

MEMORANDUM OF SETTLEMENT dated 9th August, 2002 between the Management of 52 'A' Class Banks as represented by the Indian Banks' Association and their workmen as represented by the National Organisation of Bank Workers.

[Under Section 2(p) and Section 18(1) of the Industrial Disputes Act, 1947 read with Rule 58 of the Industrial Disputes (Central) Rules 1957]

Names of the parties : 52 Banks which are on date 'A' Class Banks and listed in Schedule I to this Memorandum of Settlement and their workmen.

Representing the Employers (Member Banks)

- 1) Dr. Dalbir Singh
- 2) Shri V Leeladhar
- 3) Shri R V Shastri
- 4) Shri S S Kohli
- 5) Shri K V Krishnamurthy
- 6) Shri S Santhanakrishnan
- 7) Dr B Samal
- 8) Shri K C Chowdhary
- 9) Shri Allen C A Pereira

Duly authorized on behalf of the Indian Banks' Association

Representing the Workmen

- 1) K R Poonja
- 2) V B Indurkar
- 3) M Kumtakar
- 4) Dinesh Kulkarni
- 5) R R Kini

SHORT RECITAL OF THE CASE**WHEREAS**

- a) In respect of 52 'A' class banks listed in the Schedule to this Memorandum of Settlement except the State Bank of India, State Bank of Saurashtra, Indian Overseas Bank and Bank of Baroda, provisions of para 521 of the Sastry Award as finally, modified and enacted by the Industrial Dispute (Banking Companies) Decision Act, 1955; the Industrial Dispute (Banking Companies) Decision Amendment Act, 1957 and the provisions of paras 18.20, 18.24 and 18.28 of the Award of the National Industrial Tribunal presided over by Mr. Justice K T Desai in Reference No.1/1960 which Award inter alia modifies certain provisions of the Sastry Award (hereinafter referred to as the Awards) as modified by the Settlements dated 19.10.1966, 31.10.1979, 22.11.1979, 8.9.1983, 17.9.1984 and 14.2.1995 govern the procedure for taking disciplinary action against workmen in these banks;
- b) In respect of State Bank of India, the said Awards as further modified by Settlements dated 31.10.1979, 28.11.1981 (entered into between State Bank of India and All India State Bank of India Staff Federation), 8.9.1983, 17.9.1984 and 14.2.1995 govern the procedure for taking disciplinary action against workmen in the bank;
- c) In State Bank of Saurashtra the provisions of the said Awards as further modified by a Settlement dated 11.11.1966 (entered into between State Bank of Saurashtra and All India State Bank of India Staff Federation) 31.10.1979, 8.9.1983, 17.9.1984 and 14.2.1995 govern the procedure for taking disciplinary action against workmen in the bank;
- d) In respect of Indian Overseas Bank, the provisions of the said Awards as further modified by the Settlements dated 14.12.1966 (entered into between IOB and the All Indian Overseas Bank Employees' Union), 31.10.1979, 8.9.1983, 17.9.1984 and 14.2.1995 govern the procedure for taking disciplinary action against workmen in the bank;
- e) In respect of Bank of Baroda, the provisions of the said Awards as further modified by the Settlements dated 23.12.1966 (entered into between Bank of Baroda and All India Bank of Baroda Employees' Federation),

- f) A Memorandum of Settlement was signed on 10th April 2002 on Disciplinary Action Procedure for workmen in banks between Indian Banks' Association (IBA) on behalf of the member banks named in the Schedule thereto, on one hand and the All India Bank Employees' Association, National Confederation of Bank Employees, Indian National Bank Employees Federation representing workmen employees of the banks on the other;
- g) A Memorandum of Settlement was also signed on 27th May 2002 on Disciplinary Action Procedure for workmen in banks between IBA on behalf of the member banks named in the Schedule thereto and the Bank Karmachari Sena Mahasangh representing workmen employees in banks;
- h) The All India Bank Employees' Association, the National Confederation of Bank Employees, the Indian National Bank Employees' Federation and the Bank Karmachari Sena Mahasangh are all signatories to the 7th Bipartite Settlement on wage revision and improvement in other fringe benefits to workmen in banks;
- i) Indian Banks' Association and the National Organization of Bank Workers signed a Memorandum of Settlement on 9th August, 2002 whereby NOBW agreed -
- (1) Not to seek reopening of the 7th Bipartite Settlement dated 27th March 2000; and
 - (2) To sign a Memorandum of Settlement with IBA on Disciplinary Action Procedure for Workmen in banks on the lines of the Settlement signed on 10th April 2002/27th May 2002 with the workmen unions as aforesaid.

