

MEMORANDUM OF SETTLEMENT

WHEREAS, the Bank of Rajasthan Ltd., (hereinafter referred to as the party of the First Part) is a private banking company;

AND WHEREAS, the Bank of Rajasthan Ltd. Retired Staff Society is a registered Society (hereinafter referred to as the party of the Second Part);

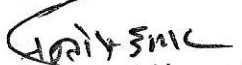
AND WHEREAS, the party of the Second Part filed a writ petition before the Hon'ble Rajasthan High Court praying for direction to the effect that party of the First Part be directed to pay interest @ 18% per annum to its retired employees who had opted for pension and commutation thereof. The said writ petition was registered as SBCW No.1854 of 2002 Bank of Rajasthan Retired Staff Society Vs. The Bank of Rajasthan Ltd.;

AND WHEREAS, the party of the First Part had opposed the writ petition on the ground inter-alia that being a private banking company the disputes between the Bank and its employees are not amenable to the extra ordinary jurisdiction under Article 226 of the Constitution of India and that in any case considering the relevant facts and circumstances of the matter no fault was attributable to the Bank;

AND WHEREAS, the said writ petition was allowed vide judgement dated 16.7.2004 against which special appeal was filed by the party of the First Part and the same is registered as DB Special Appeal (Writ) No.579 of 2004;

AND WHEREAS, during the pendency of the aforementioned special appeal upon repeated requests of members of the party of the Second Part discussions were held between the party of the First Part and party of the Second Part for amicable resolution of the disputes through an out of Court settlement and pursuant to the discussions so held the party of the First Part and the party of the Second Part have decided to resolve their aforementioned dispute through an out of Court settlement the terms of which are set out as under:-

For The Bank of Rajasthan Ltd.


Asstt. General Manager
P & HRD Deptt. C.O. Jaipur

SHORT RECITAL

Bank of Rajasthan Retired Staff Society

A settlement was arrived at between managements of 58 banks and their unions

(including The Bank of Rajasthan Ltd.) on 29th October 1993 for introduction of pension

scheme in lieu of Contributory Provident Fund effective from 1st Nov. 1993. In view of aforesaid settlement, The Bank of Rajasthan Ltd framed 'The Bank Rajasthan Ltd (Employees) Pension Regulations 1993, which were later replaced by pension rules, 1996 vide which pension scheme in the Bank of Rajasthan Ltd into into force with retrospective effect from 1st Nov 1993.

As per provisions of these regulations those who exercised option for pension scheme in lieu of Provident Fund were entitled to commute for a fraction up to 1/3 rd of pension admissible to them. As per settlement, the employees who retired on or after 01.01.1986 and on or before 31.10.1993 were also entitled for pension and commutation of pension w.e.f 01.11.1993. Such employees were required to deposit the BCPF, with simple interest @ 6% p.a. from the date of settlement of PF account till the date of refund to the Bank.


The payment of monthly pension was started by the Bank from January 1997 but arrears of monthly pension payable to those who retired prior to 31-12-96 were paid after July 1999. The society therefore, demanded through personal meetings and letters written to the Bank management payment of interest at appropriate rate for delayed payment of these benefits. Since there was no positive response from the Bank, the General Secretary of Bank of Rajasthan Retired Staff Society, filed a writ petition no. 1854/2002 in the High Court of Judicature for Rajasthan, Jaipur Bench on behalf of its affected members praying to direct the Bank of Rajasthan to pay interest @ 18% p.a. on delayed payment of these benefits.

The Hon'ble Rajasthan High Court after hearing writ petition vide order dated 16th July 2004 allowed the writ petition filed by the Society and directed the Bank to pay interest @ 18% per annum to members of the society on the delayed payment of pension benefits.

Against the aforesaid order, The Bank of Rajasthan Ltd filed D.B. Civil Special Appeal No. 579/2004 in Rajasthan High Court, Jaipur Bench.

During the pendency of the Special Appeal, the Society, vide its letter no 1/2005 dated 5.2.2005 addressed to the Managing Director, requested for amicable out of court settlement to resolve the pending issue of payment of interest on delayed amount of commuted pension and arrears of pension.

For Bank of Rajasthan Retired Staff Society


General Secretary

For The Bank of Rajasthan Ltd.


