Senior Advocate, representing the Petitioners namely United Bank of India Retirees' Welfare Association strongly supplemented the arguments of Shri Bali while also highlighting the clause 6 of Pension Settlement of 1993.

**Shri A.S. Nambiar**, renowned Senior Advocate who represented the ARISE, an affiliate of AIBPARC made very valid points invoking Article 14 of the Constitution of India. He also argued about the absence of justification and rationale objectives with regard to Artificial Classification made by IBA Circular based on the date of retirement of the Pensioners. He effectively highlighted the ratio laid down in the case of D.S.Nakara. He also pointed out that the inflation equally hurts all the Pensioners irrespective of their date of Retirement. D.A. is payable towards part compensation on account of price-rise and hence there cannot be different rate of D.A. payable to the Retirees merely on the basis of their date of retirement. Mr.Nambiar was ably assisted by **Mr. Sewa Ram**, Advocate(Former IOBian). Mr.Sewa Ram also argued that the Pension Options were exercised by the Employees in 1993-94 on the basis of the Pension settlement even before the Pension Regulations were finalized on 29.09.1995. He also argued that IBA's letter dated 17.12.1993 to Sri R.N. Godbole the then General Secretary of AIBOC clearly stated that the Pension Regulations will be finalized on the lines of Pension rules of the Central Government and the Reserve Bank of India. The argument of the Management Lawyer about the Pension fund being contributory was well countered by him on the grounds that it is a revenue expenditure which has to be fully met by the Bank in accordance with the actuaries investigation. He also supplemented the arguments of Mr.Nambiar. Mr.Sewa Ram also

actively coordinated the mutual consultations amongst the Senior Advocates so as to ensure effective and fruitful arguments before the Hon'ble Supreme Court.

**Mrs. V. Mohana**, Senior Advocate, representing RBONC (Constituent of CBPRO) advanced arguments about discrimination caused by IBA's Circular dated 28.06.2005 despite there being no such clause in the Bipartite Settlement or Joint Note. She also made a point that the judgment in the case should apply to all the affected Bank Pensioners. She also made a point that the Management's argument about huge financial burden on account of 100% D.A. Neutralization was without any substance or justification and the number of pre-2002 Retirees is small in number as compared to the large number of Pensioners who have retired after November, 2002.

The arguments in the case started at 10:30 AM and concluded at 03.00 PM. After hearing the arguments of the parties, the Hon'ble Court sought some clarifications in the light of the earlier case of 100% D.A. neutralization having been dismissed by the Hon'ble Supreme Court. The Judges sought the views of the Advocates representing the Pensioners' and Retirees' Organizations about their earlier judgment relating to dismissal of appeals against the Order of Hon'ble High Court of Madras and implications thereof. The Senior Advocates expressed their views in response to the queries raised by the Hon'ble Court. In view of very sound and valid Constitutional points raised by the Senior Advocates representing the Pensioners' and Retirees' Organizations, the Hon'ble Court reserved the judgment. We hope for a favourable verdict in the matter. We also hope that the initiative on the part of the Delhi based Leaders of Pensioners' and Retirees' Organizations in ensuring excellent coordination amongst the Senior Advocates shall go a long way in further strengthening the Bank Retirees' Movement.

With Regards,

Yours Comradely,

**A. Ramesh Babu     K.V. Acharya**  
Joint Conveners

---

**Circular No. 40/17.**

**04.08.2017**

---

**(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)**

Dear Comrade,

**Sub : CBPRO In the midst of hectic activities to impress upon the need of attending to the issues of the retirees – meets Hon'ble Minister of State for Finance and top level officials of Dept. of Financial Services, Ministry of Finance, Govt. of India – committee constituted in DOFS to resolve the issues of the retirees.**

We reproduce hereunder CBPRO circular no. 011/2017 dated 03.08.2017 which is self-explanatory. With best wishes,

**(SUPRITA SARKAR)**  
ACTING GENERAL SECRETARY

**QUOTE :**

---

**Circular No. 011/2017      Dated: 03.08.2017**

---

Dear Comrades,

**LATEST UPDATE ON PENDING ISSUES OF PENSIONERS AND RETIREES**

We have been posting you with the developments and various efforts put in by CBPRO and its constituents in regard to the following major outstanding issues concerning the pensioners and retirees:

1. 100% DA neutralization to pre 2002 retirees;
2. Improvement in family pension;
3. Pension updation
4. Improvement in medical insurance policy/ medical benefit scheme for retirees;
5. Second option to left out compulsorily retired officers;
6. Second option to resignees who have put in pensionable service;

We are happy to note that due to our persistent follow up and interactions with the UFBU, they have taken up the issues mentioned in the record note of the last Bi-partite settlement during their ongoing negotiations for the 11th Bipartite Settlement. We are in constant touch with the Convenor of the UFBU and the leaders of the constituents of the UFBU. During their meeting with the Chairman of the Sub-Committee of IBA In-charge of negotiation on 1st August 2017, they have taken up the matter of 100% DA neutralization and family pension and have got a positive response from the Chairman of the sub-committee in resolving the above issues. We hope that the issues contained in the

record note will be sorted out on a priority basis before the conclusion of the ensuing Bipartite Settlement as the record note is the product of last settlement.

Meanwhile we have been pursuing all the major issues concerning the retirees cited above with the Government and the IBA by writing to them and also by meeting them. After our meeting with Shri Arun Jaitleyji, Honourable Finance Minister on 1st June 2017, we are enthused by his response to us while discussing our issues. We explained to him the details about 100% DA neutralization issue, family pension and updation. By all means it was not a meeting for merely submitting a memorandum but a meeting where he heard our issues patiently asking us to clarify points in respect of the issues.