NOW, in pursuance of the Memorandum of Settlement dated 9th August, 2002 it is hereby agreed and declared by and between the parties hereto as under: -

TERMS OF SETTLEMENT

- I. The provisions of the said Awards, the First Bipartite Settlement dated

Disciplinary Action and Procedure therefor

1. A person against whom disciplinary action is proposed or likely to be taken shall in the first instance be informed of the particulars of the charge against him and he shall have a proper opportunity to give his explanation as to such particulars. Final orders shall be passed after due consideration of all the relevant facts and circumstances. With this object in view, the following shall apply.
2. By the expression "offence" shall be meant any offence involving moral turpitude for which an employee is liable to conviction and sentence under any provision of Law.
3. (a) When in the opinion of the management an employee has committed an offence, unless he be otherwise prosecuted, the bank may take steps to prosecute him or get him prosecuted and in such a case he may also be suspended.

(b) If he be convicted, he may be dismissed with effect from the date of his conviction or be given any lesser form of punishment as mentioned in Clause 6 below.

(c) If he be acquitted, it shall be open to the management to proceed against him under the provisions set out below in Clauses 11 and 12 infra relating to discharges. However, in the event of the management deciding after enquiry not to continue him in service, he shall be liable only for termination of service with three months' pay and allowances in lieu of notice. And he shall be deemed to have been on duty during the period of suspension, if any, and shall be entitled to the full pay and allowances minus such subsistence allowance as he has drawn and to all other privileges for the period of suspension provided that if he be acquitted by being given the benefit of doubt he may be paid such portion of such pay and allowances as the management may deem proper, and the period of his absence shall not be treated as a period spent on duty unless the management so directs.

or proceed against him under the provisions set out below in Clauses 11 and 12 infra relating to discharge, and the provision set out above as to pay, allowances and the period of suspension will apply, the period up-to-date for which full pay and allowances have not been drawn being treated as one of suspension. In the event of the management deciding, after enquiry not to continue him in service, the employee shall be liable only for termination with three months' pay and allowance in lieu of notice, as directed above.

4. If after steps have been taken to prosecute an employee or to get him prosecuted, for an offence, he is not put on trial within a year of the commission of the offence, the management may then deal with him as if he had committed an act of "gross misconduct" or of "minor misconduct", as defined below; provided that if the authority which was to start prosecution proceedings refuses to do so or comes to the conclusion that there is no case for prosecution it shall be open to the management to proceed against the employee under the provisions set out below in Clauses 11 and 12 infra relating to discharge, but he shall be deemed to have been on duty during the period of suspension, if any, and shall be entitled to the full wages and allowances and to all other privileges for such period. In the event of the management deciding, after enquiry, not to continue him in service, he shall be liable only for termination with three months' pay and allowances in lieu of notice as provided in Clause 3 above. If within the pendency of the proceedings thus instituted he is put on trial such proceedings shall be stayed pending the completion of the trial, after which the provisions mentioned in Clause 3 above shall apply.
5. By the expression "gross misconduct" shall be meant any of the following acts and omissions on the part of an employee:
 - (a) engaging in any trade or business outside the scope of his duties except with the written permission of the bank;
 - (b) unauthorised disclosure of information regarding the affairs of the bank or any of its customers or any other person connected with the business of the bank which is confidential or the disclosure of which is likely to be prejudicial to the interests of the bank;

- (d) willful damage or attempt to cause damage to the property of the bank or any of its customers;
- (e) willful insubordination or disobedience of any lawful and reasonable order of the management or of a superior;
- (f) habitual doing of any act which amounts to "minor misconduct" as defined below, "habitual" meaning a course of action taken or persisted in, notwithstanding that at least on three previous occasions censure or warnings have been administered or an adverse remark has been entered against him;
- (g) willful slowing down in performance of work;
- (h) gambling or betting on the premises of the bank
- (i) speculation in stocks, shares, securities or any commodity whether on his account or that of any other persons;
- (j) doing any act prejudicial to the interest of the bank or gross negligence or negligence involving or likely to involve the bank in serious loss;
- (k) giving or taking a bribe or illegal gratification from a customer or an employee of the bank;
- (l) abetment or instigation of any of the acts or omissions above-mentioned.
- (m) Knowingly making a false statement in any document pertaining to or in connection with his employment in the bank.
- (n) Resorting to unfair practice of any nature whatsoever in any examination conducted by the Indian Institute of Bankers or by or on behalf of the bank and where the employee is caught in the act of resorting to such unfair practice and a report to that effect has been received by the bank from the concerned authority.
- (o) Resorting to unfair practice of any nature whatsoever in any

the bank from the concerned authority and the employee does not accept the charge.

