



MEMORANDUM OF UNDERSTANDING BETWEEN IBA AND AIBEA, NCBE, BEFI AND INBEF DATED 30-9-1996

(1) WHEREAS Consequent upon the grievances of the four Workmen Unions, Viz., AIBEA, NCBE, BEFI and INBEF as set out in the joint Memorandum to the Deputy Chief Labour commissioner (Central), Bombay, and subsequent discussions between the IBA and the Unions, it was agreed to constitute a three member committee consisting of :-

Shri. T.L. Sankar, IAS	Chairman
Ms, Vimala Visvanathan	Member
Shri. B.D. Upasant	Member

(2) WHEREAS, the Terms of Reference for the committee was to find out all the facts relating to pay, allowances, etc., of both workmen and officers and any other matter related thereto.

(3) WHEREAS, the committee submitted its Report on 3rd May, 1996.

(4) WHEREAS, the Memorandum of Understanding dated 27.11.1995 provided that the IBA shall take consequential action including negotiations with the Workmen Unions in the event of distortions, anomalies, etc., if any, having regard to the grievances of the Unions as mentioned in para I of the MOU and without prejudice to the existing Settlements.

(5) WHEREAS, having regard to the observations of the Three Member Fact -Finding Committee, in its Report dated 3rd May, 1996, IBA and AIBEA, NCBE, BEFI and INBEF discussed the relevant issues and arrived at the following terms of understanding:-

1. (a) In terms of MOU dated 8.10.1994, it was agreed between the IBA and AIBEA, NCBE, BEFI and INBEF that the total cost of wage revision shall be 10.5% of wage bill amounting to around Rs. 388 crores p.a.

(b) In pursuance of the above, a Settlement dated 14.2.1995 was signed providing for wage revision and changes in other service conditions relating to workmen employees employed in banks which are parties to the Settlement.

(c) Without prejudice to the contentions of IBA and Unions, it is agreed that an additional amount of Rs. 85 Crores p.a. shall be provided with effect from 1-7-1996 towards revision of the wages of the employees governed by the Settlement dated 14.2.1995.

(d) It is agreed between the parties that the additional sum now provided shall be utilised towards introduction of Special pay with consequential benefits linked to basic pay such as DA, HRA, CCA, Superannuation benefits, etc., subject to the condition that the cost of total benefits shall not exceed Rs. 85 crores. p.a. as on 1st July 1996.

(e) It is further agreed between the parties that conveyance Allowance be reduced from Rs. 100- p.m to 50/-p.m with effect from 1st July 1996, and the amount quantified by such reduction be reallocated as 'Special Pay' with consequential benefits mentioned in para (d) so that there is no additional cost implications on the aforesaid date.

2. The Changes agreed in terms of this MOU shall be given effect from 1st July, 1996.

3. It is agreed between the parties that the understanding reached as above is in resolution of all the grievances raised by the Unions set out in the Joint Memorandum addressed to the Deputy Chief Labour Commissioner(c) and a Settlement to this effect under the provisions of ID Act shall be signed within a period of Twenty one days.