As a further follow up we met Shri Santosh Kumar Gangwarji, Honourable Minister of State for Finance on 24th July 2017 and further explained to him about our meeting with the Honourable Finance Minister and also urged him to advise his Ministry to initiate steps to resolve the issues on an urgent note as quite a lot of retirees are in their advanced age of life. The Honourable Minister was very sympathetic and assured us of the resolution of the pending matters. He also informed us that he had already talked to the Ministry officials in this regard and assured of reminding them further.

In between the meetings we had with the Honourable Finance Minister and Honourable Minister of State for Finance, we were also pursuing the issues on a continuous basis with the top Ministry officials in the Department of Financial Services, Ministry of Finance. We have given a detailed note on 17th July 2017 in respect of all the above issues and also submitted a chart with approximate calculations in regard to each of the above issues. We have also mentioned in our note that the cost implications are not going to affect the profitability of the Banks as the payments have to be made out of Pension Funds which are adequate to meet the cost of improvements.

**We are happy to inform you that consequent to our meetings with the Honourable Ministers, followed by meetings and discussions with the top Ministry officials, a committee has been constituted in the Department of Financial Services, Ministry of Finance to resolve the pending issues of Bank pensioners and retirees. We are hopeful of a favourable outcome in regard to the issues very shortly.**

We firmly believe that the issues like Pension Updation, Family Pension, Medical Benefit Scheme etc. shall be of direct concern to the serving employees as well in the years to come on their retirement. It is imperative that the UBFU and CBPRO enhance their combined efforts for resolution of the pending issues. We are happy that all the constituents and leaders of UFBU are making sincere efforts in this regard.

Comrades, we do understand the anxiety of all concerned as the issues did not get encouraging response from any of the authorities earlier. Nevertheless we did not allow our determination to diminish for clinching the issues. The developments during the last couple of months tend to give us confidence that as a result of our efforts with Ministry and IBA and also the initiatives taken by UFBU we are inching towards a satisfactory solution to the issues raised by us. We will further step up the momentum of our efforts with the Ministry and IBA and also scale up the level of our interaction with UFBU leaders so as to ensure early success.

With regards,

Yours comradely

**A. Ramesh Babu      K.V. Acharya**  
Joint Conveners

---

Circular No. 47/17.

25.08.2017

---

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)

Dear Comrade,

**Sub : Latest position of Court case on 100% DA neutralization to pre-November, 2002 retirees**

We have informed all the members of the Governing Council, State Secretaries, Advisors and Special Invitees on 23.08.2017 by email that the judgement in the above case was reserved after the hearing that took place on the same day. Further to the said communication, we are reproducing hereunder circular no. 014/2017 dated 23.08.2017 issued by CBPRO which would give you some additional information in this regard.

With best wishes,

**(SUPRITA SARKAR)**  
ACTING GENERAL SECRETARY

Quote :

---

Circular 014/2017

Dated 23.08.2017

---

To

General Secretaries of  
all Constituents of CBPRO

Dear Comrades,

**Sub: 100% D.A. Neutralization case in Supreme Court of India**

We refer to our Circular no. 013/2017 dated 14.08.2017 advising that the review in the above case would be heard in the Open Court on 23.8.2017. Accordingly the matter came up for hearing before the Hon'ble Supreme Court on 23.08.2017. Senior Advocate Mr. V K Bali who argued the case on behalf of Retirees during the United Bank of India appeal made a submission to the Bench assuring the Hon'ble Court of his help in the event of need for any clarification. The Hon'ble Court then heard the arguments of Bank Managements represented by their lawyers. The Retirees and their organizations were represented by Senior Advocates Mrs. V Mohana, Mr. R. Viduthalai and Advocates Mr. Sewaram and Mr. SBC Karunakaran.

Com K.S.Rengarajan President, ARISE, Com. K.V.Acharya and Com. D.K.Hans were present in the court. Com. B. Ramji, General Secretary, IOBRA was also present.

Hon'ble Court after hearing the arguments of all the parties reserved the Judgment directing the parties to file written submissions within a weeks' time.

As a follow-up measure we shall ensure filling of written statements on our behalf within the stipulated period of one week.

We shall keep you posted of the developments.

Yours Comradely,

**A. Ramesh Babu      K.V. Acharya**  
Joint Conveners

---

Circular No. 48/17.

01.09.2017

---

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)

Dear Comrade,



**Sub : United India Insurance Co. offers super top up policy for bank retirees.**

We reproduce hereunder circular no. 015/2017 dated 31.08.2017 on above subject. The communication is self explanatory.

With best wishes,

**(SUPRITA SARKAR)**  
ACTING GENERAL SECRETARY

**QUOTE :**

---

**Circular 015/2017                      Dated 31.08.2017**

---

**Dear Comrades**

**Sub: United India Insurance Company Super Top-up Policy for Bank Retirees**

We are pleased to advise our Bank Retiree Comrades that after detailed discussions the United India Insurance Company, who have presently given the basic Mediclaim Insurance Policy to the Bank Pensioners and Retirees consequent to 10th Bipartite Settlement which was concluded in 2015, have now offered a Super Top-up Policy over and above the Basic Mediclaim Policy.

The salient features of the offer from the United India Insurance Company are as under:

1. The Basic Policy for Award staff and Supervisory staff is Rs. 300,000 and Rs. 400,000 respectively.
2. **The Super Top-up Policy for Award staff and Supervisory staff will be Rs. 400,000 and Rs. 500,000 respectively.**
3. The eligibility for domiciliary treatment shall be 10% of the Basic Policy only.
4. There shall not be any domiciliary treatment reimbursement under the Super Top-up Policy.
5. The Super Top-up Policy will be operative from 1st November, 2017 coinciding with the renewal of the present Mediclaim Policy.
6. The Premium on the Basic policy and Super Top-up Policy is payable by the concerned Pensioner/Retiree/ Insurer.
7. The Insurance Premium payable on the Super Top-up Policy is as under:
  - a. For Rs. 400,000 Super Top-up Policy the premium shall be Rs. 2,975 plus GST.
  - b. For Rs. 500,000 Super Top-up Policy the premium shall be Rs. 3,225 plus GST.

