

By Registered/Speed Post

F.No. R-11017/17/2011-L&M
Government Of India
Department of Agriculture & Cooperation
Ministry of Agriculture

Krishi Bhavan , New Delhi
Dated the 23rd July, 2015

To,
The Chairman/President
All Multi State Urban Cooperative Banks

Sub : "Fit & Proper Criteria" for CEOs of Multi State Urban Co-operative Banks.- reg.

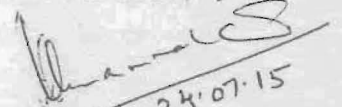
Sir/Madam,

In reference to circular of even number dt. 16/08/2011, on the above mentioned subject, some of the Multi State Urban Cooperative Banks had sought clarification from this office regarding the issue of extension of the term of their Chief Executive Officers/ Managing Directors vis-à-vis Fit & Proper criteria for the CEO's of the Multi State Cooperative Banks formulated by this office in consultation with RBI.

2. The matter has been taken up with RBI keeping in view the provisions of section 49{2(d)}, 49{2(e)} and section 51 of the Multi State Co-operative Societies Act 2002. In consultation with RBI it has been decided to provide option to UCBs to relax the age of superannuation for CEO's from 60 years to 70 years provided a resolution of the Board is passed by the banks in this regard.

This issues with the approval of Central Registrar of Co-operative Societies.

Yours faithfully



(Kamna R. Sharma)

Deputy Director (Cooperation)

Copy to : Chief General Manager, Reserve Bank of India, Department of Co-operative Bank Regulation Central Office, Garment House 1st Floor, Dr.A.B. Road, Worli Mumbai 400 018 (Maharashtra).

2. Chief Executive , NAFCUB, B-14, 3rd Floor, A-Block Shopping Complex, Naraina Vihar, Ring Road, New Delhi- 110 028

Issued
Multi State Urban
Coop. Banks

ANNEXURE

Relative of a CEO:

A Relative of CEO of the bank shall mean any relative(s) as indicated below-

- a) They are members of a Hindu Undivided Family
- b) They are Husband and wife or
- c) The one is related to the other in the manner indicated below:
 - i. Father
 - ii. Mother (including stepmother)
 - iii. Son (including step son)
 - iv. Son's wife
 - v. Daughter (including step daughter)
 - vi. Daughter's husband
 - vii. Brother (including step brother)
 - viii. Brother's wife
 - ix. Sister (including step sister)
 - x. Sister's husband

Substantial Interest

- i. In relation to a company, means the holding of a beneficial interest by an individual or his spouse or minor child, whether singly or taken together in the shares thereof, the amount paid-up on which exceeds four lakhs of rupees or ten percent of the paid -up capital of the company, whichever is less.
- ii. In relation to a firm means the beneficial interest held therein by an individual or his spouse or minor child, whether singly or taken together, which represents 10 percent of the total capital subscribed by all the partners of the said firm.