



STATE BANK OF HYDERABAD STAFF ASSOCIATION
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TO ALL THE MEMBERS:

Dear Comrades,

We reproduce hereunder the **CIRCULAR NO. 27/74/2014/30, dated: 27th August, 2014**, issued by our National Organization – AIBEA for information.

With Greetings,

Yours Comradely,

(JAGDISH M BHAVTHANKAR)
GENERAL SECRETARY

Dear Comrades,

◆ **Restoration of Scheme on Compassionate ground Appointments in Banks – significant achievement - Result of decade long perseverance : 2004 to 2014**

We have already informed our units and members about the clearance received by the IBA from the Government restoring the Compassionate ground Appointment Scheme in the Banks on the lines of the scheme available for Central Government employees. We have also furnished the details of the Scheme as forwarded by IBA to all the Banks for implementation. This is a very significant achievement of AIBEA and UFBU.

For us in the AIBEA, this issue of restoration of compassionate ground appointment was a passionate demand and has been one of our longstanding demands. The demand was pursued by us consistently and the UFBU played an important role in achieving this demand.

Looking back:

1978 : Earlier, on an ad-hoc and sporadic basis, Bank managements were considering employment to the widow/wards if an employee happens to die during service. In 1978, vide guidelines dated 12-9-1978, the Government advised the Banks to implement an uniform scheme on appointment under compassionate grounds of a family member upon the death of an employee while in service.

1982 : The Government issued further guidelines in 1982, by which dependents of employees who voluntarily resign from the service before the age of 55 due to extreme medical conditions were also covered for compassionate appointments in the Banks.

1984 : Under Banking Service Commission Act of 1984, it was clearly provided that while the Commission was given the power to conduct examinations for appointments and filling up of vacancies in clerical and officer cadre, appointments under compassionate grounds can be made under the scheme framed by the Bank as per Government guidelines and such appointments could be made without consulting the Commission.

1994 : In Umesh Kumar Nagpal Vs State of Haryana, the Supreme Court, vide its judgement dated 4.5.1994 held that while all new appointments in the Banks should be made by open invitation and merit, exception can be made in favour of dependents of employees dying in harness and leaving the family in penury may be appointed provided the Banks are satisfied about the financial condition of the family.

1996 : Based on the observations of the Supreme Court judgement, the Government issued a guideline in 1996 advising the Banks to keep the Supreme Court judgement in view while considering the Compassionate appointments. Accordingly, the IBA issued Circular (Circular No.813, dated 23.8.1996) advising the Banks to strictly abide by the guidelines. Based on these guidelines received from Government & IBA, Banks were following the same and compassionate appointments were being extended after looking into the financial condition of the family of the deceased. Thus, the general principles evolved out of the Supreme Court judgement in Nagpal case were being taken care of by the Banks.

2002: However, the attitude of the Bank managements underwent a change and Human Resources Committee of the IBA recommended to the Government for abolition of compassionate appointments and payment of Ex-Gratia in lieu of job on the following grounds:

Based on these views, the Government suggested to IBA that IBA may suggest on alternative scheme of ex-gratia payment in lieu of compassionate appointments. Accordingly, IBA submitted the proposal to the Government.

2003: Based on these views of IBA, the Government, in October 2003, issued fresh guidelines to IBA as under:

1. Earmarking a large portion of the recruitment in clerical and Sub-staff cadres for compassionate appointments will affect the quality of manpower in Banks.
2. Help to the family of the deceased can be achieved by extending financial assistance.
3. Financial compensation scheme to be implemented by working out a uniform basis.

2004 : BAN ON COMPASSIONATE GROUND APPOINTMENTS On 31-7-2004, with the approval of the Government, the IBA circulated the model scheme to all Banks stopping all compassionate appointments in the Banks and providing for financial compensation .

2005/2006 : The IBA Model Scheme was adopted by the Banks and all compassionate appointments were banned. Even cases involving death of employees while on duty were not considered.

9-3-2006 : UFBU's STRIKE CALL : In view of this, the UFBU gave a call for Strike on 9.3.2006 exclusively on this issue and demanded reconsideration of the Scheme to provide for compassionate appointments. The IBA did not come forward to discuss the issue stating that compassionate appointment is not a service condition or part of any Bipartite Settlement.

