



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2017-18/20

DBS.ARS.BC.01/08.91.020/2017-18

July 13, 2017

The Chief Executives
All Indian Commercial Banks

Dear Sir/Madam,

Audit Committee of the Board of Directors – Nomination of Non-Executive Chairman

Please refer to Para 3 (ii) of our circular dated September 26, 1995 on “Audit Committee of the Board of Directors - Reconstitution” and Para (ii) of our circular DOS.No.BC.3/08.91.020/96 dated January 20, 1997 on “Public Sector Banks – Audit Committee of the Board of Directors”, wherein it has been advised that Audit Committee of the Board of Directors (ACB) should be chaired by any one of the non-executive/non-official directors.

2. In view of the bifurcation of the post of Chairman and Managing Director of Public Sector Banks (PSBs) by Government of India into a non-executive Chairman to give an overall policy direction to the bank and a full time executive Managing Director and Chief Executive Officer (MD&CEO) to oversee the day to day functioning of the bank (GOI notification dated April 24, 2015), it is clarified that in banks where the Board of Directors is chaired by a non-executive Chairman, there will not be any restriction if he/she is also nominated to the Audit Committee of the Board of Directors.

3. The other instructions, as amended from time to time, shall remain unchanged.

4. Please acknowledge receipt.

Yours faithfully

(Indrani Banerjee)
Chief General Manager

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हिंदी आसान है, इसका प्रयोग बढ़ाइए