

## **THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970**

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subsequently amended and duly notified in Gazette of India

S.O. 3793 dated November 16<sup>th</sup> 1970 – In exercise of the powers conferred by Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970(5 of 1970), the Central Government after consultation with Reserve Bank, hereby makes the following Scheme namely:

### **CHAPTER 1 INTRODUCTORY**

**1. *Short title and commencement*** – (1) This scheme may be called the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

**2. Definitions** – In this scheme, unless the context otherwise requires:-

- (a) “Act” means the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970):
- (b) “Board” means the Board of Directors constituted under Cl.3:
- (c) “Chairman” in relation to a nationalised bank, means the Chairman of the Board of that bank:
- (d) “director” means a director for the time being of a nationalised bank.
- (da) “elected director” means a director referred to in Cl.(i) of sub-section (3) of Section 9 of the Act:
- (e) “nationalised bank” means a corresponding new bank constituted under sub-section (1) of Section 3 of the Act.
- (f) “representative union” means a union registered under the Trade Union Act, 1925 (16 of 1925), or a federation of such unions where such union or federation, as the case may be is certified after due verification, as having the largest number of workmen employed in the nationalised bank as members who have regularly paid their dues to the union or to any of the unions constituting the federation:

Provided that no union or federation, as the case may be, shall be deemed for the purpose of this scheme, to be a representative union unless the verified membership of such union or the unions constituting the federation as the case may be, is fifteen percent or more of the total number of workmen employed by the nationalised bank.

- (g) “schedule” means a schedule to this section:
- (h) “verification” with its grammatical variations and cognate expression means, the verification by the Chief Labour Commissioner (Central) in accordance with the procedure specified in the First Schedule:
- (i) “workman” has the meaning assigned to it in Cl. (s) of Section 2 of the Industrial Disputes Act, 1947 (14 of 1947):
- (j) Words and expressions used herein and not defined but defined in the Act have the meanings respectively assigned to them in the Act.

## CHAPTER II BOARD OF DIRECTORS

**3 Constitution of the Board** – (1) The Central Government shall by notification in the Official Gazette constitute the Board of a Nationalised Bank.

(2)(i) The director referred to in Cl.(e) of sub-section (3) of Section 9 of the Act, shall be nominated by the Central Government from out of a panel of three such employees furnished to it by the representative union, within a date to be specified by the Central Government, which date shall not be more than six weeks from the date of communication made by the Central Government, requiring the representative union to furnish the panel of names:

Provided that where the Central Government is of the opinion that owing to the delay which is likely to occur in the verification and certification of any union or federation as a representative union it is necessary in the interest of the Nationalised Bank so to do, it may nominate any employee of the Nationalised Bank, who is a workman, to be a director of that bank.

(ii)(a) Where there is a no representative union to represent the workman of a Nationalised Bank, or

(b) where such representative union being in existence omits or fails to furnish any panel of names within the specified date, or

(c) where all the persons specified in the panel furnished by the representative union are disqualified whether under item (iii) of this sub-clause or under Cl. 10, the Central Government may, at its discretion appoint such workman of the Nationalised Bank, as it may think fit, to be a director of such bank.

(iii) A workman of a Nationalised Bank shall be disqualified for being nominated as a director unless –

(a) he is, and has been, serving for a continuous period of not less than five years in the Nationalised Bank, and

(b) he is of such age that there is no likelihood of his attaining the age of superannuation during his terms of office as director.

**4. Manner of retirement of nominee directors**–The director referred to in Cl.(h) of sub-section(3) of Section 9 of the Act shall retire by rotation, when the elected directors assume charge, in such manner that the directors who have been longest in office since the last nomination, shall retire first and as between persons who became directors on the same day, those who are to retire, shall, in default of or subject to any agreement among themselves, be decided by the Central Government.

**4A. Manner of retirement of excess elected director** : - “The number of excess directors shall be determined under the second proviso to clause (i) of Sub-section (3) of Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and such number of directors elected by the shareholders (other than the Central Government) equal to the number so determined shall retire, and the order in which the directors shall retire, will begin with the longest serving director ;

Provided that, if two or more directors have served for the same period of time, the older among the said directors shall retire first.”

