

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5112
ANSWERED ON:24.04.2015
BIFURCATION OF TOP POSTS IN PSBS
Charitra Shri Ram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposal to bifurcate the top posts in Public Sector Banks (PSBs);
- (b) if so, the details thereof;
- (c) whether the said proposal will improve the functioning of PSBs and bring transparency and accountability of banks; and
- (d) if so, the details thereof along with the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) to (d): Yes, Madam. The Government has approved the proposal to separate the posts of Chairman and Managing Directors in Public Sector Banks. While the Chairman would be non-executive, Managing Director & Chief Executive Officer (MD&CEO) would be the executive head. The splitting of the posts of Chairman and Managing Director is in accordance with international best practices. While the Chairman would give an overall policy directions to the Bank, MD&CEO would be responsible for day-to-day management of the Bank. The separation would bring in appropriate checks and balances and there would be accountability at the board level as the person executing will be answerable to a board that is headed by a different non-executive Chairman. The Government has appointed MD&CEOs in five Public Sector Banks and the process of selection of Non-Executive Chairman in Public Sector Banks is underway.