

**THE STATE BANK OF INDIA
(APPOINTMENT OF EMPLOYEE
DIRECTORS) RULES, 1974**

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‘S.O.399 (E) – In exercise of the powers conferred by section 49 of the State Bank of India Act, 1955 (23 of 1955), the central Government in consultation with the Reserve Bank, hereby makes the following rules, namely:-

CHAPTER 1 – Introductory

1. Short title and commencement –

(1) These rules may be called the State Bank of India (Appointment of Employee Directors) Rules, 1974.

¹(2) They shall come into force on the date of their publication in the Official Gazette

2. Definitions – In these rules, unless the context otherwise requires –

(a) “Act” means the State Bank of India Act, 1955 (23 of 1955);

(b) “representative Union” means a Union registered under the Trade Unions Act, 1926 (16 of 1926), 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 State 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 these rules, 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 per cent or more of the total number of workmen employed by the State Bank;

(c) “verification”, with its grammatical variations and cognate expressions, means the verification by the Chief Labour Commissioner (Central) in accordance with the procedure specified in the Schedule appended to these rules;

(d) all other word and expression used herein and not defined but defined in the Act shall have the meaning respectively assigned to them in the Act.

CHAPTER II – Appointment of Employee Directors

3. Appointment of workmen-employee director – The director to be appointed by the Central Government on the Central Board in terms of clause (ca) of sub – section(1) of section 19 of the Act, from among the employees of the State Bank who are workmen, shall be appointed 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 the communication made by the Central Government requiring the representative Union to furnish the panel of names;

Provided that –

(a) where the Central Government is of 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 interests of the State Bank so to do; or

(b) where there is no representative Union to represent such employees; or

¹ Published in the Gazette of India, Part II, section 3(ii) page 1349 dated June 29, 1974

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

(d) where all the persons specified in the panel furnished by the representative Union are disqualified under section 22 of the Act, the Central Government may, at its discretion, appoint such workman employee of the State Bank as it may think fit to be such director who shall not hold office for more than six months at a time.

4. Appointment of non-workmen employee director - The director to be appointed by the Central Government, in terms of clause (cb) of sub- section (1) of section 19 of the Act, from among such of the employees of the State Bank as are not workmen shall be appointed by the Central Government from among such employees after consultation with the Reserve Bank.

THE SCHEDULE

[See rule 2(c)]

Procedure for verification of membership of Unions operating in the State Bank.

The management of the State Bank will be requested by the Chief Labour Commissioner (Central) to furnish the names and addresses of all the registered unions operating in the State Bank. The particulars of unions received from the management 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 in force and whether there are other registered unions operating in State Bank. The Regional Labour Commissioner concerned will report to the Chief Labour Commissioner (Central) the results of the 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 allotted amongst Verification Officers for the purpose of physical verification of the membership. The Verification Officer will ask the unions (as in Annexure II) by Registered Post Acknowledgement Due to ¹(produce before him at the stipulated place and time within ten days from the date of receipt of the first notice) a list of members, in triplicate, in different branches or offices of the State Bank, who have paid subscriptions for at least three month during the period of six months preceding the date of reckoning which shall be first of the month in which the Central Government addresses the Chief Labour Commissioner (Central) to undertake the verification alongwith :

- (i) Membership-cum-subscription register;
- (ii) Counter-foils of receipts;
- (iii) Cash and Accounts Book;
- (iv) Bank books;

¹ Subs. By Rule 2(i) of State Bank of India (Appointment of Employee Directors) (Amendment) Rules, 1976

- (v) Copy of union's Constitution;
- (vi) Registration Certificate;
- (vii) Affiliation certificate and payment receipt 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) Minute 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 to¹ (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 ascer 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 of 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 representation which the union officials might make to him.

4. The Verification officer will, thereafter, visit such branches or offices of the State Bank as may be necessary 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 will be eliminated from the list. 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 or offices of the State Bank on the date of reckoning at the time of his visit to the branches or offices of the State Bank.

