

# Non-executive chairmen to be appointed in nine PSBs

Posts have been lying vacant since August

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The Finance Ministry is in the process of filling vacant posts of non-executive chairman in nine public sector banks, including Punjab National Bank, Oriental Bank of Commerce, UCO Bank and Corporation Bank.

A senior Finance Ministry official told PTI that the process to fill vacancies of non-executive chairman in nine state-run banks was underway.

Andhra Bank, IDBI Bank and Indian Overseas Bank are among the banks where the newly created post of non-executive chairman is vacant.

After splitting the post of Chairman and Managing Director in August last year, the government appointed non-executive chairmen in five public sector banks, with the announcement of Indradhanush, a comprehensive revamp plan for PSU banks.

The five banks were Bank of Baroda, Bank of India, Canara Bank, Vijaya Bank and Indian Bank.

Separation of the two posts was based on global best practices and as per the guidelines in the Companies Act, to ensure appropriate checks and balances.

Prime Minister Narendra Modi recently set up Banks Board Bureau (BBB) to advise the Centre on top-level appointments at public sector lenders. Former CAG Vinod Rai has been appointed chairman of the Bureau, which will initially function from Mumbai.

The bureau will give recommendations on appointment of directors in public sector banks, and ways to tackle rising bad loans, among others.

It will also help them develop differentiated strategies of capital raising and innovative financial instruments.

The Centre wants to encourage boards of PSBs to restructure their business strategies and suggest the way forward for their consolidation and merger with other banks.