

**INDUSTRIAL DISPUTES (BANKING COMPANIES) DECISION  
ACT, 1955**

**41 of 1955**

**[21st October,1955]**

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"In June 1949, the Central Government referred for adjudication a number of disputes between the Banking Companies in the country and their employees to an All India Industrial Tribunal known as the Sen Tribunal The Tribunal gave its award in July 1950, but it was set aside by the Supreme Court in April 1951. [See The United Commercial Bank Ltd. v. Their Workmen, AIR 1951 SC 230.] The matter was subsequently referred to another All India Industrial Tribunal known as Shastry Tribunal in January 1952. That Tribunal gave its award in April 1953. On appeal, the Labour Appellate Tribunal made certain alterations in the award. The decision of the Labour Appellate Tribunal was modified by Government in certain respects in August 1954. In making the modifications, Government was necessarily guided by the material available at the time. It was considered desirable to collect more complete data and to have the matter investigated further in the light of those data. Government, therefore, appointed a single member Commission of Inquiry known as the Bank Award Commission, consisting of a Judge of the Bombay High Court. The Commission was requested to conduct a

fact-finding enquiry and make recommendations as regards the further modifications, if any necessary in the decision of the Labour Appellate Tribunal as adapted by the Government's Modification Order. The Commission submitted its recommendations towards the end of July 1955. Government have accepted in full the recommendations of the Commission on the substantive terms of the award. This Bill is designed to give effect to the recommendations of the Commission. Considering that the dispute has been pending since 1949 and that it has taken so long to finalise the terms and conditions of service of the employees in question, it is considered desirable that those terms and conditions should remain in operation for at least five years instead of the normal period of one year provided for in Industrial Disputes Act, 1947. The Bill accordingly makes the necessary provision in this regard. 2. It has also been considered advisable to provide for a suitable machinery to resolve points of difference or doubt between the parties as regards the interpretation or application of the terms of the award. Provision in this regard has been made in the Bill."- Gazette of India, Extra, 21-9-1955, Pt. II, sec. 2, p. 448.

**1. Short title :-**

This Act may be called the Industrial Disputes (Banking Companies) Decision Act, 1955.

**2. Definitions :-**

In this Act, unless the context otherwise requires,-

(a) "appellate decision" means the decision of the Labour Appellate Tribunal, dated the 28th day of April, 1954, in the matter of the appeals filed before it against the award of the All India Industrial Tribunal (Bank Disputes), Bombay;

(b) "award" means the award <sup>1</sup>of the All India Industrial Tribunal (Bank Disputes), Bombay, constituted by the notification of the Government of India in the Ministry of Labour No. S.R.O. 35, dated the 5th day of January, 1952;

(c) "Bank Award Commission" means the person appointed by the Resolution <sup>2</sup>of the Government of India in the Ministry of Labour, No. L.R. 100(9)/55, dated the 25th day of February, 1955, to enquire into and report upon the terms of reference specified in the Resolution of the Government of India in the Ministry of Labour No. 100(56)/ 54, dated the 17th day of September, 1954;

(d) "modification order" means the order <sup>3</sup> of the Government of India in the Ministry of Labour No. S.R.O. 2732, dated the 24th day of August, 1954, modifying the appellate decision under S.15 of the Industrial Disputes (Appellate Tribunal) Act, 1950.

1. See S.R.O. 738, dated 26-3-1953, published in Gazette of India, 1953, Extra, Pt. II, sec. 3, page 1171.

2. See Gazette of India, 1955, Extra, Pt. I, sec. 1, page 71.

3. See Gazette of India, 1954, Extra, Pt. II, sec. 3, page 1271.

### **3. Appellate decision to have effect subject to the modifications recommended by the Bank Award Commission**

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**1**

[(1)] The appellate decision shall have effect as if the modifications recommended in Chapter XI of the Report of the Bank Award Commission, dated the 25th day of July, 1955, had actually been made therein, and the appellate decision as so modified shall be the decision of the Appellate Tribunal within the meaning of Industrial Disputes (Appellate Tribunal) Act, 1950, and the award shall have effect accordingly.