CONCILIATION BY CLC : In view of UFBU's Strike Notice, Chief Labour Commissioner (Central), Delhi intervened and held a conciliation meetings on 6.2.2006, 24.2.2006 and 6.3.2006. He advised both IBA and UFBU to sit together and work out a mutually acceptable scheme. Since IBA agreed to the same, the Strike was deferred.

9-5-2006 : Consequently, discussions were held on 9.5.2006 and 15.6.2006 on the issue when our suggestions as well as improvements were discussed. IBA agreed to place our views in their Managing Committee meeting and then forward the same to the government for their consideration.

16-6-2006: The Managing Committee of the IBA was held on 16.6.2006 which considered our suggestions and approved the following:

- (a) Compassionate appointments to be given to the family in cases of death while resisting dacoity, robbery, terrorist attack.
- (b) In all other cases, Ex-gratia to be paid at 80% of the last drawn wages of the deceased employee for the remaining service period subject to a ceiling of Rs.6 lacs, Rs.7 lacs and Rs.8 lacs for Subordinate Staff, Clerical staff and Officers respectively.

These modifications were recommended to the Government by IBA in August 2006. The IBA also referred to the Government the demand of the UFBU for compassionate appointments to the spouse of an employee dying at a relatively young age provided he / she has the requisite qualifications.

2007 : Call for Indefinite Strike: Though the issue was referred to the Government in August 2006, there was no outcome from the Government. Hence, UFBU gave a call for **3 days strike on 28, 29, 30 March 2007 and Indefinite Strike from 3.5.2007.**

The Deputy Chief Labour Commissioner (Central), Mumbai and Chief Labour Commissioner (Central), Delhi held conciliation meeting but IBA did not come forward to resolve the issue.

19-3-2007 - MEETING WITH PRIME MINISTER : The UFBU met the Prime Minister Dr. Manmohan Singh on 19.3.2007 and submitted a Memorandum reiterating UFBU's suggestions to IBA.

21-3-2007 - MEETING WITH FINANCE MINISTER : On 21.3.2007, UFBU met the Finance Minister and submitted all our Strike demands. He suggested that he would advise IBA to hold discussions with UFBU on these demands to find a solution.

21-3-2007 - MOU WITH IBA: In this background of our meeting with Prime Minister and Finance Minister, IBA held discussions with UFBU on 21-3-2007 and consequently the Strike was deferred with the signing of an MoU. The MoU in relation to compassionate appointment was as under:

"IBA informed that based on mutual understandings reached on the issues before the Chief Labour Commissioner (Central) and consequent discussions with UFBU, earlier recommendations have been forwarded to the government and that the response of the Government is **expected shortly.**"

19-6-2007: COMPASSIONATE APPOINTMENT AGREED IN CERTAIN CASES: In the above background, the Government issued a revised guideline F-18/1/2006-1R dt.19.6.2007 providing for the following modifications:

- (a) **Compassionate appointments to be given** to the next of kin of the employee dying while performing official duty as a result of violence, terrorism, dacoity or robbery.

- (b) **Compassionate appointments to be given** to the next of kin of the employee dying within 5 years of his first appointment or before reaching the age of 30 years, whichever is later.

19-7-2007 : REVISED IBA GUIDELINES : Based on the above guidelines of the Government, IBA vide their circular No.1549 dt.19.7.2007 advised all Public Sector Banks to adopt the modified scheme incorporating the above guidelines of Government.

2-8-2007 : Since the above modifications were unilateral and did not meet with our demands, the UFBU wrote a letter to the IBA Chairman on 2.8.2007 stating that "**on this issue we appear to be back in square one.**"

12-9-2007 : UFBU's Strike Call : Since there was no response from the IBA or the Government, the UFBU from its meeting held on 22.8.2007 gave a call for an All India Strike on 12.9.2007. Arising out of this Strike Notice, once again the Chief Labour Commissioner held conciliation meeting on 3.9.2007 and 10.9.2007. During this discussion IBA agreed to the advice of the CLC for holding discussions with the UFBU within a fortnight to find amicable solution based on the MoU dt.21.3.2007. Hence, the Strike was deferred.

ISSUE REMAINED UNRESOLVED: Even though discussions took place with the IBA on 3.10.2007 on the issue of Pension Option, the IBA did not honour its commitments to hold further discussions on Compassionate appointments scheme on the plea that compassionate appointments are based on Government guidelines and IBA cannot do anything on its own. Hence, the issue remained unresolved.