General Manager
100, Court, C.O. Jaipur

Meetings were therefore convened to resolve the issue so as to arrive at mutual consensus, between the representatives of the Society and Bank Management.

The matter was thereafter placed at the Board meeting held on 8-9-2006. The Board approved payment of simple interest @ 9% p.a. on delayed payment of commuted value of pension and sanctioned Rs. One Crore under this approval; subject to the conditions:-

1. That simple interest @ 9% p.a. may be paid on commuted value of pension only to retirees of the period 01.01.1986 to 01.04.1995, from the date of commutation i.e. 01.11.1993 or later till date 01.04.1995 the date upto which interest on BCPF was charged by the Bank.
2. That simple interest @ 9% p.a. may be paid on commuted value of pension only to retirees of the period on or after 02.04.1995 and onwards, from the date of commutation till the date of refund i.e. the date upto which interest on BCPF was charged by the Bank.
3. That no interest will be paid on interest payable on commuted value of pension as mentioned above till the date of this settlement/ receipt of such interest by the pensioners.
4. That no interest / compound interest will be paid on delayed payment of arrear of pension and family pension.
5. That reduction of 1/3 rd commuted pension from 01.11.1993 (in case of retirees of the period 01.01.1986 to 31.10.1993) will remain in tact and in case of retirees of the period after 01.11.1993 will be the original date of commutation remains in force in individual cases.
6. That the society will enter into compromise settlement on behalf of all the pensioners (irrespective of their membership) to be drafted legally by the Bank's advocate which will be submitted in court of law in full and final settlement of interest claim for delayed period on payment of pension and commutation of

For Bank of Rajasthan Retired Staff Pension.

For The Bank of Rajasthan Ltd.

Manoj Kumar
General Secretary

Sanjay Kumar
Asstt. Credit Manager
P & HRD Deptt. C.O. Jaipur

7. That the payment of interest as agreed above shall be made by the bank and the society will not raise any claim later on from the Bank of Rajasthan Ltd. Pension Fund Trust.

8. It is one time exception and should not be taken as precedence.

The society vide its letter no. 07/06 dated 10-9-2006 addressed to the Managing Director requested that in earlier meetings of the Society with the Bank Management, the issue of payment of interest on delayed payment of arrears of pension to those retirees prior to 31-12-96 was also discussed and agreed but this did not appear in the Board's approval dt 8.9.2006. Further discussions on this issue were therefore, held at Mumbai between the representatives of Society and Bank Management wherein Bank Management agreed to again place the matter before Board for sanction of amount in respect of interest on delayed payment of arrears of pension to those who retired prior to 1.1.1997.

A note to this effect was therefore placed before the Board at its meeting held on 27.7.2007 for sanction of further amount for final resolution of long pending issue. The Board considering all issues sanctioned a total sum of Rs. 1.25 crore to finally resolve the matter.

The Society acting on behalf of all retired employees of the Bank and the management of the Bank have thus agreed to resolve the aforesaid issue as per following terms:-

TERMS OF MUTUAL UNDERSTANDING

With a view to amicably settle and resolve the aforesaid pending issue finally the following understanding between Bank of Rajasthan Retired Staff Society and the management of the Bank of Rajasthan Ltd, is hereby recorded which will be binding on both the parties—

1. The society is agreeable to accept total sum of Rupees 125 lacs sanctioned by the Board of the Bank at its meeting held on 27-7-2007 towards payment of following benefits by the Bank to all retired staff of the bank. The payment of interest on delayed payment of commutation of pension and arrears of pension will be made

Bank of Rajasthan Retired Staff Society
Handwritten Signature
General Secretary

For The Bank of Rajasthan Ltd
Handwritten Signature
Asstt. General Manager

in the following manner:

