

UPSC Preparation

Banks Board Bureau

Banks Board Bureau was constituted in 2016 as a major step towards banking reform in general and revamping the public sector banks in particular. The topic, 'Banks Board Bureau' is in the news ever since India celebrated its 50 years of bank nationalization in 2019. In this article, we will brief about some relevant facts of the Banks Board Bureau that will be helpful for the [IAS Exam](#) candidates preparing for Economics (Prelims & UPSC Mains GS-3).

Information on BBB is important in terms of the general awareness section of not only the UPSC exam but other Bank, RRB, SSC, and [Government exams](#). Learn about:

- What is the Banks Board Bureau (BBB)?
- What are the functions of Banks Board Bureau
- What is the composition of the Banks Board Bureau?

What is the Banks Board Bureau?

Banks Board Bureau is a **self-governing autonomous body of the Central Government**. It is an advisory authority comprising eminent professionals and officials to improve the management of Public sector banks.

Banks Board Bureau headquarter is at the Central Office of Reserve Bank of India Mumbai and started its functioning on April 1, 2016.

BBB was a part of the seven-point strategy of the Indradhanush Mission aimed at revamping the Public Sector Banks. It is an autonomous body of officials and distinguished professionals for the PSBs (Public Sector Banks).

Agenda/Functions Of BBB

The broad agenda of the Banks Board Bureau was the administration of state-owned lenders. Its functions involve:

- Providing assistance to Public Sector Banks to restructure their business strategies
- Assisting banks with the strategies to deal with issues of bad loans or stressed assets
- Strategies for raising capitals through innovative financial instruments and methods
- Recommendations to the government on top-level appointments like full-time Directors, non-Executive Chairman in PSBs.
- Suggest plans for consolidation and merger with other banks while they are trapped in the problem of high collective gross NPAs.

Composition Of BBB

Based on the recommendations of the Nayak committee appointed by RBI, the Union Government in order to revamp PSBs announced BBB in August 2015 as part of seven points Indradhanush Mission to revamp PSBs. Based in Mumbai, Maharashtra the first Banks Board Bureau was set up in February 2016 under the chairmanship of former Comptroller & Auditor General Vinod Rai.

Banks Board Bureau was a replacement to the preceding Appointments Board of the Government. The aim of establishing BBB was to presage a new era of authority and business strategies for state-owned banks that could place them comparable with the relatively privileged private sector peers.

Banks Board Bureau comprises the Chairman, three ex-officio members i.e Secretary, Department of Public Enterprises, Secretary of the Department of Financial Services and Deputy Governor of the Reserve Bank of India, and five expert members, two of which are from the private sector.

Quick Facts related to Banks Board Bureau

The table below mentions some important facts about banks board bureau that are relevant for both UPSC Prelims and Mains Examinations:

| Banks Board Bureau - Facts for UPSC | |
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| Recent Update related to Banks Board Bureau | The Banks Board Bureau selected SN Rajeswari as the Chairman and Managing Director (CMD) of the Delhi-based Oriental Insurance Company (OIC) |
| Genesis of Banks Board Bureau | PJ Nayak Committee (2014) to Review Governance of Boards of Banks in India mentioned the need of Banks Board Bureau |
| When was the Banks Board Bureau formed? | The BBB started to function in April 2016. |
| What kind of authority is it? | Banks Board Bureau is an autonomous recommendatory body as its recommendations are taken up by the Ministry of Finance that has the final authority to make any decision (with PM's consultation.) |
| What are the main functions of the Banks Board Bureau? | <ul style="list-style-type: none"> To recommend Public Sector Banks' personnel To recommend directors in government-owned insurance companies |
| How many members are there in the Banks Board Bureau? | <p>Currently, Banks Board Bureau for PSBs has 7 members:</p> <ul style="list-style-type: none"> 1 Chairman - Bhanu Pratap Sharma 1 Secretary - Debasish Panda 2 Ex-Officio Members - Sailesh & N S Vishwanathan 3 Part-Time Members - Vedika Bhandarkar, Panja Pradeep Kumar & Pradip Panalal Shah |
| Who is the head of the Banks Board Bureau? | The current (Aug 2020) head of Banks Board Bureau is Bhanu Pratap Sharma who is the Former Secretary, Department of Personnel & Training of Government of India |