We are expecting a communication from the IBA very shortly. However we have received communication from M/s K M Dastur Reinsurance Brokers Pvt. Ltd giving details of the offer of United India Insurance Company which we are reproducing hereunder. They have also written to the Member Banks of IBA of their offer which has been forwarded to us by them. We request our comrades to go through the contents carefully and decide about their option.

We have come across another kind of Super Top-up Policy offered by New India Assurance Company Ltd. retaining the Basic Policy of United India Insurance Company. At the outset we do not want to get into any competition in regard to the offers of two Public Sector Insurance Companies. We also do not want to make any comments about the efficiency or otherwise of the United India Insurance Company or the promised efficiency of service from the New India Assurance Company Ltd. as the scope for grievances is always there in any kind of arrangement.

As a responsible Organisation we will only strive to give higher coverage of Super Top-up Policy as offered by United India Insurance Company and especially when the premium for the Super Top-up Policy is almost the same as offered by New India Assurance Company Ltd. excepting that the Super Top-up Policy by United India Insurance Company is for the higher amount i.e. Rs.400,000 and Rs. 500,000.

We are also of the opinion that it is better to have the Super Top-up policy form United India Insurance Company with whom we are having the basic policy for better administration and settlement of claims. Additionally United India Insurance Company has been part of the Mediclaim Insurance Policy floated by the IBA during the 10th Bipartite Settlement which is known as IBA's Retirees Policy.

We urge upon our members not to unduly hurry up in regard to the option of Top-up policy **as the renewal is due from November 2017** only and further detailed communication is likely to come from IBA in a matter of few days. The IBA has already advised about the renewal of the Mediclaim Policy and the premium for the serving employees and officers which is due from 1st October, 2017. There is no need to go for option right now and no need to panic as there is sufficient time to give our options to a much better and higher offer from the United India Insurance Company with whom we are having the basic policy.

We request our comrades to wait for our further communications in this matter. With regards,

Yours Comradely,

**A. Ramesh Babu      K.V. Acharya**  
Joint Conveners

**The exact contents of the mail received by us from K M Dastur Reinsurance Brokers Pvt Ltd. on 31.08.2017**

Thank you for your mail.

We have got a sanction from United India Insurance Co. Ltd., for the Super Top Up Policy as informed to all the Banks, the Union Associations and IBA. We have informed to IBA and they are happy about the proposal. We are marking a copy of this mail to IBA and United India Insurance Co. Ltd.

**In the policy confirmed by United India Insurance Co Ltd.**

- The extra coverage under the Super Top Up Policy is Rs. 100,000 more than the one proposed by New India Assurance Co Ltd.**
- This Super Top-up Policy will be seamless and can be availed by the Retirees with the basic policy just by informing their Bank at the time of the renewal of the basic policy as of 1st November 2017 to debit the extra premium payable on the Super Top Up Policy.
- The claim process too will be seamless as the same TPA will be settling the claim and all the Retirees would have to do is to inform the TPA of the Super Top Up Policy number too when a claim is lodged.
- The TPA will be the same.**
- There is no minimum number of Retirees essential for the policy to commence, hence the Retirees are ensured of the coverage the moment they apply for the same together with their basic policy.**
- There is a mention of SBI policy through United, where we are not involved. It is being done by Ms. Anand Rathi Insurance Brokers Pvt. Ltd. and they have no connection with us in any matter.
- We at K M Dastur have worked on structuring this IBA policy for three and a half years and are happy to inform that we were also involved in drafting the medical portion of the 10th Bipartite Settlement and our name is mentioned in the Mapping of the

Medical Scheme under the same. We are also members for the claim rejection committee and with this experience we assure you of a better implementation of the IBA Medical Scheme in the days to come.

We give you the details of the Super Top Up Policy as below:

Pleased to inform that after protracted negotiation with United India Insurance Co. Ltd they have agreed to offer **Super Top Up Policy to the IBA retirees.**

Please note that domiciliary claims will not be paid by the Super Top Up Cover.

How does the Super Top Up work.

Super Top Up Policy will be in addition to the limit of the basic IBA Policy.

To illustrate below our claim example:

For a 3 lakh basic IBA Policy, the Super Top Up Policy is for a Sum Insured of Rs. 400,000.

If there is a claim up to 3 lakhs there would be no claim under the Super Top Up Policy.

In case there is claim for 6 lakhs then 3 lakh would be paid from the basic policy and another 3 lakh from the 4 lakh Super Top Up Policy.

If there is a further claim within the same year and the basic IBA policy is exhausted the balance will be paid from the Super Top Up Policy.

Similarly, For a 4 lakh basic IBA Policy, the Super Top Up Policy is for a Sum Insured of Rs. 500,000.

The Rs. 3 lakh basic Policy becomes Rs. 700,000 after the Super Top Up Extension. (Basic Sum Insured Rs. 3 lakhs + Super Top Up Sum Insured Rs. 4 lakhs = Rs. 700,000)

Similarly the Rs. 4 Lakh basic Policy becomes Rs. 900,000 after the Super Top Up Extension. (Basic Sum Insured Rs. 4 lakhs + Super Top Up Sum Insured Rs. 5 lakhs = Rs. 900,000)

	Sum Insured's of the two New Super Top Up Policies	Threshold i.e. the Sum Insured under the main Policy after which the Super Top Up Policy will trigger	Premium excluding GST
	Rs.	Rs.	Rs.
1	4,00,000	3,00,000	2,075
2	5,00,000	4,00,000	3,225

If you need any further clarifications please do contact us

Best Regards,

**Maneck H Dastur**

K. M. Dastur Reinsurance Brokers Pvt. Ltd.

**On seeking our clarification from K M Dastur Reinsurance Brokers Pvt Ltd on**

utilisation of TOP-up Policy they responded as:

**QUOTE**

"We refer to the telephonic discussion with Mr. Acharya and confirm that if the claim is of Rs. 3 Lakhs under the 3 lakh policy then the claim would be totally paid by the basic 3 lakh policy and there would be no need for the Super Top Up Policy. In case the claim amount exceeds the 3 lakh Sum Insured under the basic policy then the claim under the Super Top Up Policy would trigger."

