

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:729

ANSWERED ON:25.11.2011

NON-GOVERNMENTAL DIRECTORS IN NATIONALISED BANKS

Singh Rajkumari Ratna;Yadav Shri M. Anjan Kumar

Will the Minister of FINANCE be pleased to state:

- (a) the number of Non-Governmental Directors in Nationalized Banks, bankwise;
- (b) the rules governing appointment of such Directors;
- (c) the methods of reviewing the work of these Non-Governmental Directors;
- (d) the number of complaints received by the Government against the functioning of these Non-Governmental Directors; and
- (e) the action taken thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a)and(b): Non-Governmental Directors are elected under Section 9(3)

(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980. Bank-wise number of Non-Governmental Directors in Nationalised Banks, as per RBI record, is annexed.

(c): In terms of Reserve Bank of India's (RBI) guidelines, before election, Nomination Committee of the Bank does the fit and proper exercise on the candidature of the Directors and also annually as on 31st March every year during the tenure of the Director. Complaints received regarding Board of Directors or issues related to Corporate Governance are dealt with by RBI on case to case basis as and when they are received.

(d)and(e): No complaints regarding functioning of elected Directors in Nationalised Banks have been received by RBI in the recent past.