**2**(2) Notwithstanding anything contained in sub-section (1), the recommendations in Chapter XI of the Report of the Bank Award Commission in relation to the banking companies incorporated in the former State of Travancore-Cochin specified in that Chapter shall be modified and shall be deemed to have been modified-

(a) with effect from the 1st January, 1955, in relation to the C Class banks known as the South Indian Bank Limited, Trichur, and the Catholic Syrian Bank Limited, Trichur, as if-

(1) in clause (1) of the said recommendations-

(i) under the heading 'C Class', after the entry '(viii), Travancore Bank', the entries (ix), South Indian Bank, Trichur and '(x), Catholic Syrian Bank, Trichur' had been inserted;

(ii) items (i) and (ii) under sub-clause (b) had been omitted; and

(2) in clause (2) thereof, after the words 'Travancore Bank', the words 'the South Indian Bank Trichur, and the Catholic Syrian Bank, Trichur' had been inserted; and

(b) with effect from the 1st January, 1956, in relation to the C Class banks known as the Palai Central Bank Limited, Palai and the

Travancore Forward Bank Limited, Kottayam, and the D Class banks, as if in clause (1) of the said recommendations, items (i) and (ii) under sub-clause (b) had been omitted.

(3) The arrears of emoluments payable to the workmen of the banking companies specified in sub-section (2) by reason of the modifications effected by that sub-section shall be paid as follows:-

(a) in the case of the banking companies specified in clause (a) of that sub-section-

(i) the arrears for the year 1955 shall be paid in two equal instalments of which the first shall be paid within thirty days from the commencement of the Industrial Disputes (Banking Companies) Decision Amendment Act, 1957, and the second within six months after such commencement; and

(ii) the arrears for the period from the 1st January, 1956, to such commencement shall be paid within thirty days thereof;

(b) in the case of the banking companies specified in clause (b) of that sub-section, the arrears for the period from the 1st January, 1956, to such commencement shall be paid within thirty days thereof.

(4) For the purposes of this section, the expression 'the former State of Travancore- Cochin' means the State of Travancore-Cochin as it existed immediately before the 1st November, 1956.]

**3** [(5) Notwithstanding anything contained in the foregoing provisions of this section, the Central Government may, from time to time by notification in the Official Gazette, make in lieu of the adjustment of the dearness allowance recommended in clause I(e) of Chapter XI of the Report of the Bank Award Commission, such adjustment thereof as it thinks fit, for any period subsequent to the 31st December, 1957, with reference to the rise or fall, as compared to 144 (1944-100), of the average all India cost of living index for any period immediately preceding that period, and upon the issue of such notification the adjustment of dearness allowance so made for any period shall be deemed to have been recommended in clause I(e) of the Report of that Commission: Provided that any adjustment so made shall, so far as may be, bear to the rise or fall of the cost of living index the same ratio as is indicated between the adjustment of dearness allowance and the rise or fall of the cost of living index in the formulae recommended

in that clause.]

1. Section 3 was renumbered as sub-section (1) of that section, by the Industrial Disputes (Banking Companies) Decision Amendment Act, 1957 (40 of 1957), section 2 (17-11 1957).

2. Sub-sections (2) to (4) were inserted, the Industrial Disputes (Banking Companies) Decision Amendment Act, 1957 (40 of 1957).

3. Inserted by the Industrial Disputes (Banking Companies) Decision Amendment Act 1958 (38 of 1958), section 2 (6-10-1958).

#### **4. Duration of the award :-**

Notwithstanding anything contained in Industrial Disputes Act, 1947 , or Industrial Disputes (Appellate Tribunal) Act, 1950<sup>1</sup> the award as now modified by the decision of the Appellate Tribunal in the manner referred to in section 3 shall remain in force until the 31st day of March, 1959.

1. Repealed by Act 36 of 1956.

#### **5. Modification order to have no effect except in certain cases :-**

The provisions of the modification order shall not have, and shall be deemed never to have had, any force or effect except insofar as any of such provisions has become incorporated in the award by reason of the provisions contained in section 3 .

#### **6. Power to remove difficulties :-**

(1) If in the opinion of the Central Government any difficulty or doubt has arisen as to the interpretation of any provision of the award as now modified by the decision of the Appellate Tribunal in the manner referred to in section 3 , it shall refer for decision the matter in respect of which such difficulty or doubt has arisen to a single member of the Labour Appellate Tribunal constituted under Industrial Disputes (Appellate Tribunal) Act, 1950<sup>1</sup> or to such Industrial Tribunal constituted under Industrial Disputes Act, 1947 , as it may, by notification in the Official Gazete, specify in this behalf.

(2) The tribunal to which such matter is referred shall, after giving the parties a reasonable opportunity of being heard, decide such matter and its decision shall be final and binding on all such parties.

1. Now repealed by the Industrial Disputes (Amendment and Miscellaneous Provisions) Act, 1956 (36 of 1956).