**UNQUOTE**

**Circular No. 49/17. 06.09.2017**

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)

Dear Comrade,

**Sub : Renewal of Retirees Medical Insurance.**

We like to inform our members that United India Insurance Co. Ltd. confirmed the renewal of retirees' group mediclaim policy without domiciliary cover at the same rate of premium as it was in last year plus 18% GST. The premium for the policy with domiciliary cover will be made known in the next week.

We are reproducing hereunder circular no. 016/2017 dated 05.09.2017 of CBPRO on the above subject which gives detailed information on Retirees Medical Insurance Policy as well as super top up policy.

With best wishes,

**(SUPRITA SARKAR)**  
ACTING GENERAL SECRETARY

**QUOTE :**

**No. 016/2017 Dated: 05.09.2017**

To

The General Secretaries, Constituents of CBPRO.

Dear Comrades,

**Sub: Renewal of Retirees Medical Insurance.**

We refer to our Circular No. 015/2017 Dated 31.08.2017 regarding the above. We reproduce below the E-mail received by us from K M Dastur Reinsurance Brokers Private Ltd. We also enclose

herewith the UIIC letter to IBA about the Renewal of Retirees Medical Insurance Policy with the same Premium as last year (2016-2017). However the Premium for Domiciliary treatment will be advised later after the review of the same.

The Super Top-up Policy of additional Rs 400,000 lacs and Rs 500,000 lacs as advised earlier will be available along with the Renewal of the Policy in November 2017.

We profusely thank Com Prakash Patki, Senior Vice-President AIBPARC for continuously following up the matter with all concerned authorities including UIIC and with K M Dastur Reinsurance Brokers Private Ltd.

Any further developments in respect of Medical Insurance specially regarding Domiciliary Treatment Premium we shall advise you.

**DETAILS OF MAIL RECEIVED FROM K M DASTUR REINSURANCE BROKERS PVT LTD**

**QUOTE**

'United India Insurance Co. Ltd., has confirmed that the Renewal Premium for the Retiree Policy without the domiciliary cover will be the same as per last year. **The Premium for the Retiree Policy with the domiciliary cover will be shared by United India Insurance Co. Ltd., next week after appropriate review.**

Premium Quote for Retirees' without the Domiciliary cover for 2017-18:

Rs.13,935 +18% GST for 4 lac SI

Rs.10,452+18% GST for 3 lacs SI

United India Insurance Co. Ltd., has agreed that the premium for the Super-top up policy for the retirees will be collected along with the renewal premium of the basic policy without any requirement of a separate form.

The premium of the Super Top Up Policy is as per the below table.

Sum Insureds of the two New Super Top Up Policies	Threshold i.e. the Sum Insured under the main Policy after which the Super Top Up Policy will trigger	Premium excluding GST
Rs.	Rs.	Rs.
1 4,00,000	3,00,000	2,975
2 5,00,000	4,00,000	3,225

Best Regards,

**Maneck H. Dastur.**

+919820044153

K. M. Dastur Reinsurance Brokers Pvt. Ltd.

**UNQUOTE**

With regards

Yours comradely,

**A. Ramesh Babu K.V. Acharya**  
Joint Conveners (CBPRO)

## News from CBPRO

# COORDINATION OF BANK PENSIONER'S AND RETIREES ORGANISATIONS

Flat No. 1506, Block-3A, S.M.R. Vinay Fountainhead, Culvary Temple Road,  
Hydernagar, Hyderabad - 500 049.

### A. Ramesh Babu

Joint Convener,  
Flat No 1506, Block 3A,  
S.M.R. Vinay Fountainhead,  
Culvary Temple Road,  
Hyderabad 500 049  
Mobile: 09849381995  
E-mail: babu2609@gmail.com

### K.V. Acharya

Joint Convener,  
J-208 Vijay Ratan Vihar,  
Sector 15, Part II,  
Gurgaon 122001  
Mobile: 09868220338  
E-mail: acharyavedavyasa46@gmail.com

---

Dated: 23.12.2016

---

Shri Narendra Modi Ji,  
Hon'ble Prime Minister of India,  
PMO Office, South Block, New Delhi.  
Respected Pradhan Mantri Ji,

**Sub: Request for Most Urgent  
Consideration of Bank Pensioners and  
Retirees Issues.**

We the Bank Retirees are immensely grateful to you for your kind acknowledgement and appreciation of the assistance and cooperation extended by the Bank pensioners and Retirees to their fellow colleagues in the Banks during the present ongoing demonetization exercise. It is heartening to know that the tireless contributions of the Bank Pensioners when they were in service as well as after retirement has attracted a special mention and appreciation from a personality no less than your Good-self, the Prime Minister of the country. Your appreciations have been also echoed by the Hon'ble Finance Minister, other functionaries of the Government and the public as well. This recognition of our contributions has made us feel extremely happy and also make us rededicate ourselves to make the programmes and policies of the Government not only a success but also a fulfilling exercise of the avowed objectives and initiatives of your Government.

