

MEMORANDUM OF UNDERSTANDING

Representing the added parties

1. The Secretary, Deptt. of Co-op.
The Govt, of West Bengal,
Writers' Buildings,
Calcutta - 700 001 — Sri A. C. Kol, IAS
2. The Registrar of Co-op. Societies
West Bengal,
New Secretariat Buildings.,
1, K. S. Roy Road,
Calcutta - 700 001 — Sri N. R. Banerjee, IAS

Representing the Workmen

1. All Bengal Co-op. Bank Employees' Federation
20, Strand Road,
Calcutta-700 001

President — Sri Monoranjan Bose

General Secretary — Sri Tapan Kumar Bose

SHORT RECITAL

WHEREAS Govt. of West Bengal through its Ministry of Labour referred industrial disputes between the Central Coop. Banks, Land Development Banks and Urban Coop. Banks and their employees as represented by All Bengal Coop. Bank Employees' Federation by their Order No. $\frac{3075 - I. A.}{I.R./111.526 / 79}$ dt. 12th June, 1980.

WHEREAS the Employers—Banks were listed in Annexure 'A' to the reference and Union/Associations affiliated to All Bengal Coop. Bank Employees Federation were listed in Annexure 'B'.

WHEREAS the Govt. of West Bengal, through its secretary, Department of Coop. and Registrar, Co-operative Societies preferred a Petition before the Learned Tribunal to be added as parties to the Reference in addition to the employer Banks as listed in Annexure 'A' to the reference on the ground that they have substantial interest and financial stake in the operation of Central Coop. Banks and Land Dev. Banks and in the long term financial commitments to be taken by these Banks as they are significant share holders, guarantors to the borrowers of those banks from Apex Institutions and

grant subsidies / subventions in the matter of loans granted by these Banks for specified project/schemes.

WHEREAS the said petition was finally disposed of by the learned 5th Industrial Tribunal to whom the reference in its entirety was transferred under section 33B of the Industrial Disputes Act 1947 by adding the 'Secy., Coop. Deptt. and the Registrar of Coop. Societies as parties (hereinafter referred to as "added parties").

WHEREAS since the "added parties" took active interest in the proceedings before the Tribunal, none of the employer Banks as listed in Annexure 'A' to the reference took part in the subsequent proceedings of the Tribunal.

WHEREAS it was felt expedient by the workmen as represented by All Bengal Coop. Bank Employees' Federation (hereinafter referred to as "Federation") to have dialogue with the "added parties" for an amicable settlement of the disputes between the "added parties", the workmen and the concerned parties (employers).

WHEREAS the "added parties" in their petition dt. 10th March, 1986, submitted to the Tribunal that "added parties" are concerned only about the financial commitment of the Banks as covered by the following items of the reference :

1. Categorisation
2. Scales of pay and fitment of workmen, in revised scale.
3. Dearness Allowance.
4. Medical Allowance and other allowances.

"Added Party" stated that such demands of the employees as have no direct financial involvement may be accepted.

After several rounds of discussions between the parties a Memorandum of Understanding was signed on 1st September, 1989, which was duly approved by the Tribunal as an interim one as per its order dated 19th September, 1989. The said Memorandum of Understanding was applicable to 32 Coop. Banks both being Central Coop. Banks and Land Dev. Banks leaving out 4 Central Coop. Banks and 5 Land Dev. Banks. The said Memorandum of understanding stipulated a particular period of operation ending on 31.3.92. Following expiry of the said period, Govt. of West Bengal, through its department of Coop. appointed a committee, under the Chairmanship of Sri B. B. Mondal, Chairman WBSCARDB Ltd. under Resolution No. 5590-Coop. dated 22.12.92 to study the financial conditions of the Central Coop. Banks & Coop. Land Dev. Banks and to suggest suitable Pay Scales for the employees of those Banks in the context of the pending issues before the Industrial Tribunal, West Bengal. The committee consisted of Members of which one Member did not take part in the deliberation of the committee at any time.

WHEREAS the said committee submitted its report enlisting various recommendations in conformity with the terms of reference stipulated by the State Govt. to the Hon'ble Minister-in-Charge, Govt. of West Bengal on 28th June '94.

WHEREAS the All Bengal Coop. Banks Employees Federation by petition dated 10th July, 1994 before the Tribunal played for final award on the basis of

recommendations of the said Pay Committee and the Added Party by its opposition in Reply to the said petition intimated the Tribunal the non-acceptance of the Recommendations of the Pay-Committee without substantial modifications following which the Federation made representations to the State Govt.

