

(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;

Provided that where the Central Government is of opinion that owing to the delay which is likely to occur in the verification and certification of any Union or federation as a representative Union, it is necessary in the interests of the nationalised bank so to do, it may appoint any employee of the nationalised bank, who is a workman, to be a Director of that Bank.

(ii) (A) where there is no representative Union to represent the workmen of a nationalised bank, or

(B) where such representative Union, being in existence, omits or fails to furnish any panel of names within the specified date, or

(C) where all the persons specified in the panel furnished by the representative Union, are disqualified, whether under item (iii) of this sub-clause or under clause 10, the Central Government may at its discretion appoint such workman of the nationalised bank, as it may think fit, to be a Director of such bank;

(iii) a workman of a nationalised bank shall be disqualified for being appointed as a Director unless—

(a) he is, and has been, serving for a continuous period of not less than five years in the nationalised bank or in the existing bank of which the nationalised bank is the corresponding new bank, or partly in one and partly in the other, and

(b) he is of such age that there is no likelihood of his attaining the age of superannuation during his term of office as a Director;

(c) one Director, from among the employees of the nationalised bank, who are not workmen, to be appointed by the Central Government after consultation with the Reserve Bank;

(d) one Director, who, in the opinion of the Central Government is competent to represent the interests of depositors, to be appointed by the Central Government after consultation with the Reserve Bank from among the depositors of the bank.

(e) three Directors, who, in the opinion of the Central Government, are competent to represent respectively the interests of farmers, workers and artisans, to be appointed by the Central Government after consultation with the Reserve Bank.

(f) not more than five Directors, to be appointed by the Central Government after consultation with the Reserve Bank, from among persons having special knowledge or practical experience in respect of one or more matters which are likely to be useful for the working of the nationalised bank;

(g) one Director who is an official of the Reserve Bank to be appointed by the Central Government on recommendation of the Reserve Bank.

*Explanation.*—For the purposes of this sub-clause, 'an official of the Reserve Bank' includes an officer of the Reserve Bank who is deputed by that Bank under section 54AA of the Reserve Bank of India Act, 1934 (2 of 1934) to any institution referred to therein.

(h) one Director who is an official of the Central Government, to be appointed by that Government.

#### **Workmen engaged in Dalli Rajhara Iron Ore Mines in M.P.**

3895. SHRI A. K. ROY: Will the Minister of STEEL AND MINES be pleased to refer to the reply given to Unstarred Question No. 1426 on 21st March, 1980 regarding working in Dalli Rajhara captive Iron Ore Mines in M.P. and state: