

Now, public sector banks have no employee-directors

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On September 18, the last such directors exited the boards of BoB and Dena Bank



Thiruvananthapuram, September 22:

None of the 21 public sector banks in the country can claim to have an officer or employee representative on its board any more.

This is because the last of these representatives ended their terms and stepped out of the boards on September 18, RTI enquiries reveal.

'Laws demand it'

As per Section 9(e) of the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970, 'one director from among the employees of the corresponding new bank who are workmen under clause (6) of Section 2 of Industrial Disputes Act, 1947 to be nominated by the Central government in such manner as may be specified in the scheme made under this section.'

Section 9(f) says that 'one director from among employees of the corresponding new bank who are not workmen under clause (s) of Section 2 of Industrial Disputes Act, 1947 to be

nominated by the Central government after consultation with the Reserve Bank.'

A similar provision has been made in the SBI Act under Sections 19 (ca) and (cb), says DT Franco, General Secretary, All India Bank Officers' Confederation (AIBOC).

According to him, the practice of appointments seem to have been stopped though recommendations have been sent by banks to the government as per the procedure laid down in the scheme.

By September 18, 2017, the term of the last employee-directors on the boards of Bank of Baroda and Dena Bank had ended. This has been one of the contentious issues highlighted in the strikes and agitations conducted by the United Forum of Bank Unions.

It is unfortunate that the government, which talks about transparency, should have rendered opaque the bank boards which take crucial decisions, Franco said

'Feigns ignorance'

"When we met the Finance Minister on September 15, he responded in a manner as if he was unaware. He merely directed us to Rajiv Kumar, Secretary, Department of Financial Services.

"We appraised Kumar about the position. But so far nothing has moved since the decisions have to be taken by the Appointments Committee," Franco said.

The Reserve Bank has chosen to be silent in the matter, it seems. Nor has the Securities and Exchange Board of India taken any steps.

AIBOC demanded that the government proceed to immediately 'fulfil the obligation and clear files pending with it for years now.'

The practice of appointments seem to have been stopped though recommendations have been sent by banks to the government, says AIBOC General Secretary

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