WHEREAS the said representations were duly considered and discussed by the State Govt. at different levels of Department of Cooperation on different dates between the Secretary, Department of Cooperation, Govt. of West Bengal, along with Registrar of Coop. Societies, Govt. of West Bengal, in presence of Hon'ble Minister-in-Charge, Sri Saral Deb and representatives of All Bengal Coop. Bank Employees' Federation and the following terms and conditions covering the financial items of the reference were agreed upon and a settlement was arrived at as follows :—

Terms of Settlement

a. It is agreed that the following terms and conditions shall be applicable to Central Coop. Banks and Land Dev. Banks numbering 41 who have been made parties to the reference before the tribunal as Employers as per Schedule-I annexed herewith.

b. **Categorisation of Banks** : the Central Coop. Banks and Primary Land Dev. Banks shall be classified in 4 classes, namely, A, B, C & D on the basis of Profit & Loss Account figure for the last 10 years and their performances in investment and other activities. This classification of the banks are, however, only for the purpose of the fitment of their employees in the new scales of pay. The Banks which are showing profits consistently for 5 years or more in a substantial manner have been classified as 'A' Class Bank. Banks which are showing profit in majority of the block of 5 years are classified as 'B' Class banks. Banks which are running on losses for the major period of 5 years Block shall be classified as 'C' Class Banks and the Banks which are having an accumulated losses of substantial amount with consistent losses for the period and without any basic improvement in their performance shall be classified as 'D' class Banks. This classification is only for the present for the purpose of fitment of the existing employees in the new scales of pay as agreed upon here below :—

Classification for the Employee/Workmen

The employees of the Banks are to be categorised hereunder similar to the categorisation made under M.O.U. of 1.9.89 other than 1A.

1A) With responsibilities as such next to the Chief Executive Officer.

IIA) Chief Accountant (i.e. Accountant of the Head Office of the Bank having more than one branches), Branch Manager, Field Executive Officer who controls, guides and coordinates the activities of the Field Staff under him, Assistant Manager, industrial Inspectors, marketing officer and Development Officers.

IIB) Cashier-in-Charge of the Main Office where more than one cashier is employed, Junior Officer whether working as Accountant of Field officer or otherwise either outdoor or indoor but under the Branch manager of the Chief Accountant of the Main Office.

III) Supervisors who are field staff entrusted with processing the disbursement of loans and their realisation from the members of the Society, employees responsible for issuing no encumbrance certificate without reference to the Lawyer, Stenographer, Head Clerks, Clerks (i.e. Ledger Keeper, Accounts Assistants entrusted with maintenance of books of records / accounts), typists, Cashiers and persons not falling under Category IV i.e. Sub-Staff.

IV) Record Keeper, Daftary, Chowkidar, Arm Guard, Driver, Process Server, Bill Collector, out-door Peon accompanying with other field staff) and any other person not categorised as category III and above.

In classifying the categories of the employees it is not the intention that in each office/branch, post should be created in each category on the basis of the nomenclatures mentioned therein. If persons bearing the same nomenclature exists in any office/branch they are only to be categorised accordingly.

Pay Scales :

It is agreed that the following pay scales should be applicable to the respective categories of employees as enumerated above at 600 points of the All India Consumer Price Index, base year being 1960 and Dearness Allowance will be payable over and above 600 point rise or fall in the All India Consumer Price Index.

<u>Category of Staff</u>	<u>Scale of Pay</u>
Grade-I	Rs. 2100 - $\frac{120}{15}$ - 3900 - $\frac{140}{2}$ - 4180 (18 years)
Grade-IIA	Rs. 1500 - $\frac{100}{2}$ - 1700 - $\frac{110}{3}$ - 2030 - $\frac{120}{14}$ - 3710 (20 yrs)
Grade-IIB	Rs. 1300 - $\frac{100}{4}$ - 1700 - $\frac{110}{3}$ - 2030 - $\frac{120}{12}$ - 3470 (20 yrs)
Grade-III	Rs. 900 - $\frac{50}{2}$ - 1000 - $\frac{75}{4}$ - 1300 - $\frac{100}{4}$ - 1700 - $\frac{110}{3}$ - 2030 - $\frac{120}{4}$ - 2510 - $\frac{230}{1}$ - 2740 - $\frac{120}{1}$ - 2860 (20 years)
Grade-IV	Rs. 815 - $\frac{20}{1}$ - 835 - $\frac{25}{1}$ - 860 - $\frac{30}{4}$ - 980 - $\frac{35}{4}$ - 1120 - $\frac{40}{4}$ - 1280 - $\frac{45}{2}$ - 1370 - $\frac{50}{3}$ - 1520 (20 years)

Dearness Allowance

D.A. shall be payable for all categories of employees for every slab of 4 points rise or fall in All India Consumer Price Index based on 1960 over and above 600 points on the basis of quarterly average of All India Consumer Price Index in a calendar year as published by Govt. of India related to All India Consumer Price Index in this regard. The D.A. will be paid in the following manner :—

the revised D.A. shall be payable from the month in which the concerned quarterly

figures are available and will continue so till a change is made in the last available quarterly figures.