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(Clause 4A inserted vide notification dated 19<sup>th</sup> February 2007)

5. **Chairman** – (1) The Central Government shall, after consultation with the Reserve Bank, appoint one of the Directors to be the Chairman of the Board.

(2) The Chairman shall preside over the meetings of the Board.

6. **Managing Director** – The Central Government shall, after consultation with the Reserve Bank, appoint one of the directors referred to in Cl. (a) of sub-section (3) of Section 9 of the Act to be the Managing Director, who shall be the Chief Executive Officer of the Nationalised Bank and shall exercise the powers and discharge such duties as may be delegated to him by the Board.

7. **Same person may hold office as Chairman and Managing Director** – The Central Government may, after consultation with the Reserve Bank appoint the same person to hold, at the same time, both the office of the Chairman and the Managing Director.

8. **Term of office and remuneration of a whole-time Director including Managing Director –**

(1) A whole-time Director including the Managing Director shall devote his whole-time to the affairs of the Nationalised Bank and shall hold office for such terms not exceeding five year as the Central Government may, after consultation with the Reserve Bank, specify and shall be eligible for re-appointment.

(1-A) Notwithstanding anything contained in sub-clause (1), the Central Government shall have the right to terminate the term of office of a whole-time Director, including the Managing Director, at any time before the expiry of the term specified under that sub-clause by giving to him a notice of not less than three months, in writing or three months salary and allowances in lieu of notice; and the whole-time Director, including the Managing Director, shall also have the right to relinquish his office at any time before the expiry of the term specified under that sub-clause by giving to the Central Government notice of not less than three months in writing.

(1-B) Any reference to a whole-time Director, including the Managing Director, in sub-clause (1-A) shall be construed as including a reference to the person holding office as such at the commencement of the Nationalised Banks (Management and Miscellaneous Provisions) (Second Amendment) Scheme, 1976.

(2) A whole-time Director, including the Managing Director shall receive from the Nationalised Bank such salary, allowance, fees & perquisites and be governed by such terms and conditions as the Central Government may determine, after consultation with the Reserve Bank.

If a whole-time Director including the Managing Director is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his office, the Central Government may, after consultation with Reserve Bank, appoint another person to act in his place during his absence.

(3) The Central Government may, if it is satisfied that it is expedient in the interests of the nationalised bank so to do, remove a whole-time Director, including the Managing Director, from office:

Provided that no such removal shall be made except after –

(a) consultation with the Board, and

(b) giving a reasonable opportunity to the whole-time Director including the Managing Director of showing cause against the proposed action.

**9. Term of office of other directors** – (1) A director other than a director referred to in Cl. (a) and Cl.(i) of sub-section (3) of Section 9 of the Act shall hold office during the pleasure of the Central Government.

(2) Subject to the provisions of sub-clause (1), a director referred to in Cl.(e), Cl.(f), Cl. (g) and Cl. (h) of sub-section (3) of Section 9 of the Act shall hold office for such term not exceeding three years as the Central Government may specify at the time of his nomination and shall be eligible for re-nomination:

Provided that no such director shall hold office continuously for a period exceeding six years.

(3) Without prejudice to the provisions of sub-clauses (1) and (2), a director referred to in Cl.(b) of sub-section (3) of Section 9 of the Act shall retire in the manner specified in Cl.4.

(4) An elected director shall hold office for three years and shall be eligible for re-election:

Provided that no such director shall hold office continuously for a period exceeding six years.

**10. Disqualification of Directors** – A person shall be disqualified for being appointed as, and for being, a director –

- (a) if he has at any time been adjudicated an insolvent or has suspended payment or has compounded with his creditors; or
- (b) if he has been found to be of unsound mind and stands so declared by a competent Court; or
- (c) if he has been convicted by a Criminal Court of an offence which involves moral turpitude; or
- (d) If he holds any office of profit under any nationalised bank or State Bank of India constituted under sub-section (1) of section 3 of the State Bank of India Act, 1955, or any subsidiary bank as defined in section 3 of the State Bank of India (Subsidiary Banks) Act, 1959, except for holding the post of a whole-time director, including the managing director and directors nominated under clauses (e) and (f) of sub-section (3) of Section 9 of the Act from among the employees of the corresponding new bank.

