

holder arising from the revision of premium rates depends upon his choice of the Insurance Plan and term of the policy.

(b) Yes, Sir.

(c) It has been represented that while on the one hand Anticipated Endowment Plans have been discontinued, the premiums under the Money Back Plan have been increased and there is no loan facility provided under that Plan. It may be stated that the Anticipated Endowment Plans have been discontinued in order to eliminate duplication with the Money Back Plan. Further, the marginal increase in the premiums under the Money Back Plan has resulted from change in the actuarial bases on which the overall revision of premium rates has been undertaken. The Money Back Plan does not provide for any loan facility in view of the fact that it provides for payment of larger|more frequent instalment of sum assured than the Anticipated Endowment Plans and in consequence the reserve under the Money Back policies are relatively lower.

As the revision of premium rates and changes introduced by the LIC are based on actuarial considerations and take into account all material factors, Government do not propose to interfere in the matter.

Upward Revision in Steel Prices

3889. SHRI JANARDHANA POOJARY: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether SAIL management has suggested to Government the need for upward revision in steel prices to offset cost escalations that have taken place in the last four years; and

(b) if so, Government's reaction thereto?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a), No, Sir.

(b) Does not arise.

Employment Potentialities in Nationalised Banks in Karnataka

3890. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) details of the employment potentialities during the next three years in nationalised banks in Karnataka Bank, branch-wise;

(b) number of persons employed up-to-date by the nationalised banks in Karnataka, district-wise and bank-wise; and

(c) steps so far being taken to create more employment potentialities in these banks in the State, bank-wise and district-wise?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) and (b). Considering the large number of nationalised banks which have a very large number of branches in the State of Karnataka, collecting information district-wise and branch-wise will be a very time consuming process and it may not be commensurate with the time and effort involved in this exercise. Information, bank-wise, for the State as a whole would, however, be collected and laid on the Table of the House to the extent available.

(c) As business grows, banks are opening more and more branches in hitherto unbanked areas and as a result thereof, employment opportunities in the banking industry are increasing.

System of Recruitment in C.D.A., Patna

3891. SHRI RAMAVATAR SHASTRI: Will the Minister of FINANCE be pleased to state:

(a) whether the present system of recruitment on zone basis has created imbalance in the strength in comparison to the sanctioned posts in the Controller of Defence Accounts, Patna; and

(b) if so, whether Government are thinking to adopt the policy of recruitment on State basis to eliminate transfer and expenses on T.A.?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) No, Sir.

(b) Does not arise.

Subsidy for Staff Canteen of Central Office of SAIL at Saraidala

3893. **SHRI A. K. ROY:** Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that the staff Canteen of Central Office of SAIL at Saraidala could not be started due to non-sanctioning the subsidy by the Management; and

(b) if so, the reasons for not granting the subsidy for the staff Canteen?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) No, Sir.

(b) Does not arise.

Procedure for Selection of Managing Directors and Directors of Nationalised Banks

3894. **SHRI N. DENNIS:** Will the Minister of FINANCE be pleased to state the details of the procedure adopted by Government in selecting the (1) Managing Directors and (2) other Directors of nationalised banks?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): A Managing Director of a nationalised bank, who is also its Chief Executive, is appointed by the Central Government, after consultation with the Reserve Bank of India, in pursuance of clause 3(a) of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970. The criteria for

selecting the person for the post of a Managing Director/Executive Director is that he should be either from within the bank/banking industry or a person outside the banking industry having special knowledge and practical experience of financial, economic or business administration. Besides the special knowledge and practical experience, the person to be selected should possess qualities of leadership and be, in the judgement of the Government, the most suitable to head that bank.

The appointments of other Directors on the Boards of nationalised banks are made in accordance with the provisions contained in clause 3(b) to (h) of the Scheme, referred to above, *vide* Annexure.

Statement

Extract of clause 3 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970.

3. Constitution of the Board.—As soon as may be after the commencement of this Scheme, the Central Government shall, by notification in the Official Gazette, constitute the Board of a nationalised bank, consisting of—

(a) not more than two whole-time Directors, of whom one shall be the Managing Director, to be appointed by the Central Government after consultation with the Reserve Bank;

(b) (i) one Director, from among the employees of the nationalised bank, who are workmen, to be appointed by the 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;