

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES**

**LOK SABHA
UNSTARRED QUESTION NO. 501
ANSWERED ON JULY 24, 2023/ SRAVANA 2, 1945 (SAKA)**

PUBLIC SECTOR BANKS WORKING WITHOUT CHAIRPERSONS

501. SHRI KARTI P. CHIDAMBARAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that six of the eleven Public Sector Banks in the country are currently without a non-executive Chairperson;
- (b) if so, the details of these banks thereof and the reasons for the vacancy thereof;
- (c) the year when the vacancy first arose, bank-wise;
- (d) whether the absence of non-executive Chairperson impacts the functioning and decision-making processes of these Public Sector Banks, if so, the details thereof;
- (e) whether the Government has initiated any measures to address this issue and appoint competent and qualified individuals as Chairpersons for the banks; and
- (f) if so, the timeline of the implementation of these measures thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (c): The provision for separation of posts of Chairman and Managing Director in Public Sector Banks (PSBs) and appointment of separate persons for these posts from the vacancy year 2014-15 onwards was made in April 2015. Subsequent to this, non-Executive Chairman (NEC) have been appointed in 9 banks (out of 11 nationalised banks) that include Bank of Baroda, Bank of India, Canara Bank, Central Bank of India, Indian Bank, Indian Overseas Bank, Punjab National Bank, Punjab & Sind Bank and Union Bank of India.

At present the position of NEC in Bank of India, Bank of Maharashtra, Central Bank of India, Indian Bank, Indian Overseas Bank and UCO Bank is vacant. The detail of the year when the vacancy first arose, bank-wise is at Annexure.

(d) to (f): NECs in PSBs preside over the meetings of the Board and Committees of Board, wherever they are appointed as Chairperson of the such Committees. They do not participate in day to day business and in the management functions of the banks. As per the provision contained in paragraph 12(6) of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme 1970 and 1980, in the absence of the Chairman, the Managing Director shall preside over the meeting of the board.

Government has constituted Financial Services Institutions Bureau (earlier known as Banks Board Bureau), which is mandated to recommend persons for appointment as NECs in PSBs.

Annexure

Lok Sabha Unstarred question no. 501 for 24.7.2023 regarding Public Sector Banks Working without Chairpersons

| S.No | Name of the Bank | Date of vacancy |
|-------------|-------------------------|------------------------|
| 1. | Bank of India | 14.8.2020 |
| 2. | Bank of Maharashtra | 22.4.2015 |
| 3. | Central Bank of India | 23.5.2021 |
| 4. | Indian Bank | 14.8.2018 |
| 5. | Indian Overseas Bank | 16.2.2020 |
| 6. | UCO Bank | 22.4.2015 |