**11. Vacation of office of Directors** – c.c. (1) If a director becomes subject to any of the disqualifications specified in Cl.10 or is absent without leave of the Board for more than three consecutive meetings thereof he shall be deemed to have vacated his office as such and thereupon his office shall become vacant.

(2) The Chairman or whole-time director including the Managing Director or a director referred to in Cl.

(b) or Cl. (c) of sub-section (3) of Section 9 of the Act may resign his office by giving notice thereof in writing to the Central Government and on such resignation being accepted by that Government shall be deemed to have vacated his office: any other director may resign his office by giving notice thereof in writing to the Central Government and such resignation shall take effect on the receipt of the communication of the resignation by the Central Government.

(3) Without prejudice to the provisions of the foregoing sub-clauses, the office of a director referred to in Cl. (e) or Cl. (f) of sub-section (3) of Section 9 of the Act shall become vacant as soon as the director ceases to be a workman or an employee, other than a workman of the nationalised bank of which is a director.

(4) Where any vacancy occurs in the office of a director, other than an elected director, it shall be filled in accordance with sub-section (3) of Section 9 of the Act.

**11.A . Removal from office of an elected director** – The shareholders other than the Central Government, may, by a resolution passed by majority of the votes of such shareholders holding in the aggregate not less than one half of the share capital held by all such shareholders, remove any director elected under Cl. (i) of sub-section (3) of Section 9 and elect in his stead another person to fill the vacancy.

**11-B. Filling of vacancy in the office of an elected director** – (1) Where any vacancy occurs before the expiry of the term of office of an elected director, the vacancy shall be filled in by election:

Provided that where the duration of vacancy is likely to be less than six months, the vacancy may be filled in by the remaining directors.

(2) A person elected or co-opted, as the case may be, under sub-clause (1) shall hold office for the unexpired portion of the term of his predecessor.

**12. Meetings of the Board** – (1) Meetings of the Board shall ordinarily be held at least six times in a year and at least once in each quarter.

(2) A meeting of the Board shall be held at the head office of the nationalised bank or such other place as the Board may decide.

(3) Ordinarily, not less than fifteen days' notice shall be given of any meeting of the Board and such notice shall be sent to every director at the address specified by him in this behalf.

(4) No business, other than that for which the meeting was convened shall be transacted at a meeting of the Board except with the consent of the Chairman of the meeting and a majority of the directors present, unless one week's notice of such business has been given in writing to the Chairman.

(5) The quorum of a meeting of the Board shall be one-third of the number of directors holding office as such directors of the Board on the day of the meeting, subject to a minimum of three directors, two of whom shall be directors referred to in Cl. (b) or Cl. (c) or Cl. (h) of sub-section (3) of Section 9 of the Act.

(6) If, for any reason, the Chairman is unable to attend a meeting of the Board, the Managing Director shall preside over that meeting and in the absence of the Managing Director or in the event of the Chairman and the Managing Director being the same person, any other director elected by the directors present at the meeting from among themselves shall preside at the meeting.

(7) All questions at the meeting shall be decided by a majority of the votes of the directors present and voting and in the case of equality of votes, the person presiding shall have a second or a casting vote.

(8) A director who is directly or indirectly concerned or interested in any contract, loan, arrangement or proposal entered into or proposed to be entered into by or on behalf of the nationalised bank shall, as soon as possible after the relevant circumstances have come to his knowledge, disclose the nature of his interest to the Board and shall not be present at the meeting of the Board when any

such contract, loan, arrangement or proposal is discussed unless his presence is required by the other directors for the purpose of eliciting information and no director so required to be present shall vote on any such contract, loan, arrangement or proposal:

Provided that nothing contained in this sub-clause shall apply to such director by reason only of his being

- (i) a shareholder (other than a director) holding not more than two percent of the paid-up capital in any public company as defined in the Companies Act, 1956 (1 of 1956) or any corporation established by or under any law for the time being in force in India or any co-operative;

society, with which or to which the Nationalised Bank has entered into or made or proposed to enter into or make a contract, loan, arrangement or proposal, or

- (ii) an officer or other employee of the nationalised bank, if he is a director referred to in Cl. (e) or Cl. (f) of sub-section (3) of Section 9 of the Act.