We also take this as an opportunity to place before your Good-self some of the very urgent long pending issues which are agonising the aged Bank Retirees for a very long time. The Bank Retirees who have organised themselves as organisations duly registered and also formed a coordination of major Bank Retirees Organisations including SBI, Public Sector Banks and Private Sector Banks known as **COORDINATION OF**

**BANK PENSIONERS' AND RETIREES ORGANISATIONS (CBPRO)** with nearly Four Lac membership are still not able to get a formal audience with Indian Banks' Association who represent the Bank Managements. The reason cited by the IBA is that they would negotiate only with the Serving Employees and Officers Organisations. This has created a situation where Bank Retirees' grievances are addressed neither by the Bank Managements nor by Indian Banks' Association. In the process, the Retirees are forced to seek remedies through the Courts only, however justified their issues are. For your kind information whatever little relief the Retirees got in respect of their grievances are all through the Courts only so far. The Retirees are forced to fight the legal battle for more than Ten years right from the Single Judge Bench of High Courts to the Highest Court of the land i.e. Hon'ble Supreme Court. Here again the Court verdict relief was extended to the individual petitioners only and not to the similarly placed Bank Retirees at the instance of IBA, forcing every one of them to litigate afresh. This amounts to negation of the substance of the Court verdicts and mockery of the Judicial Authorities and against the laid down Senior Citizen Litigation policy of the Government. Your Good-self has also observed recently that the Government and Government agencies themselves are the litigants in most of the cases. We cite below few of such Judgments of Hon'ble Supreme Court the benefits of which are not allowed to be given to the similarly placed Retirees:

- (a) Hon'ble Supreme Court judgment in respect of pension to Resigned Employees and Officers who have put in more than 20 years of service.
- (b) Pension option to few left out

compulsorily Retired Persons.

- (c) Benefit of leave encashment to compulsorily Retired Officers.

At the same time the Bank Managements have continuously denied (i) **Pension Updation** (Pension Revision) to Bank Retirees though our pension scheme is modelled on Government Pension Scheme where not only pension updation but also up gradation is given(ii) Denial of 100% DA to pre 2002 Retirees who are now in the age group of 85 and above (iii) Denial of Improvement in Family Pension to the spouses of deceased Retired Bank Employees and Officers.

It is unfortunate that though all the above three issues should have been considered as per the Bank Employees Pension Regulations and also as the same are given to Government Employees and other Public Sector Employees still the IBA is avoiding to advise the Member Banks to implement the Regulations and undo the injustice thrust on the Bank Retirees. We wish to reiterate that whatever we are asking for is strictly as per the provisions of the Regulations which are passed by the respective Bank Boards, approved by the Government and officially published in the Government of India Gazette. The denial of the above is forcing the Bank Retirees irrespective of their grade who have retired either as the Chairmen of the Banks, Executive Directors and General Managers getting Pension as low as just Rs. 25,000/-only and Family Pension as low as Rs. 4,000/- including Dearness Allowance which is not only humiliating but also insulting.

We do not want to get into the details of huge NPAs in the Banks and its effect on the working results of the Banks. The reason for this melody is very well known to the Government. But it is noteworthy the Banks are making huge Operating Profits which speak of the efficacy and efficiency of the Bank Employees and Officers. We in Public Sector Banks have to do more than what the new generations Private Sector Banks do as banking. Public Sector Banks are basically meant for Social Banking and carry out all the programmes and the policies of the Government, be it Priority Sector advances, Mudra Loans, Prime Minister JanDhan Programme, Direct Cash transfer benefits for Government Programmes, Tax Collection, General Election Duties and the latest Demonetization work pressure . In short Bank Employees and Officers are expected to do not only the normal Banking and also in addition to that many of the Government related duties but when the question of reward comes the Bank Employees and Officers and Retirees are clearly discriminated.

It is in the light of the above we seek your urgent attention and consideration of the pending issues of the Retirees and instruct the Bank

Managements to honour the Legislative Provisions of the Pension Regulations. We also request your Good-Self to ensure that the IBA and the Bank Managements do not get into the luxury of spending crores of Rupees as legal and lawyers' fees in appeals against the favourable verdicts obtained by individual Retirees and Retiree's Organisations in pursuance of their just and legal demands. It may seem to be harsh but it is also a hard fact that the Bank Managements are mindlessly indulging in challenging the writ petitions of the Retirees, though repeatedly the Bank Managements have lost the cases continuously right up to the Hon'ble Supreme Court. **The Bank Managements spend huge amounts of the Banks in unnecessary litigations dragging the cases right up to the Hon'ble Supreme Courts even when High Courts have given favourable judgments and thereby profiting the lawyers and at the same time making the helpless Retirees to spend from their purses which have also become thin due to non revision of Pension, denial of 100% DA to very old Retirees and denial of improvement in Family Pension to the spouses of the Retirees who are mainly the women folk.** It is also very heartrending to mention here that the **Bank Pensioners are forced to pay Medical Insurance Premium as high as above Rs. 20,000/- for an Insurance cover of just Rs. 400,000/- (Rs Four lacs only)** whereas in respect of serving Employees and Officers the same is borne by the Bank Managements. **As far as the Government Employees and so also MDs and EDs of Banks are concerned even after the Retirement there is a comprehensive Medical facility available to them without any limit.**

**We are appealing to the conscience of the all the decision taking authorities to kindly deliver justice to the ageing Bank Retirees.** A great urgency is required in immediately implementing the concerned Regulations as the age is definitely against the Retirees and many have already missed their just and legal entitlements because of the end of their life journey and many are counting their days.

**Sir, in you we see a person with great human compassion and great respect for the elderly society.** We are confident that your Good-Self will ensure justice to the Bank Pensioners and Retirees immediately and make them feel that the yeomen service rendered by them to the Nation is recognised, appreciated and also duly compensated.

