



ALL INDIA BANK RETIREES' FEDERATION

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

Ref: 2012/1105

Date:31.12.12

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Sri Anindya K. R. Basu

Sri Pratap Shukla

Dr.G.S.Jog

Treasurer

Sri M.S.Chourey

The Chairman
Indian Bank Association
Mumbai

Dear Sir

Re: Madras High Court Decision on 100 percent DA
Neutralisation to Pre November 2002 Retirees

We wish to invite your kind attention on Madras High Court decision dated 14.12.12 on Writ Petition No,5000 of 2006 and other W.Ps filed by 81 retirees of Canara Bank, Indian Overseas Bank and Bank of Baroda in the matter of payment of 100 percent DA neutralisation to pre-November 2002. While delivering the judgement, the Court has directed the respondent banks to pay the dearness allowance at the revised rates as per the provisions of 8th wage settlement to pre-November 2002 retirees .with payment of arrear in this regard from the date fixed in the settlement. The court has also stated in the judgement that this benefit should be made available to all similarly placed retirees.

On going through the contents of the judgement, you will find that the court has pronounced the judgement on the following principles laid down by the Supreme Court in the matter of defined benefit pension scheme

- (a) In famous case of Nakara V/s Union of India, the constitutional bench of Supreme Court has laid down the principle that any improvement made in the existing pension scheme , the benefits have to extended to the existing retirees too.
- (b) Inflation data as measured by All India Consumer Price Index affects all retirees alike. Therefore benefit of improved formula can not be restricted to a section of retirees. It will amount to creation of class within the class and such artificial division is not permissible under the law.

You will kindly observe the Madras High Court Decision is based on sound principles of law as laid down by the Supreme Court in the past. We therefore request you to advise member banks to implement the decision and pass on the benefits to all affected retirees.

At this juncture we may mention that in the year 2009, Supreme Court had delivered judgement on the writ petition filed by retirees of 5 banks, asking banks to pass on benefit of notional service under regulations no 29 of the pension regulations. IBA had taken very pragmatic view on this judgement and asked member banks to pass on the benefit to all affected retirees. We are sure that IBA would take similar stand on Madras High Court decision and give similar nature of advice to member banks.



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Here we would also like to draw your kind attention on Litigation policy of Government of India which stipulates that if decisions are based on certain laid down principles of law laid down by the Supreme Court, appeal against the judgement should be avoided. In this case the affected people are senior citizens of the country. We are sure IBA would take pragmatic view and avoid hardship to senior citizens.

With Respectful Regards,

Yours faithfully,

(S.C.JAIN)

GENERAL SECRETARY

Released by:

ALL INDIA

CANARA BANK RETIREES' FEDERATION (Regd.)

14, Second Line Beach, Chennai – 600 001.