

F. No. 15/1/2011- BO.1
Government of India
Ministry of Finance
Department of Financial Services

3rd floor, Jeevan Deep Building
Parliament Street, New Delhi - 110 001
Dated 30th August 2019

To:

Managing Director and CEO
Nationalised banks

Subject: PSB Governance Reforms — Improving the effectiveness of the Board —
Flexibility to Boards of large Public Sector Banks to decide sitting fees of non-
official directors

Madam/sir,

With a view to enable the Board and its committees to perform its oversight function more effectively, Government has decided to give flexibility to Boards of large Public Sector Banks (PSBs) to decide sitting fees of non-official directors.

2. Accordingly, in partial supersession of this Department's letter of even number, dated 18.1.2019, *vide* which rates of fee payable to non-executive chairmen / part-time non-official directors on the Boards of nationalised banks were revised in terms of the provisions of clause 17(1) of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 and clause 16(1) of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1980, the undersigned is directed to convey that, in exercise of the powers of the Central Government under the aforesaid provisions, Government has decided that the fees payable to non-executive chairmen / part-time non-official directors of nationalised banks having a total business (being the summation of the gross loans and advances and the total deposit of the bank, reckoned as per the last declared results of the bank) of ₹ 10 lakh crore or higher, shall be as under:

	Meeting	Amount per meeting
(a)	For attending and chairing meetings of the Board	Such fee as may be decided by the bank's Board of Directors, which shall together not exceed the limit as provided for in respect of companies under the Companies Act, 2013 and rules made thereunder
(b)	For attending and chairing meetings of committees of the Board	Such fee as may be decided by the bank's Board of Directors, not exceeding one half of the fee decided by the Board of Directors for attending meetings of the Board

3. Payments as per the above fees shall be subject to an overall ceiling of ₹ 25,00,000 per annum.
4. For the remaining nationalised banks, fee payable would be as per Department's letter of even number, dated 18.1.2019.
5. This issues with the approval of competent authority.

Yours faithfully,



(Sanjay Kumar Mishra)

Under Secretary to the Government of India

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Copy to:

1. Executive Director in charge of the Department of Banking Regulation, Reserve Bank of India, Mumbai
2. Secretary, Banks Board Bureau
3. Government nominee Directors on the Boards of nationalised banks