Thanking you,

Yours sincerely,

**A.Ramesh Babu      K.V. Acharya**  
Joint Conveners CBPRO

# ARISE MEETING AT VARIOUS PLACES

## G V V S N VARMA AGS, ARISE VISAKHAPATNAM REGION

PROCEEDINGS OF THE IOB RETIREES' MEET  
HELD ON 03.07.2016 AT VISAKHAPATNAM

The fourth IOB's retirees' meet was held at Visakhapatnam on the 3rd July 2016.

61 retirees from the five districts i.e. Srikakulam, Vizianagaram, Visakhapatnam, East Godavari and West Godavari had attended the meeting, which was held in our Visakhapatnam Main branch premises.

The meeting started with the welcome address by Mr. G V V S N Varma (AGS, ARISE, Visakhapatnam Region) and in his address he explained the activities of the local unit of Arise and working.

The Special appearance of Sri K P Muniratnam, retired General Manager of our bank, who has come all the way from Singapore by knowing that we are conducting the meet, enriched the meeting.

Sri Prabhakar, CRM, Sri G V Ramana, Chief Manager, Sri Rangasai, DGS IOBOA have attended the meet and extended their help in conducting the meeting smoothly.

Mr. Ramakrishna, Senior Executive of MD India (TPA) for the medical insurance of the retirees, was invited and he explained the way of going for cashless treatment and also the modalities for making a claim for the treatment from the non networking hospitals. He suggested to carry the insurance cards always so that it will be helpful in case of any emergency. The members have interacted with Mr Ramakrishna and sought clarifications on medical insurance issues which were clearly explained by him. He stated as per the policy in force retirees are not eligible for domiciliary treatment. But it is seen from our bank's circular there is no such clause. Hence it is suggested to send the claim for the domiciliary treatment to our bank. He brought undelivered insurance cards related to our retirees. Some of the cards were handed over to the members present and we are making arrangements for sending the cards to the respective members.

Mr K P Muniratnam narrated his experiences,

his association with the members of Visakhapatnam Region. He explained how to conduct yourself as a senior citizen and we are in this comfortable position only because of our beloved Bank and suggested to conduct the meetings at regular intervals.

CRM Prabhakar in his address expressed his happiness to meet the retirees having more attachment with the Bank and stated that he intended to utilise the services of the retirees to educate the freshers in bank who require experience.

A sumptuous lunch was arranged for all the members and guests. The Post lunch session was started with the music performance of Mr V V L N Sharma our arise member. He entertained the members for half an hour. There after Sri Rusheyendra Rao, retired AGM asked the members" suggestion for future meetings. Members have suggested the modalities for conducting the meetings regularly. The members from Vizianagaram proposed to conduct the next meet at Vizianagaram and requested all the members to attend with family. In the same way our Members from Rajahmundry have also suggested to arrange this type of meet at their place after conducting the meet at Vizianagaram.

MR Y V S Murthy has initiated the discussion of the pension issues and members sought clarification on the position of the Pension Updation issue. Mr. Varma & Sharma explained that the pension updation is a part of the pension regulations and unfortunately banks have not implemented the same and the issue is taken up by the apex body and the case is pending with SC which is posted to Jan, 2017.

Sri K P Muniratnam presented a memento to Mr.Ramakrishna, Senior Executive of MD India (TPA).

The meeting was concluded with the vote of thanks proposed by Sri S V V S S B V Prasad Rao, former AGS of IOBOA. He specially thanked Sri Prabhakar CRM, Chief Manager Sri. G V Ramana and Sri Rangasai, DGS IOBOA for their immense help.

Mr.Varma informed CRM that the Retirees are inseparable from the Bank till the last breath and will try our best to help the Bank in reducing the NPAs and to increase the CASA position.

Mr.Varma requested non-members and members to become Life members of ARISE and strengthen the hands to upkeep the benefits of our Retirees. Immediately two members have given their applications for Life membership along with payment of fee of Rs6,000/- each. Mr.Varma thanked all the members who have attended and made the the meet successful, specially the members from Bhimavaram, Rajahmundry, Kakinada, Bobbili, Vizianagaram and Srikakulam.

**(G V V S N VARMA)**

AGS ARISE VISAKHAPATNAM REGION

## Minutes of 1<sup>st</sup> Meet of Retired IOBIANS and Pensioners at WARANGAL. (Telangana State) on 07.03.2017, Tuesday at 11.30 A.M.

Com. K.B.G. Tilak, Organising Secretary of our ARISE conducted 1<sup>st</sup> MEET of Retired IOBIANS and Pensioners at Warangal (Telangana State) on 07.03.2017 in 4<sup>th</sup> Floor, ABK Mall, Beside old Bus Depot Road, Ramnagar, X Road, Hanamkonda. Sri J. Ram Satyanarayana CRM Warangal Region was very kind enough and attended the Meeting. He informed the gathering that this region was newly formed on 9<sup>th</sup> Feb.2013. He assured the Bank's support to all the Pensioners. Sri S. Krishna Prasad Retd. Dy. Gen. Manager of our C.O.- Chennai was the Chief Guest. He is son of the soil. He explained in detail how the Bank has grown up during the last 30 years and expressed the hope that present staff will put in all efforts to regain its past glory. Sri V.V. Subba Rao, AGS of IOBOA Warangal Region assured all his cooperation wholeheartedly to strengthen our ARISE in this Region. Com. K.B.G. Tilak who presided the Meeting narrated the relentless services of Sri K.V. Acharya as Vice-President of ARISE, President of AIBARC and Joint Convenor of CBPRO for the cause of Bank Retirees and Pensioners. Com. Tilak thanked Team ARISE - Chennai for designating Com. J. Surya Prakash, Retd. as Chief Manager from R.O. Warangal on 31.12.2016 as office bearer of ARISE to Warangal Region with effect from 07.03.2017. Com. J. Surya Prakash sincerely thanked Sri T. Iyanar & Central Committee for coopting him into EC of ARISE. He assured the members that he would discharge the duties effectively for the welfare of the Retirees and family pensioners. 30 Members participated and raised various issues viz., 1) The extra interest rate of 0.50% on Deposits of Ex. Staff; 2) Bank's contribution to members who renewed health insurance on 31.10.2016; 3) contribution form REMAS FUND; 4) Annual Premium of Health Insurance to be borne by our Bank from 01.10.2017; 5) 100% D.A. Neutralisation to pre-2002 Retirees; 6) Improvement in Family Pension. Com. J. Surya Prakash mobilised one new Life Member, conversion of Member as Life Member and one Annual Membership contributing total subscription of Rs.12000/-. He made very good arrangements in a short notice and 1<sup>st</sup> Meeting a successful one !



