

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 129

ANSWERED ON MONDAY 20TH JULY, 2026 / 29 ASHADHA, 1947 (SAKA)

Appointment of Private Sector Candidates in SBI

129. DR. KALANIDHI VEERASWAMY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has permitted the appointment of candidates from the private sector to senior management positions, including Managing Director (MD), in the State Bank of India (SBI), if so, the details thereof;
- (b) the reasons for allowing such appointments when there is already a pool of experienced officers within the SBI and other Public Sector Banks (PSBs);
- (c) whether the Government has established any guidelines or safeguards to ensure transparency, merit-based selection and prevention of conflict of interest in such appointments, if so, the details thereof;
- (d) whether this move indicates a gradual shift towards privatization or dilution of public sector character in SBI and other PSBs, if so, the details thereof; and
- (e) the steps being taken to ensure that the interests of existing employees, accountability to Parliament and the public service mandate of SBI are not compromised by such policy changes?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) and (b): To ensure a uniform, transparent, and comprehensive framework for the appointment of Whole-Time Directors (WTDs) of Public Sector Banks (PSBs), and to align the process with the evolving banking and governance landscape, the Government issued revised consolidated guidelines on 04.10.2025.

Under the revised consolidated guidelines, with a view to widening the talent pool and aligning senior management appointments in PSBs with global best practices, all MD&CEO posts in nationalised banks, one Managing Director post in the State Bank of India, and one Executive Director post in large nationalised banks have been opened for private sector candidates. The candidates from PSBs continue to be eligible for the said positions.

(c): For ensuring transparency, merit-based selection and prevention of conflict of interest, the Government, on 01.07.2022, constituted the Financial Services Institutions Bureau for recommending names of eligible candidates for appointment as Whole-Time Directors on the Boards of Public Sector Banks.

(d): No

(e): Question does not arise
