



VIJAYA BANK RETIREES' ASSOCIATION (Regd)

(Affiliated to AIBRF)

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Date : 27-05-2015

To,

**THE MANAGING DIRECTOR & CEO
VIJAYA BANK
HEAD OFFICE, BANGALORE.**

Dear Sir,

Sub: Payment of commutation to SVRS-2000 optees

We bring to your kind notice one more instance of injustice done to those who retired from the services of the Bank under SVRS-2000 Scheme. We request your personal attention to the issue and render justice to the affected retirees.

We are aware of the value of your time and do not intend to deal in detail regarding the illegality committed by the Bank by denying the terms of the Scheme to the retirees.

After prolonged legal battle and organizational pressure mounted by our organization on the management including seeking intervention of Late Justice V R Krishna Iyer, the Bank released the portion of the commutation amount during April 2014 i.e. after 13 years from the date the payment was due.

The Bank has not paid interest on the delayed payments of commutation as well as pension under the pretext that the Supreme Court has to decide on the matter.

Now we are representing about the illegality in the payment of commutation and the recovery there on by reducing basic pension that has nothing to do with the claim of interest.

We had on several times represented the matter to the General Manager (Per) and executives of the department. Hundreds of affected retirees also submitted memorandum to the Bank. Yet, the issue remains unresolved.

The issue is as follows:

While the Bank made payment of the commutation due after more than 13 years, the reductions and recoveries from the Basic pension were effected from the year 2001/2002, i.e. the year of the retirement. In the process, at the time of payment of commutation the bank recovered more than the amount of commutation and further recovery would be affected till the end of 15 years of their retirement. In banking terms it amounts to recovering installments and interest years before the advance is made. There can not be bigger illegality than this act of the bank. However, when we pointed out this to the General Manager (Per) we are told that no such recovery has been made and if the Association could bring one example, the bank would rectify the error in respect of all the effected retirees.

We now furnish the example in respect of one such retiree, namely, Sri. Jayakumara C, Staff Code 4676.

We have relied on the worksheet provided by the bank.

The said person was relieved from the services of the bank on 30/April/2001. At the time of retirement his basic pension was illegally fixed as Rs.3,756.00 as against Rs.4,478.00. However his Basic Pension was corrected in the Month of April 2014 and he was paid

Rs.36,461/, the difference between what was due and what was paid in the year 2014. But by the time he was paid the difference, a sum of Rs.36720/ has already been recovered and the reduction in the Basic Pension would continue for further 27 months amounting to another Rs.6,480.00

It is needless to state that proportionate reduction in the basic pension could be effected only after payment of commutation and not before, under the Rules of payment of commutation.

Rule 6(1) of Central Civil Service (Commutation of Pension) Rule 1981 read with Regulation 56 of Bank Employees Pension Regulations, 1995 provides that reduction of commutation portion commences only after the payment, but not before. Said Rule is reproduced hereunder.

.....Provided that :-

- (a) In case of an applicant who is drawing his pension from a treasury or Accounts Officer, the reduction on the amount of pension on account of commutation shall be operative from the date of receipt of commuted value of pension ...
.....

It is clear that our bank has committed gross violation of the Rules deliberately to make illegal gain at the cost of hapless retirees. Even if one takes into account the interest on deposit during the year 2001 the amount of commutation illegally withheld would have grown nearly four times. This means the bank paid only one fourth of the amounts due to the retirees. This loss is over and above the loss on account of the recovery made years before the payment was made. Sir, please consider if it was correct on the part of the bank to make huge illegal gains by denying the amount legally due to the retirees.

We request you to call for all the records relating to the issue and instruct the concerned to release the amount due to the retirees. As per the Rules as stated above, proportionate reduction in Basic Pension could be effected only after the payment of commutation. If the delay was due to the act of the management the retirees should be paid commutation after one month of payment of commutation and the commutation factor should be as applicable as per the age of the retiree when they retired.

We request the Bank to

1. Release the amount recovered till the date of payment of arrears of commutation.
2. Reduce the proportionate amount from the Basic Pension only with effect from payment of arrears of commutation, with effect from April/May 2014.

For example in the case of Sri Jayakumara C, please refund Rs.36,720/- and commence proportionate reduction of Basic Pension only with effect from May 2014 as the commutation was paid to him only in the month of April 2014. Alternatively, pay interest at 11% p a on compounding basis with effect from 2001, on the amount of arrears of commutation, till its date of payment. Like wise please correct the mistake in respect of all the effected retirees.

In respect of interest on delayed payment of eligible pension the Bank has decided to await the verdict of Hon' ble Supreme Court. We request you to imitate steps to settle the issue of interest out of Court.

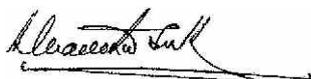
We would like to reiterate that the representation we are making now is regarding violation of Rule in respect of payment of commutation and not regarding interest on the delayed payment.

Please consider the fact that the Bank is dealing with those who have given their best to the institution and accepted the offer of the Bank that was made for the benefit and increased profit to the Bank.

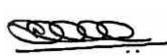
We shall explain further and convince the concerned, if allowed to have discussion in the matter. We regret to observe that our Bank is acting like a compulsive litigant driving the retirees to seek justice at the Courts of Law spending huge amount whereas the bank is spending out of its resources to fight against the hapless retirees. We request you to render justice to SVRS 2000 retirees.

Thanking you,

Truly yours,


(B. MANOHARA SHETTY)
CHAIRMAN


(C. GOPINATHAN NAIR)
PRESIDENT


(K. VISHWANATH NAIK)
GEN SECRETARY.