- (p) Remaining unauthorisedly absent without intimation continuously for a period exceeding 30 days.
- (q) Misbehaviour towards customers arising out of bank's business.
- (r) Contesting election for parliament/ legislative assembly/legislative council/local bodies/municipal corporation/panchayat, without explicit written permission of the bank.
- (s) Conviction by a criminal Court of Law for an offence involving moral turpitude.
- (t) indulging in any act of 'sexual harassment' of any woman at her workplace.

Note : Sexual harassment shall include such unwelcome sexually determined behaviour (whether directly or otherwise) as

- (a) physical contact and advances;
- (b) demand or request for sexual favours;
- (c) sexually coloured remarks;
- (d) showing pornography; or
- (e) any other unwelcome physical verbal or non-verbal conduct of a sexual nature.

- (u) *(For State Bank of India)*

the giving or taking or abetting the giving or taking of dowry or demanding directly or indirectly from the parents or guardians of a bride or bridegroom, as the case may be, any dowry.

Explanation – For the purpose of sub-clause (u) the word 'dowry' has the same meaning as in the "Dowry Prohibition Act, 1961"

6. An employee found guilty of gross misconduct may:

under the Rules or Regulations prevailing at the relevant time and without disqualification from future employment; or

- (c) be compulsorily retired with superannuation benefits i.e. Pension and / or Provident Fund and Gratuity as would be due otherwise under the Rules or Regulations prevailing at the relevant time and without disqualification from future employment; or
- (d) be discharged from service with superannuation benefits i.e. Pension and / or Provident Fund and Gratuity as would be due otherwise under the Rules or Regulations prevailing at the relevant time and without disqualification from future employment; or
- (e) be brought down to lower stage in the scale of pay up to a maximum of two stages; or
- (f) have his increment/s stopped with or without cumulative effect; or
- (g) have his special pay withdrawn; or
- (h) be warned or censured, or have an adverse remark entered against him;
or
- (i) be fined.

7. By the expression "minor misconduct" shall be meant any of the following acts and omissions on the part of an employee:

- (a) absence without leave or overstaying sanctioned leave without sufficient grounds;
- (b) unpunctual or irregular attendance;
- (c) neglect of work, negligence in performing duties;
- (d) breach of any rule of business of the bank or instruction for the running of any department;
- (e) committing nuisance on the premises of the bank;
- (f) entering or leaving the premises of the bank except by an entrance provided for the purpose;

- (h) holding or attempting to hold or attending any meeting on the premises of the bank without the previous permission of the management or except in accordance with the provisions of any rule or law for the time being in force;
- (i) canvassing for union membership or collection of union dues or subscriptions within the premises of the bank without the previous permission of the management or except in accordance with the provisions of any rule or law for the time being in force;
- (j) failing to show proper consideration, courtesy or attention towards officers, customers or other employees of the bank, unseemly or unsatisfactory behavior while on duty;
- (k) marked disregard of ordinary requirements of decency and cleanliness in person or dress;
- (l) incurring debts to an extent considered by the management as excessive;
- (m) resorting to unfair practice of any nature whatsoever in any examination conducted by the Indian Institute of Bankers or by or on behalf of the bank in cases not covered by sub-clause (n) under 'Gross Misconduct' and where a report to that effect has been received by the bank from the concerned authority and the employee accepts the charge;
- (n) refusal to attend training programmes without assigning sufficient and valid reasons;
- (o) Not wearing, while on duty, identity card issued by the bank;
- (p) Not wearing, while on duty, the uniforms supplied by the bank, in clean condition.