(9) A copy of the proceedings of each meeting of the Board shall be circulated as soon as possible after the meeting for other information of the directors and shall be signed by the Chairman of that or the next succeeding meeting.

(10) No act of proceeding of the Board shall be invalid on the ground merely of the existence of any vacancy in or any defect in the constitution of the Board.

### CHAPTER III COMMITTEES OF THE BOARD

**13. Management of Committee** (1) There shall be a Management Committee of the Board.

(2) The Management Committee shall consist of –

- (A) The Chairman
- (B) The Managing Director
- (C) The Executive Director/s-
- (D) \*The Directors referred to in (c) and (g) of sub-section (3) of Section 9 of the Act. (\*Amended vide notification dated 29.06.2007)
- (E) \*Two Directors nominated by the Board from amongst the directors referred to in Cls. (e), (f), (h) and (i) of sub-section (3) of Section 9 of the Act. (\*Amended vide notification dated 08.03.2007)

Provided that the Directors nominated by the Board shall hold office for not more than six months at a time.

(3) The Management Committee shall exercise such powers of the Board including the powers with regard to credit proposals, as may be delegated to it by the Board with the approval of the Central Government and such approval shall be given by the Central Government after consultation with the Reserve Bank of India.

(4) The meetings of the Management Committee may be called by the Chairman of the Management Committee as often as he feels necessary.

(5) Four members shall be the quorum for a meeting of the Management Committee.

(6) The minutes of a meeting of the Management Committee shall be laid before the Board as soon as possible after the meeting.

(7) Save as otherwise provided in sub-clauses (4), (5) and (6) the meetings and proceedings of the Management Committee shall be governed by the provisions contained in this Scheme for regulating the meetings and proceedings of the Board so far as the same are applicable thereto.

(8) Where the Chairman of the Management Committee is of opinion that in view of urgency in any matter, it should be dealt with expeditiously, he may circulate a resolution to that effect to the members of the Management Committee and such resolution shall be deemed to be the resolution passed by the Management Committee when it is approved by a majority of the Members but shall have effect from the day it is signed by the last signatory to the resolution:

Provided that any resolution passed as aforesaid shall be placed before the next meeting of the Management Committee:

Provided further that if any dissenting member requires in writing that any resolution so passed shall be placed before a meeting of the Management Committee, the resolution shall not be deemed to be valid and effectual as aforesaid unless the same is passed at such meeting.

Explanation – For the purpose of sub-clause (2), “Executive Director” means the whole-time Director, not being the Managing Director, appointed under sub clause (a) of Cl.3 and designated as such.

**13 A. CREDIT APPROVAL COMMITTEE:** (1) There shall be a Credit Approval Committee of the Board.

(2) The Credit Approval Committee shall consist of :

- (a) the Chairman and Managing Director;
- (b) the Executive Directors;
- (c) the Chief General Manager or the General Manager in-charge of the Credit;
- (d) the Chief General Manager or the General Manager, as the case may be, in-charge of the Finance and
- (e) the Chief General Manager or the General Manager or the General Manager, as the case may be, in-charge of the Risk Management.

(3) The Credit Approval Committee shall exercise the powers of the Board with regard to credit proposals-

- (a) upto the four hundred crore rupees in case of the category “A Banks having business of three lakh crore rupees or more; or
- (b) upto the two hundred fifty crore rupees in case of the other Nationalised Banks.

(4) The credit proposals which exceed the power delegated to the officials of the Nationalised Banks including powers delegated to the Chairman and Managing Director, and the credit proposals being considered by the Management Committee shall be considered by the Credit Approval Committee subject to the limit specified in sub-clause (3) and the credit proposals which exceed such limits be considered by the Management Committee.

(5) The quorum for a meeting of the Credit Approval Committee shall be three members.

(6) The meetings of the Credit Approval Committee shall be attended by the Chairman and Managing Director and one of the Executive Directors.

