

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5800

ANSWERED ON:30.04.2010

COMPENSATION PACKAGE OF PRIVATE SECTOR BANKS CHIEFS

Bhoi Shri Sanjay

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to issue guidelines on the compensation packages of Private Sector Banks Chiefs;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the time by which the said guidelines are likely to become operative?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (c) : The Reserve Bank of India (RBI) has proposed to issue guidelines to private sector banks and foreign banks regarding sound compensation policy by June, 2010. These guidelines are to cover effective governance of compensation, alignment of compensation with prudent risk-taking and disclosures for whole time director / Chief Executive Officers as well as risk takers of such banks.