

गोपनीय / CONFIDENTIAL

भारत सरकार  
Government of India  
मंत्रिमंडलीय नियुक्ति समिति का सचिवालय  
Secretariat of the Appointments Committee of the Cabinet  
कार्मिक एवं प्रशिक्षण विभाग  
Department of Personnel & Training  
स्थापना अधिकारी का कार्यालय  
Office of the Establishment Officer  
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नॉर्थ ब्लॉक, नई दिल्ली  
North, Block, New Delhi

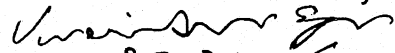
सं. / No.18(81)EO/2010(ACC)

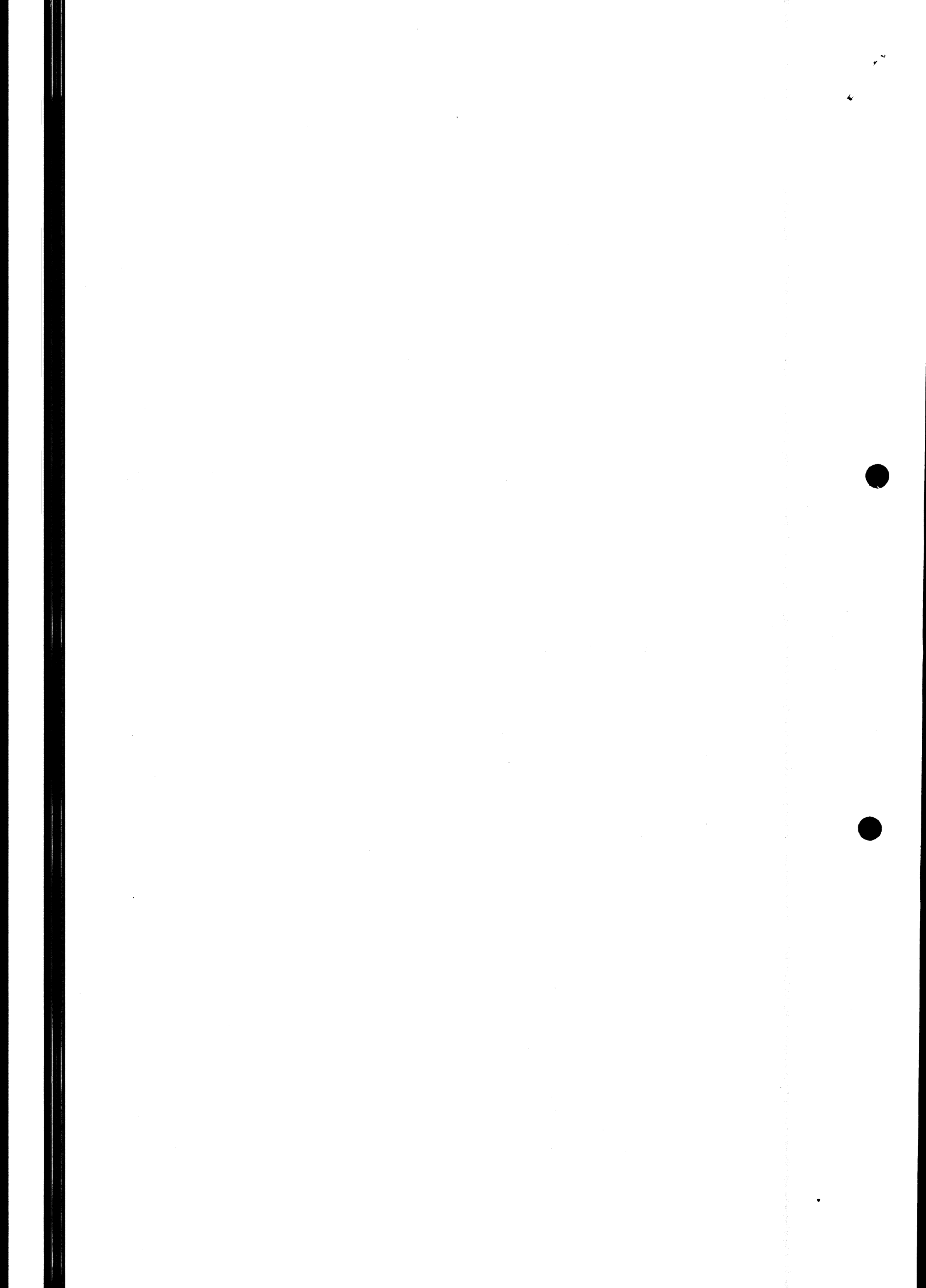
दिनांकित / Dated : 25.03.2015

Reference correspondence resting with the Department of Financial Services' communication No.16/51/2012-BO.I dated 19.11.2014.

