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In 2012

ALL INDIA BANK PENSIONERS & RETIREES CONFEDERATION  
(A.I.B.P.A.R.C.)



Office of GS at:  
4, Netaji Subhas Road,  
1<sup>st</sup> Floor, Cubicle no: 170  
KOLKATA- 700 001  
Mobile: 9674188524, E-mail: [aibparc2@gmail.com](mailto:aibparc2@gmail.com)

Regd. Office:  
MAYUR VIHAR, PHASE - 1  
57 A, POCKET 3,  
DELHI 110091

Circular no 31-26

Date: March 11, 2026.

Senior Office Bearers
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<b>GENERAL SECRETARY</b> SHRI S. SARKAR MOB - 9674188524
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<b>TREASURER:</b> =====
SHRI TARUNESH CHATTERJEE, MOB -9051601591

For circulation among members of the Governing Council, State Secretaries, Special Invitees, Advisors, Affiliates, Constituents of CBPRO and Members.

Dear Comrade,

**Sub: Our response to the reply given by Hon'ble MOS, Finance in Lok Sabha on 9th March, 2026 in regard to the Unstarred Question no: 2709 raised by Hon'ble Member Shri Konda Vishweshwar Reddy on the issue of "Revision of Basic Pension for Bank Pensioners.**

We are reproducing here under the text of our letter written on date to The Secretary, DFS, MOF, GOI on the above-mentioned subject.

This is for information of members.

With best wishes and regards,

Comradely yours,

Suprita Sarkar  
General Secretary

Encl: As stated

**AIBPARC/DFS- MOF/ updation of pension/Reply of MOS- Finance/ Email/2026.**

**Date March 11,2026.**

Shri M. Nagaraju, IAS,  
The Secretary,  
Department of Financial Services,  
Ministry of Finance,  
Government of India,  
New Delhi.

**Respected Sir,**

**Sub: Reply given by Hon'ble MOS, Finance in Lok Sabha on 9th March, 2026 in regard to the Unstarred Question no: 2709 raised by Hon'ble Member Shri Konda Vishweshwar Reddy on the issue of "Revision of Basic Pension for Bank Pensioners. Reply is Shockingly Far from Truth.**

1. While answering the point nos. (b), (c) and (d) of the above question, the Hon'ble MOS, Finance parted with certain information which includes, inter alia, the following:



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" The Regulations do not provide for Revision of Pension. However, Pensioners of PSBs are being granted Dearness Relief on Pension and the same is being increased from time-to-time i.e. on half yearly basis. Also, as per agreed terms of 12th Bipartite Settlement/9th Joint Note, monthly ex-gratia is being paid by PSBs in addition to the Pension/ Family Pension to the Pensioners/ Family Pensioners who became eligible to draw Pension on or before 31.10.2022."

**Several Lacs of Bank Retirees are terribly shocked and seriously aggrieved by the reply given by the Hon'ble MOS, Finance since it is far from where the truth stands.**

It is quite baffling that the Hon'ble Minister is being repeatedly misled by IBA to make Factually False statements as a reply to the questions in the Parliament on Updation of Pension to Bank Pensioners. With total insensitivity, comparing payment of Half yearly revised DR as Revision of Pension, IBA is dragging the Hon'ble Minister to become a party to the False Affidavit the IBA had submitted to the Hon'ble Supreme Court. It is most unfortunate that the so-called Premier Body of Bankers, IBA should continue to behave in a highly unprofessional way giving silly excuses for their serious lapses. **Earlier the IBA was citing Matter Sub-judice as a reason not to Update Pension and also, on an unfounded plea that the pension scheme in Banks is a funded scheme made Out of Profits.**

2. We know that the standard procedure followed by any Ministry to reply such questions is to get the inputs from the Premier Body concerned which in the present case is the Indian Banks' Association.

We are very unhappy to note that the IBA has not properly briefed the DFS, MOF, GOI with correct inputs and made the Bank Retirees a dejected community. **As in other occasions in the past, we shall once again place our views in respect of the whole issue with totally undeniable facts.**

3. The Pensioners (retired or in service on the prescribed date) opted for Pension under Bank Employees Pension Regulations BEPR (1995) which is a Defined Benefit Pension Scheme relinquishing their right to receive the Bank's contribution to PF. **As such BEPR (1995) is a Defined Benefit Pension Scheme and not a funded Scheme as envisaged in the New Pension Scheme which is a Defined Contribution Pension Scheme.**

4. **As Defined Benefit Pension Scheme, the Banks are Statutorily Mandated to contribute to the Pension Fund every year to the extent of the Shortfall if any as per Actuarial Estimation (BEP Regulation 11) by charging it to their Revenue Account (Profit and Loss Account) before arriving at Net Profit/ Loss .**

5. It has also to be noted that the Pension Scheme in Banks was introduced in lieu of Banks' contribution to PF solely for the reason that it is modelled on the Central Government Pension Scheme. As Central Government employees have Pension as Second Benefit only it was stipulated that all future recruits would come only under this Defined Benefit Pension Scheme , BEPR (1995). When the Government switched over to NPS for future recruits, Banks were also compelled to switch over to NPS to future recruits making this clear that Bank Employees shall be eligible and entitled to only what the Government employees get under the relevant Pension Rules.

