

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1480
ANSWERED ON:11.03.2005
REPRESENTATION IN BOARD
Borkatky Shri Narayan Chandra

Will the Minister of FINANCE be pleased to state:

- (a) whether the representation of independent Directors from Assam and North East States in the Boards of Nationalised Banks is very less;
- (b) if so, the reasons thereof;
- (c) the number of independent Directors from Assam & North East States represented in the Boards of Nationalised Banks; and
- (d) the steps taken by the Government to remedy the situation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) :

(a) Yes, Sir.

(b) to (d) The non-official directors on the boards of nationalised banks are appointed under clause.

(g), (h) and (i) of sub-section (3) of section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980. There is no provision in the Act to reserve seats on regional basis. As per the criteria laid-down under the guidelines of selection part-time non-official directors on the boards of nationalised banks, the suitability of nominees is assessed in terms of formal qualification and expertise, track record, integrity etc. Recently, these guidelines have been amended to provide that efforts should be made to ensure representation of all the six zones of the country, i.e. North, South, East, West, Central and North - East on the boards of nationalised banks taken together.