Q73

The Chairman of public sector banks are selected by the (a) Banks Board Bureau (b) Reserve Bank of India (c) Union Ministry of Finance (d) Management of concerned bank Official key: A.

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Explanation

(a) Official key

(a) Banks Board Bureau. At the time of the 2019 paper, BBB recommended whole-time directors and non-executive chairpersons of public sector banks. That selection route is the official key.

(b)

(b) Reserve Bank of India regulates banks and has a say on fit-and-proper, but it was not the body that selected PSB chairpersons. Not the key.

(c)

(c) Union Ministry of Finance is the owner and appoints on BBB's recommendation; the question asks who selects, and the keyed body is BBB. Not the key.

(d)

(d) Management of the concerned bank does not appoint its own chairperson. Not the key.

Summary

Official key is (a). Banks Board Bureau was set up on the Nayak Committee line to professionalise PSB board selection. RBI supervises; Finance Ministry owns; neither is the selecting bureau named in the key. Honour (a).

Related possible facts

These can be asked in a future Prelims paper.

BBB

Set up 2016; later folded into Financial Services Institutions Bureau (2022)

Nayak Committee

2014; governance of PSBs

Appointments

Whole-time directors and non-executive chairpersons of PSBs/FIs

RBI role

Regulatory approvals and fit-and-proper, not the search body

Bank nationalisation

Owner is the Union; professional search was the 2016 reform