

Sr.	Name of the bank	Date of vacancy	Reason for vacancy
1.	Vijaya Bank	24.8.2002	The then incumbent to the post of Executive Director appointed as Chairman and Managing Director, Syndicate Bank.
2.	UCO Bank	11.11.2002	The then incumbent to the post of Executive Director appointed as Chairman and Managing Director, National Housing Bank.
3.	Bank of Maharashtra	1.3.2003	The then incumbent to the post of Executive Director has retired on superannuation on 28.2.2003.

The appointments to these posts are being processed and will be made shortly.

(c) Appointment of Executive Directors of nationalised banks is made on the basis of recommendations made by the Appointments Board constituted for this purpose. The Appointments Board consists of Governor, RBI, Deputy Governor, RBI, Finance Secretary, Secretary (Banking & Insurance) and two outside experts in Banking and Management. The Appointments Board is preparing a panel for filling up these vacancies. In doing so, no rules have been violated.

(d) Does not arise.

Indian National Rural Bank

1250. SHRI TARINI KANTA ROY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Chairman of NABARD, Reserve Bank of India and the Parliamentary Standing Committee on Finance had recommended for establishment of an Indian Rural Bank combining all 196 rural banks to streamline and strengthen the rural economy; and

(b) if so, by when Government propose to bring a Bill in Parliament in this regard?

[4 March, 2003]

RAJYA SABHA

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The matter of formation of National Rural Bank of India (NRBI) by way of amalgamation of all the 196 RRBs in the country was considered by the Government, Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) some time during the year 1992-93. After considering a number of alternative models for restructuring of RRBs, including setting up of National Rural Bank, it was decided to revamp the RRBs by cleansing of their balance sheets on a "stand alone" basis. Accordingly, 187 out of 196 RRBs, have been taken up so far, for comprehensive restructuring including cleansing up of their balance sheets and infusion of fresh capital. In addition to this several policy changes have been initiated to facilitate strengthening and revitalization of RRBs. These changes include:-

- (i) introduction of Development Action Plan and Memoranda of Understanding (DAP/MoU) on an annual basis for bringing improvement in the performance of the RRBs in a planned way, introduction of prudential norms covering income recognition, asset classification and provisioning norms;
- (ii) diversification of business portfolios and activities;
- (iii) rationalization of branch network including relocation and merger of loss making branches;
- (iv) deregulation of interest rate structure; and
- (v) providing greater role to the sponsor banks in management of the affairs of RRBs etc.

These initiatives have brought positive results and out of 196 RRBs, 167 have reported profits as on 31-3-2002 and 86 have wiped off accumulated losses. There is, therefore, no proposal at this stage to set up NRBI.

Special status to ICICI Bank

1251. SHRI SANJAY NIRUPAM: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether ICICI Bank enjoys any special status as the financial institution under the Companies Act;