

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UN-STARRED QUESTION NO. 1253**

TO BE ANSWERED ON THE 10<sup>th</sup> February, 2020 (Monday)/ Magha 21, 1941 (Saka)

**Investigation against Bank CEOs**

1253. SHRI BENNY BEHANAN:

Will the **Minister of FINANCE** be pleased to state:

- (a) the details of the Chief Executive Officers (CEOs) of the private and public sector banks being investigated by the various agencies in the country;
- (b) whether anyone has been arrested and if so, the details thereof; and
- (c) the measures taken by the Government to prevent such recurrences involving CEOs of banks?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)

**(a) to (b):** Central Bureau of Investigation and Directorate of Enforcement have intimated that they are investigating cases against MDs/CEOs of six scheduled commercial Banks. No arrest has been made in above cases.

**(c):** As per the extant guidelines on Public Interest Disclosure and Protection of Informers Resolution (PIDPI), Central Vigilance Commission (CVC) has been given powers to act on complaints from whistleblowers. The Chief Vigilance Officer of the Ministries or Departments of Government of India is the designated Authority to, inter-alia, receive written complaints or disclosures on any allegation of corruption or misuse of office by any employee of that Ministry or Department or Government companies or of any corporation falling within the jurisdiction of that Ministry.

Fundamental governance reforms of far-reaching significance have been effected in Public Sector Banks. To strengthen governance at the Board level, the position of Chairman and Managing Director has been bifurcated into a non-executive Chairman and an MD & CEO, a professional Banks Board Bureau has been created for arm's length selection of non-executive Chairmen and whole-time directors (WTDs). Performance-based extensions have been instituted for WTDs.

Further, comprehensive reforms to institutionalise responsible banking have been effected through codified policies and audited procedures for prudential lending, and robust data-driven risk assessment and monitoring. These, inter-alia, include:

- (a) Board-approved Loan Policies of PSBs now mandate tying up necessary clearances/approvals and linkages before disbursement, scrutiny of group balance-sheet and ring-fencing of cash flows, non-fund and tail risk appraisal in project financing.
- (b) Monitoring has been strictly segregated from sanctioning roles in high-value loans, and specialised monitoring agencies combining financial and domain knowledge have been deployed for effective monitoring of loans above Rs. 250 crore.

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