The rates of D.A. shall be—

Sub-Staff @ 0.67% per slab of 4 points

Other than Sub-Staff Upto Basic Pay Rs. 2500 @ 0.67%

thereafter for the remaining part of the basic pay @ 0.55%.

It is also agreed upon by the parties that if any of the loss making Banks can not set off the increased load of dearness allowance by enhanced earning on implementation of the revised pay-scale and allowances as apparent on the basis of relevant Audited Balance Sheet of the Bank, the matter will be reviewed by the Registrar or any of the representative not below the rank of Deputy Registrar of Cooperative Societies upon due notice to and hearing of the concerned Bank and Ali Bengal Co-operative bank Employees' Federation. During the period of such review which shall not ordinarily exceed more than 5 months, any further increase of Dearness Allowance rate shall not be made and paid subject to the final decision of the Registrar within a reasonable period not exceeding 2 (two) months of receipt of the Review Report. Provided however, the Registrar shall have the liberty to review the performance of the Bank(s) even on the basis of pre-audit Balance Sheet. The Registrar's decision shall be final and binding upon the parties.

Method of Fitment in the Revised Pay as per Schedule-II

For employees in 'A' Class Banks

Initially the fitment shall be made on gross to gross basis (gross comprising of basic pay, stagnation increment if any & D.A.) in both the scales old and new, such fitment will be equivalent to the amount of a stage in the New Pay Scale and if the stage of equivalent amount is not available then at the next higher stage basis in the new scale, thereafter two additional increments should be given to the employees in the new scale of pay.

For the employees of 'B' Class Banks :

Initial fitment shall be made as above. Thereafter one additional increment should be given to the employees.

For the employees of 'C' Class Banks :

The fitment in the revised scales of pay shall be made on gross to gross basis as above. No additional increment will be allowed after fitment.

For employees in 'D' Class Banks

The fitment shall be made on total emolument basis. Total emolument comprising of basic pay stagnation increment if any, D.A., H.R.A., M.A. and other allowances shall be fitted in the new scale where such amount is equivalent to or the next higher stage if the corresponding stage of the equivalent amount in the new scale is not there. No additional increment shall be given on fitment.

It is further agreed that the employees will enjoy the scales of pay of the respective categories (Grade) in which they are placed on the date of fitment irrespective of the nomenclature or duty performed. If there is any selection scale in between two scales, the employees in the selection scale shall be fitted in the next higher scale irrespective of their educational qualifications. Selection grade shall stand abolished.

Personal pay

It is agreed that similar to the provision as was made under the Memorandum of Understanding dated 1st September 1989, if on giving necessary fitment as per method of fitment, revised emoluments of any employee do not fit him in any stage of the revised pay scale and D.A. and other allowances, but exceeds the same, excess amount of the revised total emolument over and above maximum of the new scale of pay shall be treated as non-adjustable personal pay and the employees concerned shall enjoy it till they retire and the said Non-adjustable Personal Pay (NAPP) shall attract Provident Fund, Gratuity and Bonus only.

Stagnation Increment

It is agreed that the provision of stagnation increment as was laid down under the Memorandum of Understanding dated 1st September, 1989 will continue to operate. Accordingly, an employee will be entitled to stagnation increments not exceeding 3 in number for every two years of service after reaching the maximum stage in the revised scale of pay. The value of stagnation increment shall be equivalent to the value of last increment drawn by the employees concerned in the scale with consequent benefits. Such stagnation increment (s) will be payable in addition to non-adjustable personal pay (NAPP).

House Rent Allowance

It is agreed that House Rent Allowance shall be payable to all categories of employee @ 10% of basic pay subject to maximum of Rs. 400/- p.m.

Medical Allowance

It is agreed that Medical Allowance shall be paid at the rate of Rs. 75/- per month to each employee along with monthly salary. In addition, a Bank may grant additional Medical Benefits involving costly treatment surgical operation at their discretion.