(7) The minutes of the Credit Approval Committee shall be laid before the Board as soon as may be after the end of the meeting.

(8) Save as otherwise provided in this clause, the provisions of clause 12 relating to meetings of the Board shall, *mutatis mutandi*, apply to the Credit Approval Committee in respect to the procedure in regard to the transaction of business at its meetings as they apply to the Board.

(Clause 13A inserted vide Notification dated 5<sup>th</sup> December 2011)

**14. Advisory Committees** – (1) The Board may constitute such other committees whether consisting wholly of directors or wholly of other persons or partly of other persons as it deems fit, to render advice to the Board on such matters as may be generally or specially referred to them and shall perform such duties as the Board may entrust to them.

(2) Any Committee under sub-clause (1) may be re-constituted by the Board at any time as it thinks fit.

#### CHAPTER IV

**15. Regional Consultative Committee for Nationalised Bank** – (1) There shall be Regional Consultative Committee in respect of each of the six regions specified in the Second Schedule.

(2) Each Regional Consultative Committee shall consist of the following members:-

- (a) not more than three persons to be nominated by the Central Government;
- (b) two representatives from each of the States and one from each of the Union territories included in the respective regions to be nominated by the Government of the State or the Union Territory, as the case may be; and
- (c) one representative each to be nominated by such of the Nationalised Banks having offices in the regions as may be designated by the Reserve Bank.

Explanation – For the purposes of item (c) “Nationalised Bank” includes a corresponding new bank constituted under sub-section (1) of Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act 1980 (40 of 1980).

(3) Meetings of the Regional Consultative Committee shall be presided over by the Ministry of Finance or by such Minister or Deputy Minister in the Union Ministry of Finance, as may be nominated by the Minister of Finance.

(4) Each Regional Consultative Committee shall review banking development within the region and may make such recommendations as it may deem appropriate for the consideration of the Central Government and the Reserve Bank.

#### CHAPTER V MISCELLANEOUS

**16. Disqualification for membership of a committee constituted under Cl. 14 or a Regional Consultative Committee and vacation of office by a member** – (1) A person shall be disqualified for being nominated as, and for being a member of a committee constituted under Cl. 14 or of a Regional Consultative Committee if he is or becomes subject to any of the disqualifications specified in Cl. 10.

(2) If a member of committee constituted under Cl.14 or a member of a Regional Consultative Committee becomes subject to any of the disqualifications specified in Cl.10 he shall be deemed to have vacated his office and thereupon such office shall become vacant.

(3) A member of a committee constituted under Cl. 14 or a member of a Regional Consultative Committee may resign his office by giving notice thereof in writing, in the case of a committee constituted under Cl. 14 to the Board and in the case of a Regional Consultative Committee of which he is a member and such resignation shall take effect on receipt of communication of the resignation by the Board or the Chairman, as the case may be.

(4) Omitted.

(5) The authority nominating a member for a Regional Consultative Committee may remove from office such member and appoint another person in his place.

**17. Remuneration and reimbursement of travelling expenses** – (1) A director, not being the Chairman or a whole-time director including the Managing Director, or an official of the Reserve Bank or the Central Government shall be paid by Nationalised Bank of which he is a director, such fees, as may be decided by the Central Government, after consultation with the Reserve Bank, for attending the meetings of the Board or any committee of the Board or for attending to any other work of the Nationalised Bank.

(2) Every director travelling in connection with the work of the Nationalised Bank shall be reimbursed his travelling and halting expenses, if any, on such basis as may be fixed from time to time by the Central Government after consultation with the Reserve Bank:

(3) A member of a committee constituted under Cl. 14 shall receive the travelling and halting expenses as may be decided by the Board.

(4) A member of a Regional Consultative Committee nominated under item (a) or item (b) of sub-clause (2) of Cl. 15 shall be reimbursed the travelling and halting expenses, if any, in connection with the work of Regional Consultative Committee, on such basis as may be fixed by the Central Government after consultation with the Reserve Bank.

