

**NOTIFICATION**  
**New Delhi, the 19th November, 2008**

**S.O. 2697 (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 of India, hereby makes the following rules further to amend the State Bank of India (Appointment of Employee Directors) Rules, 1974, namely:-

1. Short title and commencement- (1) These rules may be called the State Bank of India (Appointment of Employee Directors) (Amendment) Rules, 2008.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. Amendment of rule 2 - In the State Bank of India (Appointment of Employee Directors) Rules, 1974(hereinafter referred to as the said rule), in rule 2 -
  - (i) after clause (a), the following clause shall be inserted, namely -
    - (aa) "Appellate Authority" means the Central Government or the Deputy Chief Labour Commissioner (Central), Ministry of Labour, Government of India, as the case may be;
  - (ii) in clause (c), for the words and bracket "Chief Labour Commissioner (Central)", the words "Designated Officer" shall be substituted.
3. Amendment of rule 3- For rule 3 of the said rule, the following rule shall be substituted, namely-

"3. Nomination of workman employee director - The director referred to in clause (e) of sub section (1) of section 19 of the Act shall be nominated by the Central Government from a panel of not less than three numbers of employees as furnished by the representative Union to the Bank, within a period of 30 days from the receipt of such panel:

Provided that on the request of the representative union, the Central Government may, at its direction, increase further period of 15 days to furnish the panel of names of employees to the Bank:

Provided further that in case the representative Union fails to furnish the panel of names of employees and does not send the same within the period as specified above, the Bank shall inform the Central Government and after receipt of information for the Bank, the Central Government may ask the Bank management to obtain a panel of three names of employees from the next largest Union:

Provided also that in case at any time, if the Central Government is of opinion that there is likely to be delay in the verification and certification of any Union, Federation

of Association of the Bank, as a representative union and it is necessary in the interests of the State Bank so to do, it may nominate any employee of the State Bank of India, who is a workman, to be a director of that Bank."

4. Substitution of new Schedule for the First Schedule- For the First Schedule of the said rule, the following Schedule shall be substituted, namely;

### **'THE FIRST SCHEDULE'**

**[See rule 2(c)1]**

Subject: Procedure for verification of membership of Union operating in the State Bank.

1. The management of the Bank shall be advised by the Central Government, one year before the expiry of the tenure of the incumbent workmen directors, to verify the membership strength of the workmen Union belonging to workman employee of the Bank for the purpose of determination of representative Union. The management of the Bank or the Chairman or Managing Director shall nominate an officer at the level of General Manager as the Designated Officer, who shall make the aforesaid verification. The verification of the membership of the Union, Federation or Association is to be done on the basis of the deduction made from the salary of the workmen for the month of March of the relevant year based on the check off mandate.

2. The data or detail, as the case may be, as per Annexure 1 shall be accompanied by list(s) showing the name of the members of each Union of workmen of the Bank, his or her designation and branch or office where he or she is working shall be compiled immediately on receipt the advise of the Central Government, as referred to in Paragraph 1.

Explanation: For the purposes of this paragraph, a workman of the Bank shall be considered as a member of particular Union, subject to the conditions, that,

- (a) he can give only one check off mandate in favour of one particular Union at any given point of time; and
- (b) the Bank shall only reckon the membership status of workmen based on the check off mandate for the salary of month of March of the relevant year.

3. The Designated Officer shall, within a period of 7 days of receipt of communication from the Central Government regarding the representative Union lists showing the names of members of the Union forward the copy of the verification of membership as per Annexure - II to the Union, Federation or Association and call upon them to accept or object its authenticity, if any, within a period of 30 days from the date of receipt of the copy.

4. If no objection is received within a period of 30 days from the date of receipt of the copy of the verification of membership by the Designated Officer, it shall be presumed that there is no objection from the Union, Federation or Association and the Designated Officer shall proceed further accordingly.

5. The Union, Federation or Association shall not raise general or vague objection, and if the objection is general or vague, such objection shall not be considered. The Union, Federation or Association shall specifically state the name(s), designation(s), place of working of the workman in respect of whom objection is or are being raised and the reasons therefor.

6. If any objection is received from the Union, Federation or Association, the Designated Officer shall verify the same as to whether by reckoning the difference in the membership strength as stated by the Union, Federation or Association in its objection, the status of the Union having majority of the workmen in the Bank as its members and certified so by the Bank, shall get altered.

7. If by reckoning the difference in the membership strength, as stated by the Union, Federation or Association in its objection, the status of the Union certified to be representative Union changes, then the Designated Officer shall verify the relevant records as to the deduction of Union membership fees under the system of check off at Head Office, Corporate Office, Zonal Office or Regional Office of the Bank.

8. The Designated Officer may, for the purpose of the verification of the membership, appoint Verifying Officer(s) of the Bank, who is equivalent to the rank of Senior Manager or Chief Manager as the Verifying Officer. The Verifying Officer(s) shall verify the name objected by the contesting Union in the presence of the representatives of the Bank and the concerned Union. The Verifying Officer may enquire from the concerned employee(s) about his or their affiliation to one or any other Union. In the course of such personal enquiry by the Verifying Officer(s), no representative of any of the Union, Federation, Association or management of the Bank shall be present. After completion of the verification, the Verifying Officer(s) shall submit his report to the Designated Officer.

