

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 1868

TO BE ANSWERED ON DECEMBER 21, 2018/AGRAHAYANASO, 1940(SAKA)
SPLITTING THE POST OF CMD

1868. SHRI RAGHAVLAKHANPAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has issued recommendations to the top Schedule Commercial Banks to split the position of their Chairman and Managing Directors;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the time-frame by which the said proposal is likely to be implemented?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAPSHUKLA)

(a) to (c): Reserve Bank of India (RBI) has apprised that the Report of the Consultative Group of Directors of Bank/ Financial Institutions (Dr Ganguly Group - 2002) had recommended bifurcation of the office of Chairman and Managing Director (CMD) into two: the Chairman, who will be the Chairman of the Board, and the Managing Director, who could function as the Chief Executive responsible for day-to-day management of the bank. RBI had forwarded the recommendations of the Committee to all Scheduled Commercial Banks (excluding foreign banks, regional rural banks and local area banks) for their implementation. With regard to implementation of the said recommendation by top Scheduled Commercial Banks, the position is that the recommendation to split the post of CMD have been implemented in all nationalised banks, and as per RBI inputs, all banks in the private sector having total assets size of ₹1,00,000 crore and above have followed and implemented RBI's direction with regard to splitting the position.