## MEETING AT CHANDIGARH

It gives me pleasure to advise that we held the Monthly General Body Meeting of Arise-Chandigarh Region on 16th Sept.2017 at Hotel Park Grand, Sector 43, Chandigarh. Accordingly, the photographs of the meeting are attached and the minutes of the meeting are as under: -

"The Monthly General Body Meeting of Arise-Chandigarh Region was held on 16th Sept. 2017 at Hotel Park Grand, Sector 43, Chandigarh which was attended by large number of members including 8 Ex GMs/DGM/AGMs and many CMs. The proceedings of the meeting were conducted by Mr.P.S.Bhinder (Ex-AGM), Organizing Secretary of Arise of Chandigarh & Punjab Regions.

At the outset he moved resolution to condole the deaths of two Life Members of Arise i.e., Mr. B.B.Aggarwal and Mr.Mani Ram Cherwal and one minute's of silence was observed to pray the Almighty to grant the departed souls to rest in peace.

He welcomed Mr. H.K.Jattana, Ex-GM, Mr.Parminder Singh, Mr. V.K.Bhardwaj, Mr.Lal Kumar and Mrs.Ritesh Munjal who joined Arise as Life Members on their super annuation.

Thereafter, he apprised the members at length about the current scenario prevailing in the Banking Industry viz-a-viz; Ongoing Wage Revision Negotiations, March to Parliament held by UFBU duly supported by AIBPARC in general and ARISE in particular, pending issues of Retirees relating to Updation of Pension, improvement in Family Pension, the status of 100% DA neutralization case pending before the Supreme Court and about the salient features relating to renewal of Group Health Insurance Policy with Top-up Scheme as well as with or without Domiciliary Facility. In addition to the regular follow up being taken up by AIBPARC leadership with IBA and UFBU especially under the leadership of Com. K.V.Acharya, for early solution of our demands, the members were also made aware about the hectic lobbying being done by our leadership at Govt., level also.

After distributing copies of the circular containing details of Group Health Insurance Scheme among the members, a thorough discussion was held on





each and every point of IBA/UIICO/MDIndia's offer for renewal of Policy with top-up scheme, as well as with Domiciliary or without Domiciliary Coverage. The members were made fully aware about the merits and demerits of the said scheme. However, as being Senior Citizens, we do not know what lies for us in store in future, the members were advised to be best judges of their's and their spouses' health status and take decisions about renewal of the policy accordingly. The majority of the membership was of the opinion that it is better to go for renewal of the policy with top-up scheme at the given rate of premium, having facility of 100% reimbursement of claims, as the scheme is still cheaper in comparison to other policies available in the market and reimbursing of only @ 80% of claim amounts.

As many members faced difficulty in claiming rebate for Insurance Premium paid for Group Health Insurance Policy this year, they were advised to ask their Pension Paying Branches to include this deduction in F.16 to be issued to be issued to them at the end of current financial year. (Some members have received notices from Income Tax Deptt., asking for providing them authentic proof for the same).

The members were also made aware as to how the bank is with-holding terminal benefits of many new retirees on flimsy grounds and how we are trying to get the same released. The members were appreciable of the steps being taken up by Arise Leadership for getting such issues settled.

The next date of meeting was fixed as 25th October, 2017.

The meeting was concluded with Vote of Thanks extended by Mr. H.K.Jattana, who in his address thanked the Organizing Secretary for taking pains to up-date the members about latest developments taking place in the banking industry as well as for helping the retirees in redressing their grievances. He exhorted the members to attend such meeting in more and more strength, as the same are very useful for keeping us together, updating our knowledge and sharing our views."

Yours comradely,

**P.S. Bhinder**  
Organizing Secretary

## MINUTES OF THE FAMILY MEET OF ARISE TRIVANDRUN REGION

Date 25/09/2017

Place Hotel Town Tower Trivandrum

Time 10.30 A.M.

Com.K.V.Acharya inaugurated the function.

Addressing the meeting at Hotel Town Tower, Tvm he reviewed the present situation in the banking sector. Banks are in the shadow of high NPA due to wrong policies of the Govt. and RBI. Banks had extended big ticket loans to corporate in the sectors like coal, telecom, real estate due to high pressure from Government Of India to save the sectors and accelerating growth to save them from slowdown due to the crisis in 2008 world over. These are sanctioned by the Top executives not by branch managers. Referring Sri. Gurumoorthy, the famous economist, he opined that the Basel norms are not fully suited for countries like India. Though the assets are performing, we are forced to treat them as non-performing. Huge provisions resulted in showing net loss or small profit. Our hard earned profits are eaten away by the loans of the corporates. Now RBI has started taking some measures that too are not smooth due to litigations and other matters.