8. An employee found guilty of minor misconduct may :

- (a) be warned or censured; or

9. A workman found guilty of misconduct, whether gross or minor, shall not be given more than one punishment in respect of any one charge.
10. In all cases in which action under Clauses 4, 6 or 8 may be taken, the proceedings held shall be entered in a book kept specially for the purpose, in which the date on which the proceedings are held, the name of the employee proceeded against, the charge or charges, the evidence on which they are based, the explanation and the evidence, if any, tendered by the said employee, the finding or findings, with the grounds on which they are based and the order passed shall be recorded with sufficient fullness, as clearly as possible and such record of the proceedings shall be signed by the officer who holds them, after which a copy of such record shall be furnished to the employee concerned if so requested by him in writing.
11. When it is decided to take any disciplinary action against an employee such decision shall be communicated to him within three days thereof.
12. The procedure in such cases shall be as follows :-
 - (a) An employee against whom disciplinary action is proposed or likely to be taken shall be given a charge-sheet clearly setting forth the circumstances appearing against him and a date shall be fixed for enquiry, sufficient time being given to him to enable him to prepare and give his explanation as also to produce any evidence that he may wish to tender in his defence. He shall be permitted to appear before the Officer conducting the enquiry, to cross-examine any witness on whose evidence the charge rests and to examine witnesses and produce other evidence in his defence. He shall also be permitted to be defended -
 - (i) (x) by a representative of a registered trade union of bank employees of which he is a member on the date first notified for the commencement of the enquiry.
 - (y) where the employee is not a member of any trade union of bank employees on the aforesaid date, by a representative of a registered trade union of employees of

(ii) at the request of the said union by a representative of the state federation or all India Organisation to which such union is affiliated;

OR

(iii) with the Bank's permission, by a lawyer.

He shall also be given a hearing as regards the nature of the proposed punishment in case any charge is established against him.

(b) Pending such inquiry or initiation of such inquiry he may be suspended, but if on the conclusion of the enquiry it is decided to take no action against him he shall be deemed to have been on duty and shall be entitled to the full wages and allowances and to all other privileges for the period of suspension; and if some punishment other than dismissal is inflicted the whole or a part of the period of suspension, may, at the discretion of the management, be treated as on duty with the right to a corresponding portion of the wages, allowances, etc.

(c) In awarding punishment by way of disciplinary action the authority concerned shall take into account the gravity of the misconduct, the previous record, if any, of the employee and any other aggravating or extenuating circumstances, that may exist. Where sufficiently extenuating circumstances exist the misconduct may be condoned and in case such misconduct is of the "gross" type he may be merely discharged, with or without notice or on payment of a month's pay and allowances, in lieu of notice. Such discharge may also be given where the evidence is found to be insufficient to sustain the charge and where the bank does not, for some reason or other, think it expedient to retain the employee in question any longer in service. Discharge in such cases shall not be deemed to amount to disciplinary action.

(d) If the representative defending the employee is an employee of the same bank at an outstation branch within the same State, he shall be relieved on special leave (on full pay and allowances) to represent the employee and be paid one return fare. The class of

the enquiry for defending the employee as also for the days of the journeys which are undertaken at the bank's cost.

Explanation :

'State' for the purpose, shall mean the area which constitutes a political State, but this explanation will not apply to SBI.

- (e) An enquiry need not be held if :
- (i) the bank has issued a show cause notice to the employee advising him of the misconduct and the punishment for which he may be liable for such misconduct;
 - (ii) the employee makes a voluntary admission of his guilt in reply to the aforesaid show cause notice; and
 - (iii) the misconduct is such that even if proved the bank does not intend to award the punishment of discharge or dismissal.

However, if the employee concerned requests a hearing regarding the nature of punishment, such a hearing shall be given.

- (f) An enquiry need not also be held if the employee is charged with minor misconduct and the punishment proposed to be given is warning or censure. However,
- (i) the employee shall be served a show cause notice advising him of the misconduct and the evidence on which the charge is based; and
 - (ii) the employee shall be given an opportunity to submit his written statement of defence, and for this purpose has a right to have access to the documents and material on which the charge is based;
 - (iii) if the employee requests a hearing such a hearing shall be given and in such a hearing he may be permitted to be represented by a representative authorised to defend him in an enquiry had such an enquiry been held.

13. Where the provisions of this Settlement conflict with the procedure or rules in force in any bank regarding disciplinary action, they shall prevail over the latter. There may, in such procedure or rules, exist certain provisions outside the scope of the provisions contained in this Settlement enabling the bank to dismiss, warn, censure, fine an employee or have his increment stopped or have an adverse remark entered against him. In all such cases also the provisions set out in Clauses 10 and 11 above shall apply.
14. The Chief Executive Officer or the Principal Officer in India of a bank or an Alternate Officer at the Head Office or Principal Office nominated by him for the purpose shall decide which officer (i.e. the disciplinary authority) shall be empowered to take disciplinary action in the case of each office or establishment. He shall also decide which officer or body higher in status than the officer authorized to take disciplinary action shall act as the appellate authority to deal with or hear and dispose of any appeal against orders passed in disciplinary matters. These authorities shall be nominated by designation, to pass original orders or hear and dispose of appeals from time to time and a notice specifying the authorities so nominated shall be published from time to time on the bank's notice board.