5. The Verification Officer will, thereafter, intimate in writing to the unions or federations of unions concerned that the verified lists of their respective members in the State Bank are ready for inspection by the representative of the union, on the specified date, at an appointed time and place. The union will also at the same time be informed by him 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 specified date referred to above. It should be made clear to the unions that general and vague objections like inflated membership etc. will not be considered; the objections should give names of persons whose membership of a union is objected to and the reasons therefor.

(The representative of the union 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.)

6. 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 systematic¹ sampling system –

(i) If the objections list furnished by a union consists of 500 or less name 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 consists of more than 500 but not more than 1,000 names, the number of person to be personally interrogated should be 15 per cent. subject to 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 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 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 minimum of 250.

The persons 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 and other matters relevant for the purpose, the Verification Officer will maintain a list of members personally interrogated giving their ticket numbers, names of section where working , the result of personal interrogations, 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 the records, it is found that a union has 2,000 valid members and the rival union objects saying that the first mentioned union has 800 members, a 15 per cent sample of the letter has to be drawn, that is 120 persons have to be interrogated personally. If on personal interrogation it is found that 30 of the 120 persons (that is 25 per cent) deny membership of the Union, the strength of the union will be reduced by 25 per cent of 800 persons whose

¹ A systematic sampling system means sampling from a list by taking individuals at equally spaced intervals called sampling intervals. The sampling interval should be:

Total number of person in the objection list

Number of persons in the sample –

Thus for example, if there are 400 workers in the objection list and sample of 100 workers in to be select, the Verification officer should select every $(200/100^{\text{th}})$ or 4th worker in the list. It is however, not necessary that in all cases the selection should begin from the 4th name in the list; the first sample may either be the 1st 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 5th , 9th ,13th etc. names; if however the second name is taken as the first sample, the subsequent sample would be 6th , 10th ,14th etc. name the list.

membership was objected to, that is, by 200. In other words, the final strength of the union will, in this case, be 1,800 [2,000 – (25 per cent of 800) – 1,800].

If the person who, on interrogation deny their membership of union claiming them as their members, inform the Verification Officer that they are members of a rival union, the Verification Officer will check their membership with the list of members and records of that union and adjust its list accordingly, that is their names will be added to the list of the rival union if they are not already include in it and excluded, in the manner mentioned above, from the list of claimant union.

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

9. On completion of the verification work, the Verification Officer will furnish a report to the Chief Labour Commissioner (Central).

ANNEXURE I

Proforma Showing Particulars of Union Functioning in State Bank

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

ANNEXURE II

First Notice

By Registered
Post Acknowledgement Due

Second Notice
GOVERNMENT OF INDIA

(Department of Labour and Employment)

Office of the

.....Dated the.....

To
The General Secretary,
.....
.....

Subject: Verification of membership of unions operating in the State Bank.
Dear Sir,

I am to invite a reference to the procedure for verification of membership of unions operating in the State Bank (copy enclosed) as specified in the Schedule to the State Bank of India(Appointment of Employee Directors)Rules, 1974 and to request you to furnish :-

(i) a list of membership of your union as on showing the name of each member, designation, branch or office where working and whether workman or other than workman employee. The list should contain only the names of those members who have paid at least three months subscription during the period of six month ending with.....; and

- (ii) (a) Membership-cum-subscription register;
(b) Counter-foils of receipts;
(c) Cash and Accounts Books;
(d) Bank books;
(e) Copy of union's constitution;
(f) Registration Certificate;
(g) Affiliation certificate and payment receipt if the union is affiliated to any all- India/ State Federation/ Central Organization
(h) Copy of the latest annual return submitted to the Registrar of Trade Unions;
(i) List of office-bearers; and
(j) Minute book,

at hrs. on..... (date) at.....
(Place).

¹2. 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 the letter.

Yours faithfully,
Assistant Labour Commissioner (C)
Labour Enforcement Officer (C)

Copy forward for information to :-

²(1) The president (name and address of the union).

²(2) The Treasure (Name and address of the union).

(3) Regional Labour Commissioner.....

(4) Chief Labour Commissioner (Central), New Delhi

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

¹ For second notice.

² By name

