

# STATE BANK RETIRES' ASSOCIATION

Federation of Erstwhile  
Associate Bank Retirees' Organisations



Dr. A Ananthakrishna Rao  
President

C N Prasad  
General Secretary

Ref No.: SBI/GRM/907

Date: 22nd February 2026

The Chairman,  
State Bank of India,  
Corporate Centre,  
MUMBAI 400 021

Respected Sir,

## **Payment of Pension in terms of Bank Employees' Pension Regulations, 1995 to those who have joined the Bank on or after 01.04.2010 instead of Defined Contributory Pension.**

This is in continuation with our letter No. BEPR/NPS/838 dated 22.07.2025 and BEPR/NPS/818 dated 28.12.2025, copies of which are enclosed for your immediate reference. We are enclosing a comprehensive representation seeking bringing those employees including officers who have joined the Bank and erstwhile Associate Banks on or after 01.08.2010 under the sweep of Pension Fund Regulations, 2014 or Bank Employees' Pension Regulations, 1995, notwithstanding non obstante clause in Pension Fund Regulations, 2014. This is a long story and with a view to make the comprehensive story short, we are bringing entire facts and claims in short.

Our submission seeking the benefit is listed hereunder, with a request you to consider sympathetically, with due empathy:

- a. State Bank of India Officer's Service Rules, 1992 are framed under Section 43 of the State Bank of India Act, 1955. The Bank can only make appointment and determine the service conditions of officers, advisers and employees, but cannot frame Regulations in terms of Section 43. Regulations could be framed only under Section 50 of the State Bank of India Act, 1955. Therefore, Regulations framed under Section 43 of the State Bank of India Act, 1955 are not valid and provisions cannot be enforced. Consequently, any amendment carried out to State Bank of India Officer's Service Rules, 1992 on 08.11.2010 with retrospective effect from 01.08.2010 with a view to deny non-contributory pension does not have any force ((Sukhdev Singh v. Bhagatram Sardar Singh Raghuvanshi, (1975) 1 SCC 421). **In erstwhile Associate Banks**, neither Erstwhile Associate Banks' Pension Regulations, 1995 nor Employees' Provident Fund Regulations, 1975 have not at all been amended, taking away the benefit of Pension & Provident Fund from those who have joined these Banks on or after 01.08.2010. In fact, Regulation 48 of Officers' Service Regulations, 1979 which was amended by way of notification in Gazette dated 28.03.2001 vide No.SBD No.2/2001. Regulation 48(3) notified on 28.03.2001 provides that 'Officers joining the Bank's service on or after 29.9.1995, shall be governed by the Pension Scheme'.
- b. State Bank of India Employees Pension Fund Rules, 1965 is framed under Section 50 of the State Bank of India Act, 1955. Amendments are carried out, but not notified in the Gazette.



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Notification in the Official Gazette is made mandatory with amendment to Section 50 by Act 66 of 1988, S.17 (w.e.f. 30-12-1988) inserting the provision 'by notification in the official Gazette'. Therefore, any amendment to State Bank of India Employees Pension Fund Rules, 1965 including non-applicability of benefit of New Pension Scheme without notification in the official gazette cannot be enforced. (Gulf Goans Hotels Co. Ltd. v. Union of India, (2014) 10 SCC 673). **In erstwhile Associate Banks**, Regulation 48(3) of Officers' Service Regulations, 1979, notified on 28.03.2001 and Regulation 3(4) of the Associate Banks' Pension Regulations, 1995 provide for entitlement to Pension to those who join the Bank's service on or after 29.9.1995.