SEPTEMBER, 2007 : Submission to Parliamentary Standing Committee : Since the issue was being dragged on, AIBEA submitted a memorandum to the Parliamentary Standing Committee during its meeting and the meeting made the following observations reflecting the views of AIBEA and UFBU :

" The Committee strongly feels that the Judgement given / delivered by the Hon'ble Supreme Court in Shri Umesh Kumar Nagpal vs State of Haryana and others does not totally ban employment on compassionate grounds, rather it has been misquoted / misinterpreted / misunderstood "

" The Committee therefore recommends that the Government should not totally ban the appointments on compassionate grounds in the Banking Sector, rather think of providing compassionate appointments to the family members of the deceased."

" The Committee feels that in a welfare state like ours it is obligatory on the part of the government to provide the social security net to the employees and appointments on compassionate ground is one such measure."

25-1-2008: SUCCESSFUL STRIKE : Since the IBA or the Government did not come forward to resolve the various issues contained in the MoU dt.21.3.2007 the UFBU gave a call for strike on 25.1.2008. In the conciliation meeting held on 23.1.2008, the IBA regretted their inability to make any improvements in the Compassionate Appointment scheme since their suggestions have not been accepted by the Government. In view of this and other issues also remaining unresolved the **UFBU observed one day protest Strike on 25.1.2008.**

UFBU'S CALL FOR TWO DAYS STRIKE ON 25. 2. 2008 & 26. 2. 2008 : In view of the negative approach of the IBA and Government, the UFBU gave a call for 2 days Strike on 25 / 26.2.2008.

19-2-2008: MEETING WITH BANKING DIVISION & FINANCE MINISTER:

In this background, the Secretary, Department of Financial Services, Ministry of Finance, Government of India, invited the UFBU for a discussion on 19.2.2008. During this meeting UFBU submitted its suggestions on compassionate appointments besides the other demands. This was followed by a meeting with the Finance Minister wherein also the UFBU explained all its issues.

Regarding Compassionate Appointment, the attention of the FM was brought to the fact that notwithstanding the Supreme Court judgement of 1994, compassionate appointments are continued in Central Government, State Governments, RBI, LIC, Railways and some other public sector undertakings. We informed him that even deaths during the performance of duties are not fully included in the revised scheme except cases relating to dacoity / robbery.

We also pointed out that the number of cases of death during service is very very negligible. We further pointed out that the Banks would be needing additional manpower, compassionate appointments can be given in the Banking sector also if the dependents possess necessary qualifications.

The FM assured to advise the IBA to receive the suggestions of the UFBU in this regard whereafter the matter could be reviewed by the Government.

25-2-2008: MOU WITH IBA : In this background, discussions were held before the CLC (C) and later with the IBA and an MoU was signed between UFBU and IBA on 25.2.2008 on various issues including on compassionate appointments which reads as under:

"As regards restoration of Compassionate appointment scheme, the IBA requested UFBU to suggest improvement, modifications, etc to the scheme to enable IBA to refer the matter to the Government for further consideration"

In view of this, the strike was deferred.

MARCH, 2008 : Talks with IBA : Based on the above MOU, IBA held discussions with UFBU on 18-3-2008, 25-3-2008 and 3-4-2008. UFBU gave an exhaustive submission / memorandum giving the justification for our demand and quoting various schemes of Government and other departments, etc. The IBA forwarded our memorandum to the Government for their consideration.

AUGUST, 2008: In the discussions with the IBA on 11-8-2008, we were informed that the Government is not averse to expand the circumstances of compassionate appointments in exceptional cases and also to improve the financial compensation by additional one lakh rupees but the circumstances of penury should be properly defined. Hence IBA suggested another round of discussions on this issue.

SEPTEMBER, 2008 : UFBU held one more round of talks with IBA on 2-9-2008 when IBA agreed to examine our suggestions and submissions and make their recommendations to the government.

ALL INDIA DAY : On 16-9-2008, UFBU organised an All India Day to highlight the demand of compassionate ground appointment scheme along with other issues.

2 DAYS STRIKE ON 25/26, SEPT. 2008: Since IBA did not respond favorably, UFBU observed 2 days successful strike on 25/26-9-2008.

