

Plethora of promotions from SBI to other PSBs has bankers worried

K RAM KUMAR









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With the Centre reposing a lot of trust in top SBI officials to helm public sector banks (PSBs), they will be keenly watched — on how they steer their banks when most of them are grappling with bad loans, have turned conservative in lending, and are looking at ways and means to raise capital to provide for soured loans and to meet minimum regulatory capital prescriptions.

Out of the 10 top PSB officials elevated on Wednesday as MD & CEO of various banks, five are SBI Deputy Managing Directors and the remaining are Executive Directors of other PSBs.

Even within the remaining five EDs, two were Chief General Managers with the erstwhile associate banks of SBI before being elevated as ED in other PSBs.

The SBI DMDs who have been appointed MD & CEO of other PSBs are — Padmaja Chunduru (Indian Bank), Mrutyunjay Mahapatra (Syndicate Bank), Pallav Mohapatra (Central Bank of India), J Packirisamy (Andhra Bank) and Karnam Sekar (Dena Bank).

The nationalised bank EDs who move as chiefs of other PSBs are Ch SS Mallikarjuna Rao (from Syndicate Bank to Allahabad Bank), AS Rajeev (from Indian Bank to Bank of Maharashtra), Atul Kumar Goel (from Union Bank of India to UCO Bank), S Harisankar (from Allahabad Bank to Punjab & Sind Bank) and Ashok Kumar Pradhan (elevated in United Bank of India itself).

Harisankar and Pradhan were CGMs with the erstwhile State Bank of Travancore and State Bank of Bikaner and Jaipur, respectively, before they became EDs.

Crowded out

These appointments clearly show the Centre is betting on the skills and experience that top SBI officials could possibly bring to the job to turn around the fortunes of the PSBs. But then this has caused consternation among top PSB officials, who feel they are getting crowded out by SBI official when it comes to board level appointments.

A top PSB official observed that if SBI officials are a cut above the rest of the public sector bankers, then their bank shouldn't have been sailing in the same NPA boat as the rest.

Referring to the appointments, CH Venkatachalam, General Secretary, All India Bank Employees' Association, said: "One wonders whether it is due to dearth of talent in the nationalised banks or due to abundance of talent in SBI or is there some other reason which does not meet the normal eye. In any case this is bound to demotivate the senior officials in the nationalised banks. At least the government should consider vice

versa — posting of senior officials from nationalised banks to SBI to ensure fair play and parity.”

Earlier instances of SBI talent occupying top positions in PSBs have been far and few between. Even then only SBI MDs, which is a board level position, moved as CMD, and not DMDs.

SBI MDs who helmed other PSBs include MG Bhide (Bank of India CMD in the late 1990s) and Yogesh Agarwal (IDBI Bank CMD in 2007-10). Also, SBI veteran B Sriram is now heading IDBI Bank as MD & CEO.

Top PSB officials underscored that the latest appointments have catapulted some without board level experience directly into the corner room at PSBs. They fear that if this trend continues, none of the PSB officials could rise beyond GM in the future.

The Centre should also ensure that India's largest bank imports talent from other PSBs, they added.

Alternatively, in order to create more room at the top, they suggest that SBI's 16 local head offices, many of which have business equal to a mid-sized PSB's total business, could be upgraded so that instead of CGMs, DMDs could helm them. Further, instead of DMDs, MDs could head the subsidiaries so that a good career progression is assured for SBI officials.

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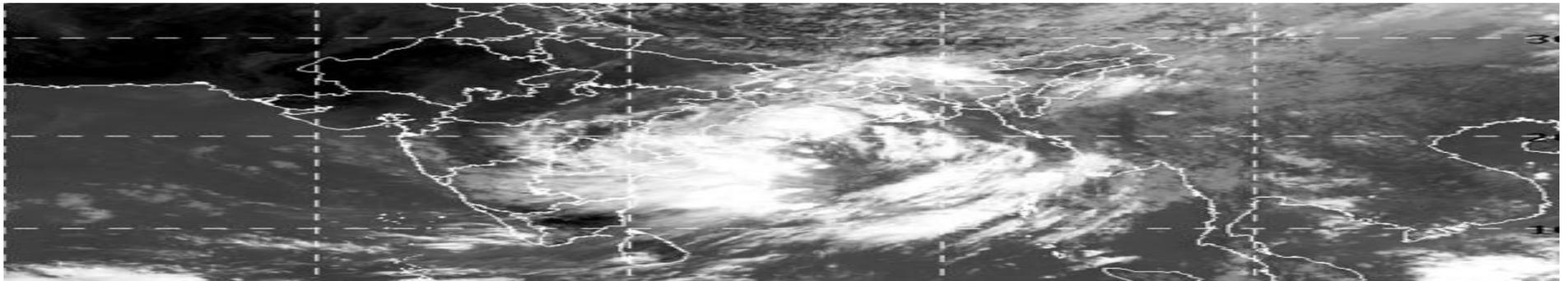
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