Special Allowance

It is agreed that in addition to the scale of pay, D.A., House Rent Allowance, Medical Allowance, Stagnation Increment including non-adjustable personal pay wherever applicable, employee belonging to a particular Grade performing duties, higher skill, higher responsibility and/or hazards shall continue to enjoy wage differentials in the shape of Special Allowance as per usage, custom or practice as on date. provided, however, the Supervisors entrusted to the work of investment and recovery of loans shall be paid a special allowance @ Rs. 100/- p.m. in addition to their reimbursement of the travelling expenses as per T.A. Rules of the Bank concerned. The special allowance will not carry any Dearness Allowance.

Officiating Allowances

Where a Bank requires an employee to work/officiate in a post of higher grade it will do so by an Order in writing. The existing scheme of payment of Officiating allowance in the respective bank continue to govern such payment of officiating allowance.

Date of Effect

It is agreed that this Memorandum of understanding shall come into effect on approval of the learned 5th Industrial Tribunal from 1.4.1992 notionally. The revised pay as per Memorandum of Understanding shall, however, be payable with effect from 1st April, 1995. The employee of those banks will however, be paid a settlement money equivalent to a month's salary as pay drawn as on 31st March, 1995. Provided, further the 'A' Class Banks who have already revised their pay scales to which the added party had/have no objection, their actual date of effect shall be as per their respective agreement and they will continue to enjoy the same benefits.

Option

It is agreed that an employee shall have a right to exercise its option within 60 days from the date of final award. Such option should, however, be on the basis of the package consisting of existing scales of basic pay, scheme and rates of D.A., Special Allowance, House Rent Allowance, Medical Allowance, non-adjustable personal pay, stagnation increment, if any, or revised scales of pay, schemes of rates of D.A., Special Allowance, if any, House Rent Allowance, Medical Allowance, Scheme or non-adjustable personal pay and stagnation increment, if any. The scales of pay etc. as enumerated above will be applicable to the optees accordingly.

Period of Operation

This Memorandum of Understanding shall remain in force for a period of 3 (three) years with effect from 1st June, 1995 whereafter it will be reviewed in case of those Banks which will achieve/maintain self sustaining viability.

It is agreed that this Memorandum of Understanding shall be placed before the Learned 5th Industrial Tribunal to pass his final award on this basis in respect of Central Coop. Banks and PLDB now renamed as ARDBs as per Schedule-I. Thereafter the present industrial dispute in relation to the Central Coop. Banks and the Primary ARDBs shall be deemed to have been fully settled.

General

It is agreed that this Memorandum of Understanding has been arrived at and between the parties and signed by them to promote better industrial relations, achieve better optimisation of human resources in the Cooperative Banks keeping in view prompt and efficient customer service and achievement of the objectives for which co-operative Banks stand for resulting in better productivity and stable viabilities of these institutions on the basis of devoted and dedicated service of the employees.

It is further agreed between the parties that in case of any doubt or difficulty arising in future in connection with any interpretation concerning the provision of the agreement, the name shall be resolved expeditiously within 60 days (sixty) on receipt of the notice from the concerned parties by mutual discussion.

Signed this day of 24th may 1925

Signed on behalf of All
Bengal Co-op. Bank
Employees' Federation

Signed on behalf of
Secretary, Deptt. of Coopn.
Govt. of West Bengal, Cal-1

(Monoranjan Bose)
Presidnet

(Tapan Kr. Bose)
General Secretary

Signed on behalf of the
Registrar of Coop. Societies
West Bengal, N.S. Bldgs.,
Calcutta-1.

Signed in presence of

Signed in presence of

1.

1.

Shri S. K. Ghose
Working President,
All Bengal Coop. Bank
Employees' Federation,
20, Strand Road, Cal-1

Shri P.C. Bhattacharyya,
Deputy Registrar of Coop.
Societies, West Bengal,
New Secretariat Bldgs.,
Calcutta-1.

SCHEDULE—I

Central Co-op. Banks

Land Development Bank/Agriculture & Rural Development Banks

1. Vidyasagar
2. Burdwan
3. Hooghly
4. Nadia
5. Bankura
6. Tamluk Ghatal
7. Purulia
8. Mugberia
9. Balageria
10. Malda
11. Balurghat
12. Birbhum
13. Howrah
14. Murshidabad
15. Jalpaiguri
16. Raiganj
17. Darjeeling

1. Nadia
2. Tamluk
3. Burdwan
4. Murshidabad
5. Katwa-Kalna
6. Howrah
7. Arambagh
8. Ghatal
9. Rampurhat
10. Contai
11. Malda
12. Dakshin Dinajpur
13. Jalpaiguri
14. Alipurduar
15. Midnapore
16. Jhargram
17. Bankura
18. Hooghly
19. 24-Parganas (South)
20. Raiganj
21. 24-Parganas (North)
22. Kandi
23. Birbhum
24. Coochbehar

