



ALL INDIA BANK EMPLOYEES' ASSOCIATION

Central Office: "PRABHAT NIVAS" Regn. No.2037
Singapore Plaza, 164, Linghi Chetty Street, Chennai-600001
Phone: 2535 1522 Fax: 2535 8853 Web: www.aibea.in
e mail ~ chv.aibea@gmail.com & aibeahq@gmail.com

CIRCULAR LETTER No. 28/131/2019/15

7-5-2019

**TO ALL OFFICE BEARERS, STATE FEDERATIONS AND
ALL INDIA BANKWISE ORGANISATIONS**

Dear Comrades,

Gratuity payable to Bank Daily Deposit Collectors

Units are aware that Bank Daily Deposit Collectors have been organised by AIBEA under our All India Bank Deposit Collectors Federation. Due to the efforts of AIBEA and after prolonged legal battle, right from Tribunal to High Court and then upto Supreme Court, after two decades of judicial proceedings, finally in February, 2001, Supreme Court upheld AIBEA's contention that Bank Daily Deposit Collectors are '**workmen**' within the definition of Industrial Disputes Act.

In terms of the Hyderabad Tribunal Award and as confirmed by Supreme Court in 2001, Gratuity was being paid at the rate of 15 days of commission for each completed year of service based on the average commission for the 12 months preceding the date of cessation of service.

In 2013, the CGIT, Delhi gave an Award that Gratuity is payable at Rs. 4000 for every completed year of service. However, Delhi High Court, vide its order dated 20-4-2015, set aside this order of the Tribunal relating to Gratuity.

This means and implies that the original direction and decision of Supreme Court order dated 13-2-2001 on payment of Gratuity at 15 days average commission per year remains unaltered and Gratuity is payable as per earlier order of Supreme Court instead of Rs. 4000 per year.

The Delhi High Court Judgement dated 20-4-2015 also stated that Deposit Collectors are eligible to claim Gratuity in terms of the Payment of Gratuity Act, 1972, if they are entitled.

Thus, Bank Daily Deposit Collectors are eligible to receive Gratuity **as per Gratuity Act, 1972 (as per Delhi High Court order dated 20th April, 2015)**

But it was reported to us that some Banks were not paying Gratuity to the Bank Daily Deposit Collectors.

Hence from AIBEA we took up the issue with IBA and requested them to clarify the position to those concerned Banks. Accordingly IBA has advised these Banks as under:

Sub: Payment of Gratuity to JND collectors

We are in receipt of a letter AIBEA/GS/2019/20 dated 11th April, 2019 from the General Secretary, AIBEA, which is self-explanatory.(copy enclosed)

2. In this connection, we advise that Banks have been settling the Gratuity to the daily deposit/pygmy deposit collectors on the basis of 15 days commission for each year of service rendered by them. This is being done in terms of the Award passed by the Central Government Industrial Tribunal, Delhi vide order dated 7/10/2013 in ID No: 45/2011. In terms of the said Award:

(a) Minimum standard of collection on the basis of operating areas (Centre's) were fixed.

(b) Fall Bank Wages, conveyances and gratuity were revised.

3. The Single Judge of Hon`ble High Court of Delhi while dealing with the Writ Petitions (W.P. No: 7589/2014) filed by Banks against the said Award has vide a common judgement dated 20/4/2015 upheld the Award dated 07/10/2013 of the CGIT cum Labour Court except the issue with regard to Gratuity. **Regarding Gratuity, it was held that the JND Collectors will be eligible for Gratuity as per the Provisions of Payment of Gratuity Act.**

4. You may therefore, take an appropriate decision in the matter in consultation with your legal department

Units are requested to take of this and ensure that Gratuity is properly paid to the Daily Deposit Collectors.

With greetings,

Yours Comradely



**C.H. VENKATACHALAM
GENERAL SECRETARY**