

**NATIONALIZED BANKS (MANAGEMENT AND
MISCELLANEOUS PROVISIONS) SCHEME, 1980**

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**NATIONALIZED BANKS (MANAGEMENT AND
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S.O. 875 (E), dated the 4th November, 1980.1- In exercise of the

powers conferred by Sec. 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), the Central Government, after consultation with the Reserve Bank, hereby makes the following Scheme, namely :

CHAPTER 1

Introductory

1. Short title and commencement :-

2. Definitions :-

CHAPTER 2

Board of Directors

3. Constitution of the Board :-

4. Custodians to cease to hold office on constitution of the Board :-

5. Chairman :-

6. Managing director :-

7. Same person may hold office as Chairman and Managing Director :-

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

9. Term of office of other Directors :-

10. Disqualification of Directors :-

11. Vacation of office of Director, etc :-

12. Meeting of the Board :-

CHAPTER 3

Committees of the Board

13. Management Committee :-

14. Advisory Committees :-

CHAPTER 4

Miscellaneous

15. Disqualification for membership of a committee constituted under Cl. 14 and vacation of office by a member :-

16. Remuneration and reimbursement of travelling expenses :-

17. Resolution without meeting of the Board valid :-

18. Meeting of advisory committees constituted under Cl. 14 :-

CHAPTER 5

Paid-up Capital

19. Increase of paid-up capital :-

SCHEDULE 1

SCHEDULE

[See Cl. 2 (h)] Subject.- Procedure for -verification of membership of unions operating in the nationalized banks. The management of the nationalized banks will be requested by the Chief Labour Commissioner (Central) to furnish the names and address 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 Registrar of Trade Unions whether the registration of these unions are still alive and whether there are other registered unions operating in the nationalized banks. The Regional Labour Commissioners 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 1) by a specified date. 2. The registered unions will, thereafter, be allotted amongst verification officers for the purposes of physical verification of the membership. The verification officer will ask the unions (as in Annexure II) by registered post acknowledgment due 3 [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/offices (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 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 Organization. (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 1 [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

shall be 100 per cent. and shall be done in the presence of the office-bearers of the unions 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 nationalized 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 shall thereafter intimate in writing to the unions or federations of unions concerned that the verified lists of their respective members in the bank are ready for inspection by the union representative at an appointed time and place. The union 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, 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 objections 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. 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 systematic sampling 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 lists furnished by a union consists 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 consist 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 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. The Verification Officer will maintain a list of members personally interrogated giving their ticket numbers, names of section where working, the result of personal interrogation. 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 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. (2,000- (25 per cent. of 800)- 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 the rival union if they are not already included in it, and excluded, in the manner mentioned above from the list of the claimant union. 8. While conducting personal verification as mentioned in para. 6 above, the Verificaton 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. Total number of persons in the objection list/Number of persons in the sample 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 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 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 sample will be 5th, 9th, 13th. names: if, however, the second name is taken as the sample, the subsequent samples would be 6th, 10th, 14th names in the list.