SCHEDULE-II

List of Banks with Different Mode of Fitment Depending upon Financial Burden Bearing Capabilities

“A” CLASS FITMENT

(Banks running on Profit consistently)

Central Co-operative Banks

Land Development Banks/

Agriculture & Rural Development Banks

1. Vidyasagar
2. Burdwan
3. Hooghly
4. Nadia
5. Bankura
6. Tamluk Ghatal

1. Nadia

"B" CLASS FITMENT

[Banks running on irregular profits/and banks with losses but with better performance but without pay revision for last 10 years or more]

1. Purulia
2. Mugberia
3. Balageria
4. Malda
5. Balurghat
6. Birbhum

1. Tamluk
2. Birbhum
3. Burdwan
4. Murshidabad
5. Katwa-Kalna
6. Howrah
7. Arambagh
8. Ghatal
9. Rampurhat
10. Contai
11. Malda
12. Dakshin Dinajpore
13. Jalpaiguri
14. Alipurduar

"C" CLASS FITMENT

[Banks running on loss but with average performance]

1. Howrah

1. Midnapore
2. Jhargram
3. Bankura
4. Hooghly
5. 24-Parganas (S)
6. Raiganj

"D" CLASS FITMENT

[Banks with poor performance]

1. Raiganj
2. Darjeeling
3. Jalpaiguri
4. Murshidabad

1. North 24-Parganas
2. Kandi
3. Coochbehar

BEFORE The Fifth Industrial Tribunal West Bengal
Case No. VIII-186/80, G.O. No. 3075-IR Dt. 12.6.80
And 2452-IR dt. 11.11.86
Messrs Co-operative Bank : Versus : Their Workmen.

ORDER

Order No. 257 dated 27.6.95

Shri M. Bose, Ld. Representative of All Bengal Co-operative Bank Employees Federation and Sri P. C. Bhattacharyya, Deputy Registrar of Co-operative Societies (Law), West Bengal, representing the State of West Bengal in the Department of Co-operation are present.

The petition filled by the Added Party, i.e. State of West Bengal, Co-operation Department, praying for final disposal of the Reference in terms of the Memorandum of Understanding dated 24.5.95 between State of West Bengal, i.e. Added Party and the workmen represented by All Bengal Co-op. Bank Employees Federation and also the petition of the said All Bengal Co-op. Bank Employees Federation dated 18.7.94 are taken up for hearing and for necessary order.

Heard both parties at length.

It appears that in connection with the referred before this Tribunal made by the Government of W.B. in its Order No. 3075-IR, dated 12.6.80 on behalf of the management of the Co-operative banks mentioned in the list attached to the order of reference came forward to file their written statement and to contest the matter and the contentions of the Federation in their written statement. The Added party i.e. State of West Bengal, which was not originally a party to the present dispute under reference did not also file any written statement. However, State of West Bengal, through its Department of Co-operation, appeared before this Tribunal and at the time of hearing of the Memorandum of Agreements between the employees and their respective banks for interim orders of approval, let their contentions be known before this Tribunal. Ultimately it appears that it is already in the record that the Govt. of West Bengal through its Department of Co-operation was the only contended in the matter before this Tribunal. However, the Added party, i.e. State of West Bengal through its department of Co-operation has come to the terms with the All Bengal Co-operative Bank Employees Federation and the said added party has filed a petition for disposal of this reference in terms of the Memorandum of Understanding which virtually recommends the adoption of the unanimous recommendation of the B. B. Mondal Committee, appointed by the Government of West Bengal for the purpose of wages, etc. of various co-operative Bank employees excluding that the Urban Co-operative Banks. It has been, however, prayed by the All Bengal Co-operative Bank Employees Federation that the

recommendation be made equally applicable to the Urban Co-operative Banks treating them as 'B' Class Bank.

The Ld. Representatives of both sides submits that since the B.B. Mondal Committee has not made any recommendation regarding the leave and since neither the employees nor the management of the Bank and the Added party have come forward to adduce any evidence and made any contention regarding leave, an Award of the Tribunal in respect of leave mentioned in the issue under order of reference be that the existing rules regarding leave do continue.

It farther appears that the copy of the prayer of the be federation for passing an Award in terms of the Recommendation of B. B. Mondal Committee was served on all the parties including the management of the Co-operative Banks, but none of management of the Banks has come forward to raise any objection to that prayer.