



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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To

Chairman,
Indian Banks' Association
Mumbai

Dear Sir,

Reg: Violation of BP Settlement by the management of State Bank of India and Associate Banks in the matter of service conditions

We are thankful to you for sparing your precious time to meet our deputation.

We wish draw your urgent attention to the following serious development which is a matter of grave concern for us and expect the same from the side of IBA also as both of us are parties to the Settlement mutually binding on both the sides.

Clause 11 of the recent 10th BP Settlement deals with Special Pay applicable to Banks other than State Bank of India and Part A in Schedule II deals with the revised amount of Special Pay payable to the employees.

Clause 11(ii) provides that General Rules regarding Special pay as contained in I BPS and amended from time to time shall continue to apply.

Clause 11 (v) permits State Bank of India (only State Bank of India) to review and settle the rates of special pay and duties at their bank level.

Clause 39 provides special compensatory provisions in respect of SBI (only in SBI) to be reviewed and settled at their Bank level.

The above provisions of the Settlement clearly mean and imply that the Special Pay rates and duties in all other Banks will be as provided therein and cannot be altered and amended by them at their Bank level.

It would be recalled that during the negotiations for the 10th BPS, the IBA raised the issue of rationalisation of Special Pay and desired enhancement in

duties. From the side of the unions, it was indicated that the duties can be revised and expanded if the rates of Special Pay are also upwardly revised commensurately. However, IBA did not insist on any change in the duties and powers of Special pay posts and accordingly the Settlement was signed. Even the SBI representative in the negotiation Committee of the IBA did not suggest any special provisions for Associate Banks on the lines of SBI.

All the Associate Banks viz. SBT, SBM, SBH, SBP and SBBJ, had given independent mandate letters to the IBA and are party to the Settlement and are also bound by the provisions of the Settlement. They had given clear mandate to the IBA to negotiate and settle on behalf of their Banks and hence the Settlement is fully binding on them.

But it is disturbing to learn that the managements of the Associate Banks, at the instance of SBI, are changing the duties and rate of Special pay in deviation and violation of the provisions contained in the Settlement. This cannot be countenanced or permitted.

It is further observed that SBI management is forcing the Associate Banks to adopt the Special Pay duties as are applicable in SBI since the Associate Banks happen to be under the SBI group. While the Settlement provides for separate dispensation in the case of SBI, the same leverage is not available to any other Bank including the Associate Banks. There are some vital service conditions that are exclusive to SBI only and so far this group concept has never been in vogue as far as the service conditions are concerned.

The actions on the part of the SBI and Associate Banks to violate the provisions of 10th BPS is viewed seriously by us and we urge upon the IBA to intervene to advise the Associate Banks/SBI not to indulge in such illegal decisions.

We wish to put the IBA on notice that should the SBI/Associate Banks choose to proceed in the matter as above by violating the Settlement, AIBEA would be constrained to re-open the entire Settlement and also compelled to combat the violations through all remedies available to us including direct actions.

We hope that IBA would not push us to the wall. We seek your immediate intervention in the matter and ensure that the parties to the Settlement are bound by the terms of the Settlement.

Thanking you,

Yours faithfully,
C.H. VENKATACHALAM
GENERAL SECRETARY

