

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7112
ANSWERED ON:18.05.2012
NON-GOVERNMENTAL DIRECTORS IN PSBS
Alagiri Shri S. ;Singh Shri Ratan

Will the Minister of FINANCE be pleased to state:

- (a) the rules governing appointment of Non-Governmental Directors in various Nationalised Banks including State Bank of India;
- (b) whether instances of violation of the said rules in appointment of Non- Governmental Directors of Public Sector Banks come to the notice of the Government during the last three years;
- (c) if so, the details thereof, year-wise, Bank-wise and the action taken thereon;
- (d) whether such Directors have been appointed in all the Nationalised Banks;and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

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

- (a): Non-Governmental Directors in Nationalised Banks are elected under Section 9 (3) (i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 and in the State Bank of India under the provision of Section 19(c) of SBI Act, 1955. In terms of Reserve Bank of India (RBI) guidelines, before election, nomination committee of the bank does the fit and proper exercise on the candidature of the director and also annually as on 31st March every year during the tenure of the Director.
- (b) and (c): No instance of violation has been reported to RBI.
- (d) and (e): The detail of Directors appointed in all the Nationalised Banks is Annexed.