**(18) Resolution without meeting of the Board valid** – A resolution in writing signed by the majority of the members of the Board shall be valid and effectual and shall be deemed to be the resolution passed by the Board on the date it was signed by the last signatory to the resolution:

Provided that any resolution passed as aforesaid shall be placed before the next meeting of the Board:

Provided further that if any dissenting member requires in writing that any resolution so passed shall be placed before a meeting of the Board, the resolution shall not be deemed valid and effectual as aforesaid unless the same is passed at such meeting.

**19. Meeting of advisory committee constituted under Cl. 14** – The meetings of an advisory committee constituted under Cl.14 shall be regulated in such manner as may be decided by the Board.

## CHAPTER VI PAID-UP CAPITAL

**20. Increase of paid-up capital** – The paid-up capital of a Nationalised Bank may be increased from time to time as in sub-clause (a) or sub-clause (b) or sub-clause (c) below or in combination with any of them:

- (a) the Board of Directors of a Nationalised Bank may, after consultation with the Reserve Bank and with the previous sanction of the Central Government transfer to its capital a specified amount from the reserve fund establishment by such bank under sub-section (6) of Section 3 of the Act:
- (b) the Central Government may, in consultation with the Reserve Bank, make contribution of any specified amount to the paid-up capital of a Nationalised Bank:
- (c) the Board may, after consultation with the Reserve Bank and with the previous sanction of the Central Government, raise the paid-up capital by public issue of shares in such manner as may be prescribed; so however, that the Central Government shall at all times hold not less than fifty-one percent of the paid-up capital of the each Nationalised Bank.

**THE FIRST SCHEDULE**  
**{See Cl.2(h)}**

**Subject : Procedure for verification of membership of unions operating in the Nationalised Bank.**

**1. The managements of the Nationalised Bank will be requested by the Chief Labour Commissioner (Central) to furnish the names and addresses of all the registered unions operating in that respective bank. The particulars of unions received from the managements will be forwarded to the Regional Labour Commissioners concerned for checking up from the records of the Registrars of Trade Unions whether the registration of those unions is still alive and whether there are other registered unions operating in the nationalised banks. The Regional Labour Commissioner will report to the Chief Labour Commissioner (Central) the result of their checking. On receipt of this information, the unions will be requested by the Chief Labour Commissioner (Central) to furnish their membership claims in quintuplicate in the enclosed proforma (Annexure I) by a specified date.**

**2. The registered unions will, thereafter, be purpose of physical verification of the membership, allotted amongst verification officers for the The verification officer will ask the unions (as in Annexure II) by registered post acknowledgement due to produce before him at the stipulated place and time within ten days from the date of receipt of the first notice a list of their members, in triplicate, in different branches/office (bank-wise) who have paid subscription for at least three months during the period of six months preceding the date of reckoning which shall be the first of the month just preceding the month in which the Central Government addresses the Chief Labour Commissioner (Central) to undertake the verification along with –**

- (i) membership-cum-subscription register.**
- (ii) counterfoils of receipts.**
- (iii) cash and account books.**
- (iv) bank books.**
- (v) copy of union's constitution.**
- (vi) registration certificate.**
- (vii) affiliation certificate and payment receipts if the union is affiliated to any all-India/State/Federation/Central Organisation.**
- (viii) copy of the latest annual return submitted to the Registrar of Trade Unions.**
- (ix) list of office-bearers, and**
- (x) minutes book.**

**3. If a union fails to produce the list of its members and other records a second and final notice will be given by registered post acknowledgement due asking it to produce them at the stipulated place and time within ten days from the date of receipt of the second and final notice. If the union again fails to produce them on the second occasion also, no further attempt will be made to verify its membership. However, in respect of the unions which have submitted the lists and records, the verification officer will examine them and ascertain the number of members who had paid three months' subscription within the period of six months preceding the date of reckoning. This examination will be 100 per cent and will be done in the presence of the office-bearers to the**

union concerned but not in the presence of the office bearers or representatives of a rival union. While doing the verification of membership, the verification officer will give due consideration to any representations which the union officials might make to him.

