

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3909

ANSWERED ON:22.08.2003

DIRECTORS OF BANKS

ANANTA NAYAK;GADDE RAMAMOCHAN;M.V.V.S MURTHI;NIVEDITA MANE;SADASHIVRAO DADOBA MANDLIK;VILAS
BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government propose to ban Members of Parliament and State Legislature as well as stockbrokers from becoming directors on the boards of commercial and cooperative banks;

(b) if so, the details thereof;

(c) the reasons behind this move of the Government; and

(d) the time by when a final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a), (b), (c) & (d): Government has decided to debar stockbrokers from becoming directors on the boards of commercial and cooperative banks on the basis of recent experience of the banking industry.

The Banking Regulations (Amendments and Miscellaneous Provisions) Bill, 2003 has already been introduced in the Lok Sabha on 13.8.2003 to carry out the amendments in the Banking Regulation Act, 1949.