



# ALL INDIA BANK EMPLOYEES' ASSOCIATION

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**CIRCULAR NO. 28 /83/2018 /46**

**19-10-2018**

## **TO ALL UNITS AND MEMBERS:**

Dear Comrades,

- **52 years ago – on this day**
- **1<sup>st</sup> Bipartite Settlement achieved by AIBEA on 19-10-1966**

19<sup>th</sup> October is a very important day in the annals of bank employees movement under the banner of AIBEA. It was on this 19<sup>th</sup> October in 1966, 52 years ago, the 1<sup>st</sup> ever industry-level bipartite settlement on wage revision was achieved and signed by AIBEA.

Today, Bipartite Settlement in Banks is taken for granted and there are even propaganda that we should leave this Bipartite system and switch over the Pay Commission. Hence it is necessary to travel back in our history to understand the significance of Bipartism and bilateralism.

With the founding of AIBEA on 20<sup>th</sup> April, 1946, not only more and more bank unions were getting formed in different bank in different States, but there were growing agitations and struggles for betterment of wages and service conditions. Bank employees were getting organised more and more and there were strike actions by bank employees in different States.

In this background, on **30-4-1949**, Central Government promulgated an Ordinance whereby Banking and Insurance sector (which were hitherto under the jurisdiction of the State Governments) were made Central subjects in respect of Industrial Disputes Act.

Immediately thereafter, on 13-6-1949, all disputes in the banking industry were referred to a National Tribunal headed by justice K C Sen. The Tribunal gave its Award on **12-8-1950**. This was known as **Sen Award**.

For the first time, service conditions of bank employees were codified at All India level. But bankers were unhappy. They challenged the Sen Award on technical grounds and unfortunately on 9-4-1951, the Sen Tribunal was declared as null and void by the Supreme Court.

This led to lot of resentment amongst bank employees and there were large scale protests and agitations. Hence Government appointed another **Tribunal with Justice Divitia**. Unions objected to his appointment as he was found to be a shareholder in many Banks. Hence Justice Divitia was forced to resign in August, 1951.

In view of the continued unrest in the banking industry, the Government appointed another Tribunal on 5-1-1952 with Justice Panchapakesa Sastry as Chairman. Sastry Tribunal gave its Award on **20-4-1953**. This Award is famously known as **SASTRY AWARD**.

But Sastry Award resulted in wage cut for bank employees. Once again powerful agitation was launched by AIBEA. Hence the Award was referred to the Labour Appellate Tribunal.

The **LAT Award** given on **28-4-1954** restored the wage cut. But shockingly, the Government, at the behest of the bankers, unilaterally and illegally modified the LAT Award to the detriment of the bank employees on 24-8-1954.

Angered by this unfair and illegal action of the Government, AIBEA gave the call for the **first All India Strike by bank employees on 23-9-1954** and the strike was a thunderous success.

**After this, AIBEA from its Conference held in Madras (now Chennai) gave a call for indefinite strike from 10-12-1954.**

Shri. V V Giri, the then Labour Minister supported our cause and resigned from the Cabinet protesting against the Government's unwarranted interference with the judicial pronouncement of LAT Award.

Because of this pressure, the Government appointed Raya Dhyaksha Commission on 17-9-1954 to enquire into the effect of LAT Award. Upon his death, Justice P.B. Gajendra Gadkar was appointed as the head of this Commission.

**Upon** persuasion by many MPs including Com S A Dange and Shri. Ashok Mehta, AIBEA deferred the indefinite strike.

Gajendra Gadkar Commission gave its Report on 25-7-1955. This is known as **Bank Award Commission**. The recommendations of this Commission was duly incorporated by the Government by enacting **Industrial Disputes (Banking Companies) Decision Act, 1955**.

Section 4 of this Act provided that **Sastry Award as modified** by the LAT and Bank Award Commission would be effective upto 31-3-1959.

On 21-3-1960, the Government appointed the National Industrial Tribunal (Bank Disputes) with Justice K T Desai as the Presiding Officer. The Award of this Tribunal known as **DESAI AWARD** was published on 13-6-1962.