6. **Only because BEPR (1995) was based on Government Pension Scheme, it was stipulated in Regulation 56 of BEPR (1995) to refer to Central Government Pension Rules .** It is therefore clear that BEPR (1995) is not a funded scheme where the benefit is constrained by the size of the fund but rather the size of the fund has to be suitably altered and sized annually as per Actuarial Estimation to enable Payment of Pension in accordance with the provisions of Pension Regulations. BEPR (1995) is a Subordinate Legislation and therefore ranks higher than Regulatory Norms of RBI regarding Provisioning for NPAs. The requirement to maintain adequate fund as per Annual Actuarial Valuation and making good the shortfall if any is a Statutory requirement and is therefore a **charge on the P&L A/c and is NOT an appropriation after drawing the P&L A/c.** The moot question is **whether Pension Updation is already provided in the BEPR (1995). The answer to this is an Emphatic "YES".**



7. There is a gross error in the observation that there is no provision for Pension Updation in BEPR (1995). On the contrary, **Regulation 35(1)** provides as under:

**“In respect of employees who retired between the first day of January 1986 but before 31st day of October, 1987, basic and additional pension will be updated as per formula given in appendix 1”.**

It may be noted that the particular batch (01.01.1986 to 31.12.1987) eligible for Pension Updation at the time of implementation of the Pension Scheme in Banks. **However, during the NDA government, headed by the most Revered Atal Behari Vajpayeeji, with a view to offering a mandatory universal coverage of the benefit of the Pension Updation with periodical Wage Revision, at the instruction of the Central Government and in consultation with RBI, the Banks amended Pension Regulation 35(1) in the year 2003 and that was duly Gazetted to read as under:**

**“Basic Pension and additional pension, wherever applicable, shall be updated as per formulae given in Appendix 1”.**

The formulae for Updation of Government pension for 6th Pay Commission was notified in 2006 and for 7th Pay Commission, it was done in 2016 but **Bank Pensioners’ Updation though mandatory as per amended BEPR (1995) is not yet implemented due to the intransigence of the IBA who is withholding incorporation of the Updation formulae as per Government and RBI, for all the past Wage Revisions till date. The question of comparing BEPR with Government Pension Scheme has been amply explained in the preceding paras.**

8. The BEPR (1995) is a subordinate legislation and the Banks are a “state” within the meaning of Article 12 of the Constitution of India and it would make a compliance of Pension Regulations, including **Regulation 35(1)** which provides for Updation of Basic Pension and Additional Pension. It is a legal obligation on the part of the Banks. **Moreover, Banks’ Pension Funds are robust and it is adequate to take care of the Updation of Pension without any need of additional provisioning at the present juncture notwithstanding the fact that Payment of Pension is a Statutory Obligation and Cost cannot and should not be cited as a constraint at any cost .**

9. **IBA is throughout engaging itself in the process of creation and continuance of a confusion centering around the payment of ex-gratia and in the present case there is an attempt to project ex-gratia as a kind of updation which is nothing but a travesty of truth. Nor Ex-gratia is an answer to the demand for Updation of Pension.**

The "ex-gratia" is a payment given as a gratis or a grace not being backed or supported by any statutory provision or a legal requirement. This is nothing but hoodwinking the Bank Pensioners.

The Parties to the Agreements might have had a belated perception that the Pension paid to Bank Pensioners was too meagre and hence a kind of merciful one-time gesture was decided to be given ignoring the fact that Bank Pensioners are badly Discriminated.

**Moreover, the concept of “ex-gratia” is also not extended to Private Sector Bank Pensioners despite the fact that those Private Sector Banks were also party to the Pension Settlement.**

Sir, we believe that no further elaboration on the issue is needed at least before you. You will kindly remember that you had been kind enough to allow us an audience in the near past (November 20<sup>th</sup>, 2025) where we had the occasion to hand over to you a memorandum and we also had the opportunity to share our views on the issue of Pension Updation being backed up by all relevant papers. At the end of the dialogue, we had an impression that the Top Officials of DFS had understood and appreciated the logic advocated by us. But, When Bank Pensioners have been eagerly waiting and expecting real solid forward movement on the issue of Updation, the reply by the Hon'ble Minister on the Floor of Parliament has come as a rude shock to Bank Pensioners and Retirees. We expect for an

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early opportunity to us to further explain the other various issues confronting the Bank Pensioners and Retirees.

We hope that you would kindly appreciate our anguish, agony and anxiety. We also wish that our above submissions to Your Good Self will receive Favourable Consideration by Setting Right the Things in the Proper Perspective.

With kind regards,

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'K.V. Acharya', with a long horizontal stroke extending to the right.

K.V. Acharya.  
President, AIBPARC  
& Jt. Convenor, CBPRO

A handwritten signature in blue ink, appearing to read 'Suprita Sarkar', with a stylized, cursive script.

Suprita Sarkar  
General Secretary