NOVEMBER, 2008 : Pursuant to the strike, then IBA held a round of discussions with UFBU on 6-11-2008 when issues like expanding the scope of compassionate ground appointments to various contingencies were discussed and IBA appreciated our viewpoints.

DECEMBER, 2008: Another round of discussions were held by IBA with UFBU where we demanded that the revised improved scheme should be implemented from July, 2004. IBA agreed to examine our demand.

JANUARY, 2009 : Pursuant to this, two rounds of discussions were held with IBA on 12-1-2009 and 21-1-2009 wherein IBA agreed with some of our suggestions for expanding the scope of compassionate appointments and also to ensure some minimum compensation amount in cases not covered by appointments and further agreed to recommend the same to the Government.

FEBRUARY, 2009 : On 26-2-2009, we met the Labour Minister Shri Oscar Fernandes and on 27-2-2009 we met Finance Minister Shri Pranab Mukherjee and urged upon them to expedite the clearance of the IBA's recommendations.

JUNE, 2009 – STRIKE CALL : Since the Government approval was being delayed, along with our demand for early wage revision, UFBU gave the call for strike on 12-6-2009. In view of cognizable improvement in the wage revision front, it was decided to defer the strike and pursue this issue further.

AUGUST, 2009 – STRIKE CALL: Once again, UFBU gave the call for 2 days strike on 6th and 7th August, 2009 to press our demand. On 5-8-2009, IBA informed that Government is not ready to accept our/IBA's submissions. IBA also reduced their offer on wage revision from 17.5 to 13 %. Hence UFBU went ahead and the strike was observed successfully.

2009-2010 : From September, 2009 to September, 2010, UFBU was busy in finalising the 9th BPS and Pension Option Settlement and to get it implemented facing court cases, etc.

OCTOBER, 2010: On 7-10-2010, UFBU held a meeting and it was decided that in view of the delay, UFBU should organise exclusive agitations on this demand.

JULY, 2011 : STRIKE: However, looking to developments like introduction of Banking Law Amendment Bill in the Parliament, UFBU gave a call for strike on 7-7-2011 on this and other issues together. Since the Parliament session was delayed, our strike was postponed to August, 2011.

AUGUST, 2011 - STRIKE CALL: Hence UFBU changed the strike call to 5-8-2011. On 3-8-2011, UFBU met the Secretary, Dept. of Financial Services, Ministry of Finance in a deputation. Since he could not assured anything, UFBU went ahead with the strike and it was a successful strike.

NOVEMBER , 2011 : On 16th November, 2011, UFBU met the Chairman of IBA Mr Mallya and submitted a memorandum, stressing amongst other issues, the need to expedite the implementation of understandings on compassionate ground appointment/ compensation.

DECEMBER, 2011 : Again on 14-12-2011, UFBU staged a massive Dharna before Parliament in Delhi and also met the Secretary, Dept. of Financial Services, Ministry of Finance in a deputation and submitted a detailed memorandum.

AIBEA CC IN MAY, 2012 – IMPORTANT DECISION TAKEN : In our Central Committee meeting held in Bangalore in May, 2012, we took the decision that our emphasis should be on getting compassionate ground appointments rather than financial compensation as **AIBEA felt that job should be our priority and not money. AIBEA**

decided that we should demand extension of Government scheme of compassionate ground appointment in the banking sector.

JULY 2012 : Strike Call for 2 days : UFBU gave the call for strike on 25/26-7-2012 on various issues including on compassionate appointments. Arising out of conciliation meeting held on 18-7-2012 and talks with IBA on 24-7-2012, the strike was temporarily postponed to 22/23-8-2012. This strike was a total success.

AUGUST, 2012 - AIBEA MET GOVERNMENT: AIBEA pursued the matter with the Government at the highest level and convinced the Government that if the scheme on compassionate ground appointment is workable in the Government, why it cannot be implemented in the banking sector. Government assured that if all the unions would take a common view, this can be examined favourably.

SEPTEMBER, 2012: UFBU's IMPORTANT DECISION - On our taking up the matter, in the UFBU meeting held at Chennai on 28-9-2012, the **UFBU unanimously decided that we should demand appointment similar to Government scheme.**

OCTOBER, 2012: UFBU's DEMAND ON IBA : On 29-10-2012, UFBU submitted the letter to the IBA seeking compassionate ground appointment scheme on the lines of the Government scheme. IBA assured to recommend the matter to the Government.

