

difficulties in implementation because the Directors and top executives of the said banks continue to be the same persons who held these posts prior to nationalisation;

(b) if so, what stands in the way of changing the personnel concerned; and

(c) the action, if any, taken by Government in the matter?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) to (c). Finance Minister while addressing a meeting of the Presidents of the District Congress Committees on 7th May, 1971 mentioned several important steps which had been initiated to achieve the basic objectives underlying nationalisation. In view of the reorientation of the policies of the banks with a view to meet the credit requirements of the neglected sectors, he stressed that unless there was a keen and acute awareness of the shortcomings of the banks, it would be difficult to make positive improvements in a given time. It was in this context that he referred to the need for a greater attunement of the bank staff at all levels with the changed perspective in which the banks have to function. He had also clarified that changing the personnel at various levels of the banks is neither feasible nor, in the ultimate analysis, an answer to all the deficiencies of the banks.

The first Boards of Directors of the banks have been constituted after nationalisation. There is, therefore, no question of the new Boards of Directors not being in tune with the changed perspective in which the banks have to function.

Appointment of Managing Director of Shanker Sugar Mills Ltd., Calcutta

1936. **SHRI INDRAJIT GUPTA :** Will the Minister of COMPANY AFFAIRS be pleased to state :

(a) whether, by a resolution adopted at the extraordinary meeting held on 14th January, 1971 of shareholders of M/s Shanker Sugar Mills, Ltd., Calcutta, one Shri B.K. Kanoria was appointed as Managing Director in place of Shri K.K. Kanoria who had resigned;

(b) whether the approval of the Company Law Board has been given for the said appointment and, if so, on what terms;

(c) the salary, perquisites and other emoluments approved as remuneration for the Managing Director; and

(d) whether the Company Law Board has taken note of objections from the shareholders on grounds of absence or inadequacy of profits?

THE MINISTER OF COMPANY AFFAIRS (SHRI RAGHUNATHA REDDY): (a) No copy of such a resolution passed by the shareholders was filed with the Company Law Board.

(b) to (d). The Company Law Board after taking into consideration all the facts and circumstances of the case had come to the provisional conclusion that the proposal of the company should be rejected. The company was informed of the provisional decision of the Company Law Board on 15th April, 1971 so as to enable the company to make any representation against the proposed decision of the Company Law Board. The company in its letter dated 26th April, 1971, has stated that it wants to make a representation in writing as well as in person, against the proposed decision of the Company Law Board. No written representation has so far been received.

Sale of Shares of Golden Tobacco Company

1937. **SHRI RAMSHEKHAR PRASAD SINGH :** Will the Minister of COMPANY AFFAIRS be pleased to state :

(a) whether the Directors of Messers Golden Tobacco Co. have been selling their shares to the public at a premium i.e., at the rate of Rs. 1255/- for 100 shares;

(b) if so, whether Government have inquired into the causes for disposal of shares in this manner; and

(c) whether the financial position of the company is not sound?

THE MINISTER OF COMPANY AFFAIRS (SHRI RAGHUNATHA REDDY): (a) M/s.