4. The verification officer will thereafter visit the Central/Registered office of the Nationalised Bank and ensure that the names of members thus verified and included in the list are borne on the rolls of the management on the date of reckoning. All those members whose names are not borne on the rolls of the management on the date of reckoning will be eliminated from the list. The verification officer will also obtain the number of persons employed in the respective branches/offices of the bank on the date of reckoning at the time of his visit to the Central/Registered Office of the bank.

5. The verification officer will thereafter intimate in writing to the unions/federations of unions concerned that the verified lists of their respective members in the bank are ready for inspection by the representative at an appointed time and place. The unions will also at the same time be informed that after inspection of the verified list of members of the rival union(s), they should send, in writing, their specific objections, if any, to the entries in these lists, within 10 days (or a longer period if the number of objections is likely to exceed 10,000 on the basis of one additional day for every 2,000 objections over and above 10,000) of the date of inspection. It should be made clear to the unions that general and vague objections like inflated membership, etc, will not be considered, the objection should give names of persons whose membership of a union is objected to and the reasons therefor.

(The union representative will be allowed to make notes from the verified lists shown to them in the presence of the verification officer, they will however, not be allowed to take any of the lists, nor a copy of the lists will be given to them: )

The objections received from the unions will then be verified by personal interrogation by the verification officer, of the members on the basis of the following system:

- (i) if the objection list furnished by a union consists of 500 or less names of members, the number of persons to be personally interrogated should be 20 per cent subject to a minimum of 100;
- (ii) if the objection list furnished by a union consist of more than 500 but not more than 1,000 names, the number of persons to be personally interrogated should be 15 per cent subject to a minimum of 100;
- (iii) if the objection list furnished by a union consists of more than 1,000 but not more than 2,000 names, the number of persons to be personally interrogated should be 10 per cent subject to a minimum of 150;
- (iv) if the objection list furnished by a union consists of more than 2,000 but not more than 5,000 names, the number of persons to be personally interrogated should be 5 per cent subject to a minimum of 200; and
- (v) if the objection list furnished by a union consists of more than 5,000 names, the number of persons to be personally interrogated should be 2 per cent subject to a minimum of 250.

The person selected for personal interrogation should, among other things, be asked whether they are members of a particular union and whether they had paid subscriptions for three months within a period of six months from the date of reckoning and if so, the amount of subscription paid, the months for which it was paid, etc. The verification officer will maintain a

list of members personally interrogated giving their ticket numbers, names and section where working, the result of personal interrogation, etc.

7. Where the sample check reveals that certain members interrogated deny membership of union, its list of members will be modified proportionately. For example, if on checking records it is found that a union has 2,000 valid members and the rival union objects to say 800 of these members a 15 per cent sample of the latter has to be drawn i.e. 120 persons have to be interrogated personally. If on personal interrogation it is found that 30 of the 120 persons (i.e. 25 per cent) deny membership of the union, the strength of the union will be reduced by 25 per cent of 800 persons whose membership was objected to i.e. by 200. In other words the final strength of the union will, in this case, be 1,800.

If the persons who on interrogation deny their membership of the union claiming them as their members, inform the verification officer that they are members of rival union, the verification officer will check their membership with the list of members and records of that union and adjust its list accordingly, i.e. their names will be added to the list of rival union if they are not already included in it and excluded, in the manner mentioned above from the list of claimant union.

8. While conducting personal verification as mentioned in para 6 above, the verification officer will not allow the representatives of any union or management to be present.

9. On completion of the verification work the verification officer will furnish a report to the Chief Labour Commissioner.

Thus, for example, if there are 400 workers in the objection list and a sample of 100 workers is to be selected, the verification officer should select every (400/100th) or 4<sup>th</sup> worker in the list. It is, however, not necessary that in all cases the selection should begin from the 4<sup>th</sup> name in the list, the first sample may either be the first name in the list; or the second or the third or the fourth, thus, for example, if the first name is selected as the first sample, then subsequent samples will be 5<sup>th</sup>, 9<sup>th</sup>, 13<sup>th</sup> etc names, if, however, to second name is taken as the sample, the subsequent sample would be 6<sup>th</sup>, 10<sup>th</sup>, 14<sup>th</sup> etc. names in the list.

