



**SYNDICATE BANK PENSIONERS & RETIREES ASSOCIATION(REGD.)**  
(Affiliated to AIBPARC a wing of AIBOC)  
**CENTRAL OFFICE**

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Circular No.6/2015

(PLEASE CIRCULATE TO ALL MEMBERS/ RETIREES)

Date: 8.3.2015.

Dear comrades,

**100% DA NEUTRALISATION CASE**  
**KOLKATTA HIGH COURT JUDGEMENT NAILS DISCRIMINATION**  
**A GREAT VICTORY FOR PRE-2002 PENSIONERS**

Delivering a land mark judgement in a writ petition filed by UBI Retirees Welfare Association and others the Honourable Kolkatta High Court has questioned the rationale behind creation of two classes of pensioners i.e. pre - 1.11.2002 retirees and others retiring thereafter. The Court has found the bank guilty of arbitrary and discriminatory action and directed the Board of United Bank of India to set right anomaly/ discrimination by taking a reasoned stand in the matter of 100% DA neutralisation denied to pre – 2002 retirees. This judgement is a clear spat on the mindset of IBA and Bank managements. This shall be an eye opener to the bank managements, IBA and Govt. The court has stopped just short of quashing the regulations and left the matter to the bank to set right the position. We hope the injustice perpetrated on the hapless pensioners of pre-2002 will be undone without further dragging the matter. Similarly in the case of all other issues like Updation of pension IBA and Govt should see the writing on the wall and act proactively without waiting for courts to decide the matter immediately. Some of the Observations/Extracts of Kolkatta High Court order are furnished hereunder for the information of the retirees.

With warm greetings.

Yours comradely,

C Gangadhar Yadav  
GENERAL SECRETARY

**SBPRA - ZINDABAD**  
**AIBPARC – ZINDABAD**

Extracts of the orders of Hon'ble High Court of Kolkatta in "WP NO. 507 of 2012"

**United Bank of India Retirees' Welfare Association and Others Vs. United Bank of India and Others -**

**--Judgement On: - 04<sup>th</sup> March, 2015**

“.....The interesting question which is raised in the writ application is this: The respondent-bank has applied the full dearness relief policy of the Reserve Bank of India but had restricted their application to those employees who had retired on and after November 2002. The basis of classification of employees for payment of dearness relief is most arbitrary, it is alleged. There is no rational justification for this classification. One, who retires on 31<sup>st</sup> October, 2002 gets nothing, one who retires a day or two later gets everything.....

There is nothing in the 1995 regulations which will lead the Court to the belief that the respondent-bank had abandoned its policy as spelt out in the 1993 Memorandum to follow the rates of dearness relief granted by the Reserve Bank of India.....

By its circular dated 20<sup>th</sup> February, 2006 the Reserve Bank of India granted 100% neutralization in dearness relief to post 1<sup>st</sup> November, 2002 retirees'. By a circular of 1<sup>st</sup> April, 2008 the Reserve Bank of India decided to grant this benefit to pre November, 2002 retirees' with effect from 1<sup>st</sup> March, 2008. It issued another circular of 1<sup>st</sup> January, 2010 reiterating that 100% neutralization in dearness relief had been extended to pre November- 2002 retirees' with effect from February, 2005. The United Bank of India continued to pay partial compensation. The respondent-bank is paying full compensation against price rise only to retirees' after 1<sup>st</sup> November, 2002.....

In my opinion, the classification made in this case just as in the case of **DS Nakara**, is arbitrary and highly irrational. There is no intelligible difference between the pre 1<sup>st</sup> November, 2002 and post 1<sup>st</sup> November, 2002 retirees'. The artificial classification is discriminatory of one class of retired employees.....

The Reserve Bank of India has a very large role in the control of nationalized banks like United Bank of India. The directors of the latter are appointed in consultation with the Reserve Bank of India. The functions including framing of rules and regulations relating to service are to be discharged in consultation with the said central bank. Being under the control of the Reserve Bank of India it was incumbent on the first respondent No.1 to follow its policy with regard to payment of dearness relief because regulations of the Reserve Bank of India in this behalf had been accepted by the respondent-bank in the 1993 regulations and the 1995 regulations did not expressly repeal that principle. The respondent- bank has all the more reason to follow the above circulars of the Reserve Bank of India because it had decided to grant full compensation to the pre November 1, 2002 employees. Standing on this premise the bank could not have denied dearness relief to pre 1<sup>st</sup> November, 2002 retirees.....

It is only enough that this Court knows that from 1<sup>st</sup> February, 2005, the respondent-bank started making dearness relief payment to those employees who had retired after 1<sup>st</sup> November, 2002, ignoring those who retired prior to that date.....

Now, if the respondent-bank had been providing a uniform dearness relief payment below the full compensation level to all categories of employees, then this Court would have been inclined to think that it was a policy matter of the bank and would have declined to interfere with such policy matters, in accordance with well-settled principles. But once the bank chooses to bestow the benefit of full compensation on a certain category of employees, that is to say, those who retired after 1<sup>st</sup> November, 2002, then the bank became guilty of making an artificial and unreasonable classification between employees who retired before 1<sup>st</sup> November, 2002 and those who retired thereafter. This is arbitrary and discriminatory. This is clearly impermissible and against the dicta of the Supreme Court laid down in the case of *DS Nakara & Ors. Vs. Union of India* reported in *1983 (1) SCC305*.....

Payment of dearness relief is a policy decision. This Court cannot rewrite by an order the policy of the respondent-bank. But this Court is entitled to make observations on an existing Policy or rule. This Court does observe that the policy and service conditions of the respondent bank for payment of dearness relief to its post November, 2002 retirees is arbitrary and discriminatory of the pre November, 2002 class of retirees. This Court makes a declaration to this effect.....

I direct the Board of the respondent bank in consultation with the Central government and the Reserve Bank of India to take a reasoned decision, in the light of the above observations and findings regarding payment of 100% dearness relief to the pre November-2002 retirees' of the respondent bank by 30<sup>th</sup> June, 2015..... **(Hon'ble I.P. MUKERJI, J.)"**