- A. Simple interest @ 9% p.a. shall be paid on commuted value of pension to only persons retiring from 01.01.1986 to 01.04.1995 from the date of commutation i.e. 01.11.1993 to 01.04.1995 or upto the date to which interest on BCPF was charged by the Bank as the case may be. It is to clarify that to employees who retired upto 01.04.1995 interest will not be paid beyond 01.04.1995. However, out of the employees who retired before 01.04.1995 in few cases interest @ 6% p.a. was charged after 01.04.1995 in such cases the interest @ 9% p.a. will also be paid till the date of interest @ 6% was so charged.
 - B. It is further clarified that in respect of employees who retired on or after 02.04.1995 and from whom simple interest @ 6% p.a. was charged on BCPF till the date of netting or till payment of commutation of pension, simple interest @ 9% p.a. will be paid on commuted value of pension till the date of payment of commutation.
 - C. There are some cases where Bank has not paid BCPF to the pensioners. No interest will be paid in such cases.
 - D. In case of Family Pensioners interest on BCPF was charged upto 01.04.1995 and payment of arrear of pension was made in July 1999 or later. In such cases interest already recovered by the Bank will be refunded. There will be no further payment of interest.
2. Simple interest @3.70% p.a. or the rate which comes for distribution after making payment as per paras A, B, C, & D above will be paid on delayed payment of arrears of pension to those affected pensioners who retired prior to 1.1.1997.
 3. As a result of arriving at the above compromise understanding between both the parties the Bank and Society hereby agree to withdraw all pending cases in the Rajasthan High Court and other Courts. **For The Bank of Rajasthan Ltd.**
 4. The payment made pursuant to above understanding will be full and final payment of interest on delayed payment of commutation and pension and arrears

Handwritten signature

of pension and the same will be binding on all the affected pensioners and their heirs and no further claims will be entertained by the Bank in this regard.

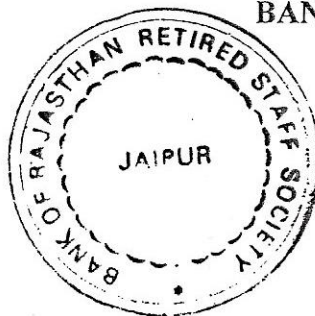
5. A copy of this memorandum of understanding may be filed in the Hon'ble Rajasthan High Court, Bench, Jaipur, for disposal of the pending Special Appeal in terms of this settlement.

Signed at Jaipur on _____

**ON BEHALF OF BANK OF RAJASTHAN
RETIRED STAFF SOCIETY**

For Bank of Raj Retired Staff Society

[Signature]
General Secretary



**ON BEHALF OF THE
BANK OF RAJASTHAN LTD.**

For The Bank of Rajasthan Ltd.

[Signature]
Asstt. General Manager
P & HRD Deptt. C.O. Jaipur

WITNESSES:

1. *[Signature]*
(Name and Address)

2. *[Signature]*
(Name and Address)

IN THE HIGH COURT OF JUDICATURE FOR RAJASTHAN

AT JAIPUR BENCH, JAIPUR

D.B. CIVIL SPECIAL APPEAL NO. 579 OF 2004

IN

S.B. CIVIL WRIT PETITION NO. 1854 OF 2002

Bank of Rajasthan Ltd. Registered Office, Clock Tower, Udaipur (Rajasthan) through its Managing Director, C-3, Sardar Patel Marg, C-Scheme, Jaipur, Rajasthan (Presently Deputy General Manager).

.....Appellant-Non-petitioner

VERSUS

Bank of Rajasthan Retired Staff Society (A Society registered under Rajasthan Societies Registration Act, 1958), Registered Office B-97, Anandpuri, Moti Dungari Road, Jaipur through its General Secretary Shri S.L. Maheshwari son of Shri Ram Prasad, aged about 66 years, resident of 156, Laxman Colony, Laxman Path, Shyam Nagar, Jaipur (Rajasthan).

.....Respondent-petitioner

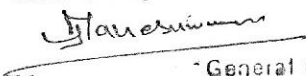
APPLICATION UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA FOR DISPOSAL OF THE SPECIAL APPEAL IN TERMS OF THE SETTLEMENT ARRIVED AT BETWEEN THE PARTIES.

TO

THE HON'BLE ACTING CHIEF JUSTICE SHRI J.M. PANCHAL AND HIS COMPANION JUDGES OF THE HON'BLE HIGH COURT OF JUDICATURE FOR RAJASTHAN AT JAIPUR BENCH, JAIPUR.

MAY IT PLEASE YOUR LORDSHIPS

For Bank of Raj Retired Staff Society


General Secretary

For The Bank of Rajasthan Ltd.


Asstt. General Manager
P B HRD Dept. C O Jaipur