

No. R-11017/17/2011-L&M
Government of India
Ministry of Agriculture
(Deptt. of Agriculture and Cooperation)

Krishi Bhavan, New Delhi
Dated 16/08/2011

To
The Chairman/ Secretary,
All the Multi-State Urban Co-operative Banks,

Sub: Guidelines on 'Fit and Proper Criteria' for CEOs of Multi-State Urban Co-operative Banks- Reg.

Sir,

In consultation with the Reserve Bank of India, it has been decided to issue guidelines on 'Fit and Proper Criteria' for CEOs of Multi-State Urban Co-operative Banks. The guidelines are as follows;

1. Minimum Eligibility Criteria

Minimum eligibility criteria for the post of Chief Executive Officer (CEO) of UCBS are as under:

- The candidate should be a graduate. Higher Educational qualification could be prescribed by bank depending upon size and need.
- He/ she should be between 35 years of age not beyond the prescribed age of superannuation for officers of the bank.
- He/ she should have a minimum 10 years of experience in respect of one or more of accountancy, banking, cooperation, economics, finance and law.

2. The Board of banks should obtain / verify the following

- a) Proof of age;
- b) Proof/ documents of educational qualification;
- c) Bankers' Report about incumbent ; and
- d) Report from previous employer/ s (during last 5 years)

3. Board of banks should also obtain a signed self- declaration from the CEO regarding his 'relatives' and 'substantial interest' in the bank as per the Annexure.

Yours faithfully,
Sd/-

(Surendra Sehgal)

Dy. Director (Cooperation)

Encl.: As above

Copy for information to:

The Chief Executive, National Federation of Urban Co-operative Banks and Credit Societies,
New Delhi

ANNEXURE

Relatives of a CEO:

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

- a) They are member of 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 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 represent 10 percent of total capital subscribed by all the partners of the said firm.