Dear 

Please refer to your D.O. No. 12(35)/2011/D(Res-I) dated 24.04.2012 regarding grievances of ex-servicemen re-employed in Public Sector Banks for fixation of their salary in banks.

2. In this connection, I would like to mention that the Department of Financial Services had circulated instructions/directions/circulars such as of the DoP&T's earlier OM No. 3/19/2009-Estt.Pay II dated 8.11.2010 as well as the Ministry of Defence (MOD)'s letter No. 1(4)/2007/D(Pen/Policy) dated 09.02.2011 to all Public Sector Banks (PSBs)/Financial Institutions (FIs) and Insurance Companies (ICs) for compliance.

3. The Indian Banks' Association (IBA) sought clarification from DFS on re-fixation of pay to ex-servicemen re-employed in their Public Sector Banks on or after 01.01.2006. Based on DoP&T's O.M dated 8.11.2010, it was pointed by this Department vide its letter No. 4/1/2010-SCT (B) dated 23.03.2012 that Ex-servicemen re-employed in banks who retired on.or after 01.01.2006 are eligible to pay fixation in banks based on the pay drawn by them at the time of discharge from the Defence Services which would include basic pay plus grade pay but it does not include MSP. As it created confusion among banks over uniform implementation of the DoP&T's Office Memorandum dated 08.11.2010 the circular was treated as withdrawn.

4. It has therefore been reiterated that DoP&T's above instructions may be followed in letter and spirit.

With regards,

Yours faithfully,

(L.K. Meena)

Shri A.S. Lakshmi,
Joint Secretary (ESW),
Ministry of Defence, Deptt. of Ex-servicemen Welfare,
Sena Bhavan, New Delhi-110011.