The Award was made effective from 1-1-1962 to 31-12-1962. However, Government extended the Award upto 31-12-1963 and again upto 31-3-1964.

Because of the bitter experience before the Tribunals from 1949 to 1964, AIBEA demanded direct negotiations and collectively bargained settlement to decide the wages and service conditions of bank employees.

AIBEA launched powerful agitation in 1964, 1965, 1966 including the famous 'work-to-rule movement' due to which the Government and the bankers had to concede the demand and the **first ever industry-level bipartite settlement was signed on 19-10-1966**. Upto that time, there was no All India Bipartite Settlement in any other sector. Hence AIBEA was and is acclaimed as a pioneer in achieving Bipartism in our country.

Since then, periodical Bipartite Settlements have been achieved by AIBEA, the last one being the **10<sup>th</sup> Bipartite Settlement signed on 25-5-2015**.

Thus, it can be said that the **service conditions of bank employees are today governed by the provisions of Sastry Award (1953) as further amended by subsequent Awards and Settlements upto 10<sup>th</sup> BPS dt. 27-5-2015**. We have now submitted our demands for the 11<sup>th</sup> Bipartite Settlement due from November, 2017.

Thus it is the short story of the long journey of struggles and achievements – from jungle law to Tribunals and Awards – from arguing before the third party Tribunals and getting Awards to direct negotiations and signing Bipartite Settlements – and today when we see attacks on collective bargaining and bilateralism, the main task is to defend and preserve the system of bipartism besides improving our wages and service conditions.

But unfortunately, many ignorant employees feel that Pay Commission will give them milk and honey. If it is so, then why everyone including Government employees are clamouring for Bipartite Settlement like ours. If Pay Commission is good, then why Government employees are planning agitation against it. Pay Commission is a package where some more salary is paid but many adverse conditions are there. People only see the money part and feel Pay Commission is better. Time will make them understand.

As usual, anti-AIBEA forces are utilising the ignorance of the innocent young bank employees to instigate them against AIBEA and Bipartite Settlement. The majesty and glory of AIBEA and our achievements are always an eye-sore to these anti-AIBEA elements. Hence the tirade against AIBEA. Let us patiently explain to the young employees. They will understand facts because they are intelligent. Some can be fooled for some time but not always. Our detractors will fail this time also. Our caravan will march on.

**Preserve collective bargaining, preserve Bipartism, preserve your trade union rights. Hail your achievements. Be proud of it.**

With greetings,

Yours Comradely,



**C.H. VENKATACHALAM  
GENERAL SECRETARY**

## LIST OF AWARDS / SETTLEMENTS SO FAR IN BANKS

<b>K C Sen Tribunal</b> Appointed	13.06.1949
Award Given	12.08.1950
Declared Null & Void	April 1951
<b>H.V.Divatia Tribunal</b> Appointed	July 1951 but resigned
<b>Sastry Tribunal</b> Appointed on	05.01.1952
Award Given on	20.04.1953
LAT	28.04.1954
Govt. Modification Order	24.08.1954
Bank Award Commission	25.07.1955
Sastry Award as modified	1957
DA Amendment Notification	13.02.1960
<b>K T Desai Tribunal</b> Appointed on	21.03.1960
Award Given on	13.06.1962
<b>1<sup>st</sup> Bipartite Settlement</b>	<b>19.10.1966</b>
<b>2<sup>nd</sup> Bipartite Settlement</b>	12.10.1970
<b>3<sup>rd</sup> Bipartite Settlement</b>	01.08.1979
<b>4<sup>th</sup> Bipartite Settlement</b>	17.09.1984
<b>5<sup>th</sup> Bipartite Settlement</b>	10.04.1989
<b>6<sup>th</sup> Bipartite Settlement</b>	14.02.1995
<b>7<sup>th</sup> Bipartite Settlement</b>	27.03.2000
<b>8<sup>th</sup> Bipartite Settlement</b>	02.06.2005
<b>9<sup>th</sup> Bipartite Settlement</b>	27-04-2010
<b>10<sup>TH</sup> Bipartite Settlement</b>	27-5-2015