9. Subject to paragraph 8, the Designated Officer shall finalize the verification of membership of the Union and submit his report within a period of 7 days from the date of finalization of the verification to the Central Government through the Chairman or Managing Director or, in his absence through the Executive Director of the Bank. A copy of such report shall be sent to the representative Union and contesting Union, Federation or Association of the Bank.

10. An Appeal shall lie against the report of the Designated Officer before the Appellate Authority if the difference in membership contested or objected is more than 5% of the total workmen employee strength of the Bank or to change the status of the representative Union. Any Union, Federation or Association having objection to the status of representative Union as determined by the Designated Officer may file an appeal, giving reason in writing, within a period of 7 days from the date of issue of such report by the Designated Officer. The Appellate Authority shall, within a period of not more than 60 days from the date of filing of the Appeal either by conduct of inquiry or by perusal of records and giving an opportunity of being heard to the parties, pass an order in writing. A copy of such order shall be sent to both the parties to the Appeal. The Designated Officer shall modify the list on the basis of such order, and send the same to the Central Government within a period of 7 days from the date of the receipt of the order of the Appellate Authority.

11. Obtaining a panel from representative Union - The Bank shall, within a period of 7 days from the date of receipt of the status report of the representative Union from the Designated Officer, ask the representative Union to furnish a panel of three names of the office bearers in order of preference for appointment of workmen director on the Bank's board under intimation to the Central Government. in case the representative Union fails to furnish the panel of names of the office bearers within a period of 30 days from the date of the receipt of such direction, the Bank shall inform the Central Government and, after receipt of information, the Central Government may ask the management of the Bank to obtain a panel of three names of the employees from the next largest Union within a period of 30 days:

Provided that on the request of the largest Union, the Central Government may increase further period of 15 days to furnish the panel of the names of employees of the Bank.

12. The representative Union or the next largest Union shall furnish panel of three names to the management of the Bank and send a copy of the same to the Central Government. The management of the Bank on receipt of the panel of names, shall send the following informations in respect of each of the persons in the panel to the Central Government-

- (i) complete bio-data;
- (ii) copies of the Confidential reports for the last 5 years;
- (iii) certificate to the effect that no vigilance or disciplinary case is pending or being contemplated;
- (iv) certificate to the effect that they are not disqualified from being nominated as director on the Bank's board as per the provisions of any law for the time being in force;
- (v) integrity and moral character certificate by the Bank's chief executive;
- (vi) composition of the present Board of Directors of the Bank;
- (vii) the data relating to credit, deposit and profit or loss for the last three years;

- (viii) confirmation regarding pendency of any case in any court with regard to nomination of Workmen Employee Director on the Board of the Bank; and
- (ix) certificate from the Bank that there is no stay order which may prohibit the Central Government to nominate the Workmen Employee Director on the Board of the Bank.

Explanation - For the purposes of this Schedule, the expression "check off" means a voluntary arrangement of collection of Union subscriptions from the members of a Union from the wages at source and passing off the money so deducted to the Union by the Bank and also the authorization to deduct from the wages which may indicate the consent to make the check off deduction and shall be signed with date.

[F. No. 15/5/2003-IR-(iii)]  
K. V. EAPEN, it. Secy.

Foot Note : The State Bank of India (Appointment of Employee Directors) Rules, 1974 were published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (1), vide, 5,0. 399 (E), dated the 29th June, 1974 Subsequently amended in 1976.

## ANNEXURE I

### Certificate of membership strength of workmen unions functioning in..... (Bank)

1. The total number of workmen employee employed in the Bank as on 31st March of the relevant year\_\_\_\_\_.
2. The total number of workmen employee covered by the check off system:-
3. The membership strength of each Union of workmen employee in the bank based on check off mandate for the salary for the month of March of the relevant year, is as follows-

SI No.	Name and address of the Union	Registration No. and date of Registration of the Union	Whether the Union is primary or federating unit	Affiliation		Name of the President, General Secretary, "Treasurer of the Union with their postal addresses	Total membership in the bank as per check off mandate
				Central Organisation	State/ All India Federation		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Certified that the above information is true and correct as per records available in, and maintained by, the Bank.

Date:-

Designated Officer

Place:-

**ANNEXURE II**

First Notice by Regd. AD  
Second Notice

BANK  
(Head Office)

No. dated the ....., 200  
To,

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

**Subject: Verification of membership of Union operating in State Bank of India.**

I am to invite the reference to the procedure for verification of membership of Union operating in the State Bank of India (copy enclosed) and I am enclosing herewith a detailed list of membership of Union based on the salary for the month of March of the relevant year, showing the names of each member, designation, branch or office where working, as provided by the Bank based on the check off mandates given by the employee.

2. I request you to peruse the list and convey your acceptance thereof as to the correctness of the list, within 30 days from the date of receipt of this Annexure.

3. In case you have any objection to the presence or otherwise of an employee in the list, you may raise objection by stating your specific objections and forward it to the undersigned within a period of 30 days from the date of receipt of this Annexure. Please note that you shall not raise any general or vague objections like inflated membership and the objection should give names of persons whose membership to the Union is not reflected in the list as also names of persons whose membership in the Union is objected to and the reason therefor.

Kindly acknowledge receipt of this letter.

Yours faithfully

Designated Officer

Copy forwarded for information to:

- (1) The President..... (Name and address of the Union)
- (2) The Treasurer..... (Name and address of the Union)
- (3) Joint Secretary (Banking Administration), Department of Financial Services, Ministry of Finance, Government of India, New Delhi.