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F. No. 9(23)/2014-MGMT
Government of India
Ministry of Heavy Industries and Public Enterprises
Department of Public Enterprises

Block No.14, CGO Complex,
Lodi Road, New Delhi-110003
Dated the 16th February, 2017

OFFICE MEMORANDUM

Subject: Payment of sitting fees to non-official Directors of CPSEs – regarding

The undersigned is directed to refer to the Ministry of Power O.M. No. 3/14/2014-Fin. dated 25th July, 2016 on the subject mentioned above and to state that this matter has been examined in consultation with the Ministry of Corporate Affairs.

2. In terms of MCA notification dated 5th June, 2015, Section 197 of Companies Act, 2013 which, inter-alia, deals with the issue of quantum of sitting fees, is not applicable to CPSEs.

3. It is noted that the concerned administrative Ministry is well placed to determine the capability of a CPSE to pay enhanced sitting fees to its non-official Director(s) taking into account the likely financial impact of such a step. Further, the representative(s) of the administrative Ministry are appointed on the Board of Directors of CPSEs which would enable them to appreciate the pressing reasons for enhancing the sitting fee. In view of the above position, this Department is of the view that the decision to enhance the sitting fees for non-official Directors of a CPSE may continue to be taken by the management of CPSEs in consultation with their concerned administrative Ministry/Department.

4. The Ministry of Power is requested to take further necessary action in this regard.


(Kailash Bhandari)
Deputy Director
Tel : 2436-6247
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Ministry of Power,
(Shri Nishat Kumar, Under Secretary),
Shram Shakti Bhavan,
New Delhi.