FEBRUARY, 2013: In the 1st round of Bipartite Talks with IBA held on 22-2-2013, UFBU emphasized that even though our demand for compassionate ground appointment has been included in the Chartered of Demands, this issue should be resolved expeditiously even before the Bipartite Settlement on wage revision.

AUGUST, 2013: In the Bipartite Talks held on 12-8-2013, UFBU took up this issue with the IBA. IBA informed that its recommendations for introduction of compassionate appointment scheme on similar lines prevailing in Central Government for its employees has been sent to Ministry of Finance, Govt. of India for its approval.

OCTOBER, 2013 : In the Bipartite talks held with IBA on 11-10-2013, UFBU sought to know the developments in regard to Compassionate Appointments, since a long time has elapsed after sending recommendations of IBA on the Scheme to the Ministry of Finance, Government of India. IBA informed that the matter is still pending with the Government. UFBU exhorted upon the need to finalise the matter immediately as it has been lingering on for many years without any resolution.

DECEMBER, 2013 : UFBU STRIKE; On 18-12-2013, UFBU gave the call for strike on wage revision, and this issue was highlighted in order to expedite the matter.

FEBRUARY, 2014 : 2 DAYS STRIKE: Again during the 2 days strike on 10 and 11-2-2014, this issue was highlighted.

MARCH, 2014: During the bipartite meeting with IBA held on 3-3-2014, we urged upon the IBA to expedite the compassionate appointment scheme and IBA informed us that they are very much seized of the issue and would endeavor to speed up the issue with the Government.

In the next round of talks with IBA on 14-3-2014, once again the issue was focused by UFBU when **IBA conveyed the clarifications sought from the Government to which we explained that UFBU's view is that the compassionate appointment scheme should be on the lines of the Government scheme** and urged upon them to expedite the matter.

JUNE, 2014 : During the Bipartite talks held on 13-6-2014, this issue was pursued and **IBA informed that the demand for extending appointment on compassionate grounds in the Banks on the lines of Government scheme is under the active and positive consideration of the Government and their decision is awaited shortly.**

AIBEA's SUBMISSION TO FINANCE MINSITER: When UFBU met the Finance Minister on 27-6-2014, to expedite the wage revision Settlement, AIBEA gave a separate memorandum to the Finance Minister Shri Arun Jaitley requesting his personal attention to speed up the clearance.

AUGUST, 2014: GOVT. CLEARANCE ISSUED : At last, on **7th August, 2014**, the Government of India sent their letter to Mr. K R Kamath, Chairman IBA conveying their approval for extending Compassionate ground appointments in the Banks on the lines of the Government scheme w.e.f. 5-8-2104.

IBA's CIRCULAR TO ALL BANKS: Based on the Government's approval, IBA issued their Circular No. CIR. HR&IR/ 2014-15/ 532/ 476 dated 11th August, 2014 to all the Banks along with the Scheme and asking the Banks to implement the Scheme after approval in the respective Board meeting.

DECADE OF PERSEVERANCE AND PERSISTENCE : For a decade from 2004 to 2014, we have been fighting and pursuing this issue and we are very happy that finally we could succeed. We are aware that there are issues relating to the past cases. All such issues will have to be further pursued by us.

But yet, this is a commendable achievement of AIBEA and UFBU.

We recall how our beloved leader, the then General Secretary of AIBEA, Com Tarakeswar Chakraborti felt agitated when in 2003, there were plans by IBA to stop the compassionate appointments. We vividly recall that in February, 2003, in the UFBU meeting, Tarakda vociferously argued for an exclusive strike call by UFBU on this issue.

We tearfully recall that the last letter dictated by Tarakda one day prior to his death was a letter addressed to IBA Chairman on this issue. He wanted the letter to be typed and kept ready for his signature on his return to Kolkata. But unfortunately he could not sign and send the letter to IBA because while returning from Mumbai on 2nd May 2003, Tarakda passed away due a severe heart attack in Kolkata airport.

We dedicate this achievement to the hallowed memory of Tarakda.

We thank the Government for at last giving their approval for restoration of the Scheme.

We thank the IBA for their understanding and sympathy in recommendation of the issue to the Government.

We thank the UFBU for its perseverance in pursuing the issue.

We thank all our unions and members for their faith, confidence and Himalayan patience.

With greetings,

Yours Comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**