

RBI/2004-2005/303
DBOD.No.BC. 60 /08.139.001/2004-2005

December 16, 2004

The Chairmen and Managing Directors/
Chief Executive Officers of banks in private sector

Dear Sir,

'Fit and proper' criteria for directors of banks

Please refer to our circular RBI/2004/268 dated June 25, 2004 on the above subject forwarding therewith RBI directive DBOD.No.BC.104/08.139.001/2003-04 dated June 25, 2004.

2. In partial modification of the instructions contained in para 1(iv) of the directive, we advise that **due diligence** of directors other than the members of the **Nomination Committee** may be carried out by the Nomination Committee. The due diligence in respect of the members of the Nomination Committee may be carried out by the Board itself and the members of the Nomination Committee (being interested parties) may not be involved in this.

3. Please acknowledge receipt.

Yours faithfully,

Sd/-
(C.R.Muralidharan)
Chief General Manager-in-Charge