He has touched all issues of the retirees and explained the efforts taken to convince the higher officials in Ministry of Finance, GOI. He also explained why the case of CB retirees at Chennai failed and how we could convince the advocates on the anomalies. Adv. Nambiar, Adv. Mohana and others presented the points very well and the Honourable court was convinced. We expect a positive decision in the first or second week of Oct. He also referred the insurance premium of retirees. Actually Gol asked bankers to formulate a scheme for health insurance Scheme for existing employees and retirees. But IBA wisely added a clause stating that the premium should be borne by retirees by themselves. He admitted that the premium hike for domiciliary is unaffordable. CBPRO, the joint forum of retiree's organisations have submitted a Memorandum to IBA and Gol in this regard.

He touched upon almost all the issues and his presentation was well received.

Sri.K. Santhosh, Chief Regional Manager made the Key Note Address. Sri. V Gopinath Presided. Sri. K.R.Ananthapadmanabhan delivered welcome speech. Mr.Chandrasenan R, Gen. Secretary, AIBPARC and P.B.Thomas, President, AIBPARC and Abraham Shaji John, State



Sec.AIBOC addressed the gathering. R.Gireesh kumar, Dist. Secretary, AIBPARC, Tvm extended vote of thanks. DIRECTORY of ARISE, Tvm was released by Com K.V.Acharya handing over a copy to Sri.Ramachandran Potti , our senior most member. Elders who crossed 70 yrs also were honoured. More than 115 members attended.

Meeting concluded by lunch at 2 P.M

Points covered in the Memorandum to GOI/IBA

- Family Pension should be on par with the Government and be at 30% of last drawn pay.
- 100% Neutralization on DA to all pre-November 2002 retirees.
- Up-gradation of Pension.
- IBA Mediclaim Insurance Scheme with Topup Policy (Total coverage Rs.9 Lacs) – The steep increase in the Premium is to be discussed with Insurance Company, IBA and Retirees Association before finalizing. The Insurance Premium has to be borne by Banks at par with serving members.



Dearness Relief Payable to Pensioners for the period August 2017 to January 2018.



Indian Banks' Association has released circular for the D.A. payable for the captioned period and the table is annexed in the following pages.



**S.B.C. Karunakaran**  
General Secretary  
(Arise)

**PART- I**

**Dearness Relief to pensioners who retired on or after 1st day of January,1986, but before the 1st day of November,1992/1st July, 1993**

<b>BASIC PENSION</b>		<b>Dearness relief for the months August 2017 to January 2018</b>		<b>Slabs</b>
		<b>Average Index</b>		<b>1438</b>
		<b>6353</b>		
(i)	Upto Rs.1250	963.46	per cent.	
(ii)	Rs.1251 to Rs.2000	Rs. 12043.25	plus 790.90	percent
		of basic pension in excess of Rs.1250.00		
(iii)	Rs.2001 to Rs.2130	Rs. 17975.00	plus 474.54	percent
		of basic pension in excess of Rs.2000.00		
(iv)	Above Rs.2130	Rs. 18591.90	plus 244.46	percent
		of basic pension in excess of Rs.2130.00		

**PART- II**

**Dearness Relief to pensioners who retired on or after 1st day of November,1992/1st July, 1993**

<b>BASIC PENSION</b>		<b>Dearness relief for the months August 2017 to January 2018</b>		<b>Slabs</b>
		<b>Average Index</b>		<b>1301</b>
		<b>6353</b>		
(i)	Upto Rs.2400	455.35	per cent.	
(ii)	Rs.2401 to Rs.3850	Rs. 10928.40	plus 377.29	percent
		of basic pension in excess of Rs.2400.00		
(iii)	Rs.3851 to Rs.4100	Rs. 16399.10	plus 221.17	percent
		of basic pension in excess of Rs.3850.00		
(iv)	Above Rs.4100	Rs. 16952.02	plus 117.09	percent
		of basic pension in excess of Rs.4100.00		

<b>PART- III</b>			
<b>Dearness Relief to pensioners who retired on or after 1st day of April,1998.</b>			
<b>BASIC PENSION</b>		<b>Dearness relief for the months August 2017 to January 2018</b>	<b>Slabs</b>
		<b>Average Index</b>	<b>1167</b>
			<b>6353</b>
(i)	Upto Rs.3550	280.08 per cent.	
(ii)	Rs.3551 to Rs.5650	Rs. 9942.84 plus 233.40 percent of basic pension in excess of Rs.3550.00	
(iii)	Rs.5651 to Rs.6010	Rs. 14844.24 plus 140.04 percent of basic pension in excess of Rs.5650.00	
(iv)	Above Rs.6010	Rs. 15348.38 plus 70.02 percent of basic pension in excess of Rs.6010.00	

<b>PART-IV</b>			
<b>Dearness Relief to pensioners who retired on or after 1st day of November, 2002.</b>			
<b>Average Index (CPI) for quarter ended June 2017</b>			<b>6353</b>
<b>No. of Slabs</b>			<b>1016</b>
<b>Rate of dearness relief on pension for the months August 2017 to January 2018</b>		<b>182.88</b>	<b>% of basic pension</b>
(ignore decimals from 3rd place onwards)			

<b>PART-V</b>			
<b>Dearness Relief to pensioners who retired on or after 1st day of November, 2007.</b>			
<b>Average Index (CPI) for quarter ended June 2017</b>			<b>6353</b>
<b>No. of Slabs</b>			<b>879</b>
<b>Rate of dearness relief on pension for the months August 2017 to January 2018</b>		<b>131.85</b>	<b>% of basic pension</b>
(ignore decimals from 3rd place onwards)			

<b>PART-VI</b>			
<b>Dearness Relief to pensioners who retired on or after 1st day of November, 2012.</b>			
<b>Average Index (CPI) for quarter ended June 2017</b>			<b>6353</b>
<b>No. of Slabs</b>			<b>478</b>
<b>Rate of dearness relief on pension for the months August 2017 to January 2018</b>		<b>47.80</b>	<b>% of basic pension</b>
(ignore decimals from 3rd place onwards)			