- c. Regulation 7(1) of State Bank of India Employees' Pension Fund Regulations, 2014 make employees eligible to become members of the Pension Fund under the terms and conditions of service. Sastry Award has granted non-contributory pension to employees in para 414. If the words of the enactment are clear and are capable of only one interpretation on a plain and grammatical construction of the words thereof, a non obstante clause in Regulation 7(2) cannot cut down that construction and restrict the scope of its operation. In such cases the non obstante clause has to be read as clarifying the whole position and must be understood to have been incorporated in the enactment by the legislature by way of abundant caution and not by way of limiting the ambit and scope of the operative part of the enactment. Such an action on the part of the Bank, which is expected to be a model employer, is arbitrary and such an action is hit by Article 14 and 16 (Union of India v. Shrinbai A. Irani, (1954) 2 SCC 1), if flow of such benefit is restricted. Amendment cannot have retrospective effect in respect of the persons already in service but would be prospective; it would be applicable only to those candidates appointed after the date of the amendment introducing the proviso in Secretary (Estt.) Railway Board & Anr. vs. D.Francis Paul & Ors., 1996 (10) SCC 134. No vested or accrued right could be taken away as decided in Judgment of the Constitution Bench in Railway Board v. C.R. Rangadhamaiah, (1997) 6 SCC 623. In case, such a proviso is a non obstante clause exists, such proviso cannot even be applied prospectively. **In Officers Service Regulations, 1979 and Bank Employees' Pension Regulations, 1995 of erstwhile Associate Banks, no such non obstante clause exists.**
- d. The Bank cannot contract out of Statute. Sastry Award has statutory strength and provides for non-contributory Pension. Regulations provide for payment of pension and the Bank cannot enter into a contract out of statute. State Bank of India is a 'State' under Article 12. 'State' cannot contract out of statutory duty to pay pension, by inserting a clause in Advertisement, Appointment Orders, etc. Therefore, what is statutorily illegal and void cannot be enforced by resorting to the rule of estoppel (West Bengal Headmasters' Association v. State of West Bengal, 1990 SCC OnLine Cal 196)
- e. Basically, the claims of the Bank are based on the information provided either in advertisement or other communication. Recruitment advertisement, Application, offer of appointment, etc. are a part of the same Contract. It is settled law that the appointment though originates in a contract, acquires a status and thereafter is governed by the service rules and not by the terms of contract. Consequently, it is impermissible for the Bank to refer to contractual terms at the time of appointment to deny non-contributory pension (Union of India v. Arun Kumar Roy, (1986) 1 SCC 675).
- f. Judgment of Hon'ble High Court of Kerala has stated that "It is settled law that the terms of an industrial settlement will always be subject to statutory prescription vide *U. Unichoyi v. State of Kerala* and *Oswal Agro Furane Ltd. v. Workers Union*". Even Hon'ble Supreme Court in *Bank of Baroda v. G. Palani*, (2022) 5 SCC 612 quoting *N.S. Giri v. Corpn. of City of Mangalore*, (1999) 4 SCC 697 has stated that Hon'ble Supreme Court has observed that even



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an Award made under the Industrial Disputes Act, 1947, cannot be inconsistent with the law laid by the legislature or by the Supreme Court and if it does so, it is illegal and cannot be enforced. Therefore, **the Judgments relied by Hon'ble High Court of Kerala assist employees/officers who have joined erstwhile Associate Banks on or after 01.08.2010, if the Bank rely on Joint Note/Bipartite Settlement dated 27.04.2010 to deny non-contributory pension to these employees/officers.**

- g. The Bank cannot unilaterally declare the service of any person, non-pensionable under Rule 8(d) of the State Bank of India Employees Pension Fund Rules, 1965/2014. The purpose of this rule is to exclude something which would otherwise fall squarely within the general language of the main enactment. Usually, a provision cannot be interpreted as a general rule that has been provided for. Nor it can be interpreted in a manner that would nullify the enactment, or take away in entirety, a right that has been conferred by the statute. Since the language of the State Bank of India Employees Pension Fund Rules, 1965/2014 is clear and unambiguous, a proviso can have no repercussion on the interpretation of the main enactment, so as to exclude by implication, what clearly falls within its expressed terms. If, upon plain and fair construction, the main provision is clear, a proviso cannot expand or limit its ambit and scope (Rohitash Kumar v. Om Prakash Sharma, (2013) 11 SCC 451).

Unlike State Bank of India, there is no non obstante clause denying Pension or Provident Fund in Pension/Provident Fund Regulations of erstwhile Associate Banks. On the contrary, in erstwhile Associate Banks' Regulations as existing on 01.08.2010 or on the date of merger or today, there are provisions to make payment of pension/provident fund. There is also no provision to specifically declare service by erstwhile Associate Banks to be non-pensionable. In the absence of any such clause and also non-amendment of Regulations of Erstwhile Associate Banks, those who have joined erstwhile Associate Banks are entitled to both Pension and Provident Fund in terms of relevant Regulations of the erstwhile Associate Banks. In view of the facts and legal principles explained supra, even all those who have joined State Bank of India on or after 01.08.2010 are also eligible for Pension in terms of State Bank of India Employees' Pension Fund Regulations, 2014.

In view of the foregoing, we request you to kindly extend the benefit of non-Contributory Pension in terms of State Bank of India Employees' Pension Fund Regulations, 2014 or erstwhile Associate Banks' Employees' Pension Regulations, 1995 together with Provident Fund in terms of erstwhile Associate Banks' Provident Fund Regulations, 1975. We also request you to kindly provide an option to change the Superannuation Benefit chosen. We do hope you will certainly consider our requests which are based on well-established law and decisions of Hon'ble Supreme Court, including that of Constitution Benches.

Thanking you,

With warm regards,

C N Prasad  
General Secretary