2. The Appointments Committee of the Cabinet (ACC) has approved the following revised guidelines for appointment of Non-Official Director (NoDs) in Public Sector Banks(PSBs) and Financial Institutions(FIs):

- (i) Nominations will be made keeping in view the provisions of the relevant Act/Rules.
- (ii) (a) Those interested can apply on Web Portal designated for the purpose. The format of the applications will be placed on the Portal and applicants would be asked to upload certificates relating to qualification and experience on the portal
- (b) The data base so generated will be shared with the Search Committee constituted in DFS for shortlisting the candidates who have applied for the post of Non-Official Directors on the Web Portal of DFS.
- (c) The Search Committee Shall be chaired by Secretary, Department of Financial Services and will consist of Deputy Governor, Reserve Bank of India (to be nominated by Governor RBI) and on outside Expert (to be nominated by ACC).
- (d) The Search Committee will be provided with the Bio-data of the persons who have applied for nomination as Non Official Directors(NoD) on the Board of Public Sector Banks, Insurance Companies, Financial Institutions Regional Local Boards of RBI/SBI.
- (e) The Search commit will provide its recommendations to the Department periodically. The Search Committee may also consider names of outside candidates whose names are not available in the Data Base to ensure that the knowledge – skills required on the Board of a Bank are met by such names.


  
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- (iii) The suitability of persons to be considered for nomination as non-official Government Nominee Directors would be assessed in terms of qualifications and expertise, track record, integrity etc. For assessing integrity and suitability, information on criminal records, financial position, civil actions undertaken on pursue personal debts, refusal of admission to or expulsion from professional bodies, sanctions applied by regulators and similar bodies and previous questionable business practices etc. will be relied upon.
- (iv) The following categories of persons will be considered for appointment of Part-Time Non-Official Director on the Boards of Public Sector Banks/Reserve Bank of India/Financial Institutions/Public Sector Insurance Companies:
- a. Persons of eminence with special academic training or practical experience in the fields of agriculture, rural economy banking, cooperation, economics, business management, human resources, finance, corporate law, Risk Management, industry and IT will ordinarily be considered. 20 years of industry experience at a senior position, established expertise in respective areas (successfully led a reputed organization, brought turnaround in a failing organization) would be preferred.
  - b. Retired senior Government officials with total experience of 20 years and minimum 10 years of experience at Joint secretary and above level. Retired CMDs/EDs of Public Sector Banks after one year of retirement. The ex-CMDs/EDs will not be considered for appointment as NoD on the Board of the PSB from which they have retired. Serving CMDs/EDs of a PSB will not be considered for appointment as NoD on the Board of any other PSB.
  - c. Academicians Directors of premier Management Banking Institutes and Professors having more than 20 years experience.
  - d. Chartered Accountants with 20 years experience (excluding audit experience) would also be preferred.
  - e. However, the experience criteria may be relaxed with the approval of the Finance Minister in exceptional cases based on merits of the case.
  - f. Wherever possible representation may also be given to women and the persons belonging to SC/ST/OBC community.

(v) **EDUCATION**

An NoD should at least be a graduate in any stream preferably with specialization in Business Management, Risk Management, Finance, Human Resources and IT.

  
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(vi) **AGE**

The age of the Director, on the date of recommendation by Search Committee should not be more than 67 years.

(vii) **WORK EXPERIENCE**

Professionals/ academicians should ordinarily have 20 years of work experience in their particular field.

(viii) **DISQUALIFICATIONS**

- (a) A Director already on a Bank/Financial Institution(FIs)/ RBI/Insurance Company, under any category, may not be considered for nomination as NoD in any other Bank/FI/RBI/Insurance Company.
- (b) Persons connected with hire purchase, financing investment, leasing and other para-banking activities, MPs MLAs, MLCs and Stock Brokers will not be appointed as non-official directors on the boards of Banks/FIs/RBI/Insurance Companies. Investors in a hire purchase, financing investment, leasing and other para banking activities would not be disqualified for appointment as NOD, if they are not having any managerial control in such companies.
- (c) No person may be re-nominated as an NOD on the Board of a Bank/FI/RBI/Insurance Company on which he/she has served as Director in the past under any category for two terms or six years whichever is longer.

(ix) **TENURE**

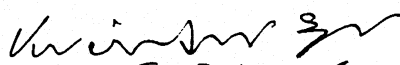
An NoD would not be considered for nomination as a Director on the Board of a Bank/FI/RBI/Insurance Company if such Director has already been a NoD/Shareholder Director on the board of any other Bank/FI/RBI/Insurance company for six years, whether continuously or intermittently.

(x) **PROFESSIONAL RESTRICTION**

The issue of professional restriction vis-à-vis office of profit in any Public Sector Bank under clause 10(d) of the Nationalized Banks Scheme (Management and Miscellaneous) Provision scheme, 1970 may be separately examined.

(xi) **REGIONAL REPRESENTATION**

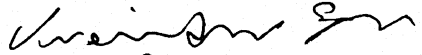
Effort should be made to ensure representation of all the six zones of the country-North, South, East, West, Central and North-East on the Boards of the Public Sector Banks taken together.

  
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(xii) The PSB/FI concerned may indicate the knowledge/skill gap on the Board to the Department of Financial Services and the Department will initiate the process for appointment of NODs six months in advance of occurrence of a vacancy.

(xiii) A reserve panel with two names as proposed in the case of PSUs may also be prepared to address exigencies. The reserve panel shall be used subject to the person therein fulfilling the knowledge/skill gap.

(xiv) Department of Financial Service may work out and prescribed specific time lines for each stage/stakeholder to ensure timely processing of proposals.

  
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(वीरेन्द्र सिंह / Virender Singh)

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