**ANNEXURE 1****Proforma showing particulars of Unions functioning in ..... (Bank)**

| Sl No | Name and address of the union | Registration No. and date of Registration | Whether the union is primary or federating unit | Affiliation          |                              | Claimed Membership                                                     |                                     |                    | Name of the President, General Secretary, Treasurer of the Union with their postal address | Remarks |
|-------|-------------------------------|-------------------------------------------|-------------------------------------------------|----------------------|------------------------------|------------------------------------------------------------------------|-------------------------------------|--------------------|--------------------------------------------------------------------------------------------|---------|
|       |                               |                                           |                                                 | Central Organization | State / All India Federation | Name(s) of the branch / office of the Bank in which union is operating | Membership in each branch or office |                    |                                                                                            |         |
|       |                               |                                           |                                                 |                      |                              |                                                                        | Workmen                             | Other than workmen |                                                                                            |         |
| 1     | 2                             | 3                                         | 4                                               | 5                    | 6                            | 7                                                                      | 8                                   | 9                  | 10                                                                                         | 11      |

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**TOTAL**

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**NOTE : If the union is functioning in more than one nationalized bank, it should submit membership claims for each bank in a separate proforma.**

## ANNEXURE II

First notice by Regd, A.D.  
Second notice

**GOVERNMENT OF INDIA**  
**(Department of Labour and Employment)**

Office of the .....

.....dated the.....

No.  
To

**The General Secretary**

.....  
.....

**Subject – Verification of membership of unions operating in the Nationalised Banks.**

**Dear Sir,**

I am to invite a reference to the procedure for verification of membership of unions operating in the Nationalised Banks (copy enclosed) as specified in the First Schedule to the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 and to request you to furnish:-

- (i) A list of membership of your union as on ..... showing the name of each member, designation, branch/office where working and whether workman or other than workman employees. The list should contain only the names of those members who have paid at least 3 months' subscription during the period of six months ending with .....:
- (ii)
  - (a) Membership-cum-subscription register.
  - (b) Counterfoils of receipts.
  - (c) Cash and account books
  - (d) Bank books
  - (e) Copy of the union's constitution.
  - (f) Registration certification
  - (g) Affiliation certificate and payment receipt if the union is affiliated to any All-India/State Federation/Central Organisation.
  - (h) Copy of the latest annual return submitted to the Registrar of Trade Unions.
  - (i) List of office-bearers.
  - (j) Minutes book.

at.....hrs on.....(date) at.....(place).....

2. It may please be noted that in case the required documents are not produced on the above fixed date, no further attempts will be made to verify the membership of your union.

Kindly acknowledge receipt of this letter.

Yours faithfully

Assistant Labour Commissioner ( C )  
Labour Enforcement Officer ( C )

For 2<sup>nd</sup> Notice

Copy forwarded for information to

- (1) \*The President .....(Name & address of the union)
- (2) \*The Treasurer .....(Name & address of the union)
- (3) Regional Labour Commssioner .....
- (4) Chief Labour Commissioner (Central), New Delhi

\* By name

Assistant Labour Commissioner ( C )  
Labour Enforcement Officer ( C )

**THE SECOND SCHEDULE**  
**{See Cl. (5)}**

- 1. The western area shall consist of the States of Gujarat and Maharashtra and the Union territories of Goa, Daman and Diu and Dadar and Nagar Haveli.**
- 2. The eastern area shall consist of the States of West Bengal, Bihar, Sikkim and Orissa and the Union territory of Andaman and Nicobar Island.**
- 2A. The north eastern area shall consist of the States Assam, Manipur, Meghalaya, Nagaland and Tripura and the Union territories of Arunachal Pradesh and Mizoram.**
- 3. The Central area shall consist of the State of Madhya Pradesh and Uttar Pradesh.**
- 4. The northern area shall consist of the States of Jammu and Kashmir, Punjab, Haryana, Himachal Pradesh and Rajasthan and the Union territories of Chandigarh and Delhi.**
- 5. The southern area shall consist of the State of Andhra Pradesh, Karnataka, Tamil Nadu and Kerala and the Union territories of Pondicherry and the Lakshadweep.**