

- (b) if so, the details of the review sought by Government from SEBI; and
- (c) what are the reasons for seeking such a review that will adversely affect the prospective buyers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Pursuant to the recommendations of the Justice P.N. Bhagwati Committee, the Securities and Exchange Board of India (SEBI) made certain amendments to the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 on September 9, 2002. One of the amendments include the parameter of average of the daily high and low of the prices of the shares during the two weeks for determination of the offer price. The Ministry of Disinvestment requested SEBI to exempt open offers made pursuant to disinvestment of listed public sector undertakings, from the applicability of this additional parameter.

(c) The reasons cited by the Ministry of Disinvestment include the possibility of unwarranted speculation as a result of the new two-week criterion; adverse effect on the bid price since the date of opening of the bid is known in advance; possibility of influencing share prices even with fairly limited investments as most PSU stocks are not actively traded etc.

Restrictions on withdrawal in Nedungadi Bank

1403. SHRI N.K. PREMACHANDRAN: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether Government are aware that the customers of Nedungadi Bank are experiencing difficulties due to the restriction imposed on withdrawal;
- (b) whether Government propose to initiate appropriate steps to safeguard the interest of depositors by lifting the restrictions on withdrawal;
- (c) whether any decision is arrived at for the amalgamation of Nedungadi Bank with other nationalised bank;
- (d) whether Government propose to initiate any enquiry on the matter which led to the collapse of the bank; and
- (e) if so, the Government's reaction hereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) yes. Sir.

(b) Reserve Bank of India (RBI) will consider requests from the depositors of the bank to allow withdrawal of deposits in excess of the limit of Rs. 5000/- for various personal and other reasons on a case-to-case basis depending upon their genuineness.

(c) RBI has prepared a draft scheme of amalgamation the Nedungadi Bank Ltd. with Punjab National Bank which has been sent to both these Banks for their comments.

(d) and (e) In terms of the provisions of Section 45L read with Section 45H of the Banking Regulation Act, 1949, where a scheme of amalgamation of a banking company has been sanctioned by the Central Government under Section 45 of the Act *ibid*, the Central Government may initiate an application under Section 543 of the Companies Act, 1956 for assessing damages against delinquent Directors. The Central Government would consider initiating such application in the case of the Nedungadi Bank Ltd., as and when a scheme of amalgamation of the Bank is sanctioned.

Criteria for posts of chairman of RRBs

†1404. SHRI D.R. YADAV: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) what are the selection-criteria for the posts of Chairman of Regional Rural Banks;

(b) whether the Department of Banking has agreed upon the selection criteria mentioned in the attached circular of national banks;

(c) if so, whether these criteria were followed in the pre-selection of Chairman, Regional Kisan Gramin Banks, Mainpuri, Uttar Pradesh; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The Sponsor Banks appoint Chairmen of Regional Rural Banks

†Original notice of the question was received in Hindi.