It is clarified that the disciplinary authority may conduct the enquiry himself or appoint another officer as the Enquiry Officer for the purpose of conducting an enquiry.

The appellate authority shall, if the employee concerned is so desirous, in a case of dismissal, hear him or his representatives before disposing of the appeal. In cases where hearings are not required, an appeal shall be disposed of within two months from the date of receipt thereof. In cases where hearings are required to be given and requested for, such hearings shall commence within one month from the date of receipt of the appeal and shall be disposed of within one month from the date of conclusion of such hearings. The period within which an appeal can be preferred shall be 45 days from the date on which the original order has been communicated in writing to the employee concerned.

15. Every employee who is dismissed or discharged⁴ shall be given a service

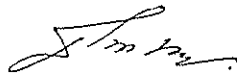
be sent to him by registered post with acknowledgement due. If an employee refuses to accept any notice, order, charge-sheet, written communication or written intimation in connection with disciplinary proceedings when it is sought to be served upon him, such refusal shall be deemed to be good service upon him, provided such refusal takes place in the presence of at least two persons including the person who goes to effect service upon him. Where any notice, order, charge-sheet, intimation or any other official communication which is meant for an individual employee is sent to him by registered post acknowledgement due at the last recorded address communicated in writing by the employee and acknowledged by the bank, the same is to be deemed as good service.

Date of effect.

1. The provisions under this Memorandum of Settlement shall come into effect from 10th April 2002 and shall continue to govern and bind the parties until the Settlement is terminated by either party giving to the other a statutory notice as prescribed in law for the time being in force.
2. Copies of the Memorandum of Settlement will be jointly forwarded by the parties to the authorities listed in Rule 58 of the Industrial Disputes (Central) Rules 1957, so that the terms and conditions hereof are binding on the parties as provided in law.

For Indian Banks' Association

(S/Shri)



Dalbir Singh



R V Shastri

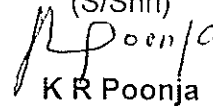


B Samal

K C Chowdhary

For National Organisation of Bank Workers

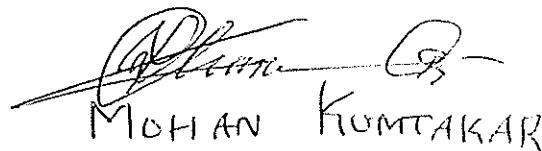
(S/Shri)



K R Poonja



V B Indurkar



MOHAN KUMAR

WITNESSES
(S/Shri)



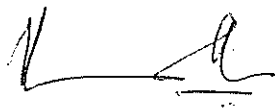
G Sankaranarayanan



Himadri Dutta



Dinesh Kulkarni



R R Kini

LIST OF BANKS

1. Allahabad Bank
2. Andhra Bank
3. Bank of Baroda
4. Bank of India
5. Bank of Maharashtra
6. Canara Bank
7. Central Bank of India
8. Corporation Bank
9. Dena Bank
10. Indian Bank
11. Indian Overseas Bank
12. Oriental Bank of Commerce
13. Punjab National Bank
14. Punjab & Sind Bank
15. Syndicate Bank
16. UCO Bank
17. Union Bank of India
18. United Bank of India
19. Vijaya Bank
20. State Bank of India
21. State Bank of Bikaner & Jaipur
22. State Bank of Hyderabad
23. State Bank of Indore
24. State Bank of Mysore
25. State Bank of Patiala
26. State Bank of Saurashtra
27. State Bank of Travancore
28. The Bank of Rajasthan Ltd.
29. Bharat Overseas Bank Ltd.
30. The Dhanalakshmi Bank Ltd.
31. The Federal Bank Ltd.
32. The Jammu & Kashmir Bank Ltd.
33. The Karnataka Bank Ltd.
34. The Karur Vysya Bank Ltd.
35. The Lakshmi Vilas Bank Ltd.
36. Lord Krishna Bank Ltd.
37. The Nainital Bank Ltd.
38. The Nedungadi Bank Ltd.
39. The Ratnakar Bank Ltd.
40. The Sangli Bank Ltd.
41. The South Indian Bank Ltd.
42. The Vysya Bank Ltd.
43. ABN Amro Bank N.V.
44. American Express Bank Ltd.
45. Bank of America NT & SA
46. The Bank of Tokyo – Mitsubishi Ltd.
47. BNP Paribas
48. Citibank N.A.
49. The Hongkong and Shanghai Banking Corporation Ltd.
50. Sumitomo Mitsui Banking Corporation
51. Sonali Bank