

**RBI/2007-08/286**

UBD.PCB.Cir.No. 41 /09.103.01/2007-08

April 21, 2008

The Chief Executive Officers of all  
Primary (Urban) Co-operative Banks

Dear Sir /Madam,

**Professionalisation of Managements of Urban Co-operative Banks**

Please refer to our circular UBD No PCB CIR.POT.39/09.103.01/2001-02 dated April 5, 2002 on the captioned subject.

2. In terms of paragraphs 2 and 3 of the aforesaid circular, all urban co-operative banks were advised to amend their bye-laws to incorporate a suitable provision therein to ensure that there should at all times be at least two directors with suitable banking experience (at middle / senior management level) or with relevant professional qualifications i.e., Chartered Accountants with bank accounting / auditing experience.

3. Since the scope of professional directors prescribed in the aforesaid circular was confined to persons with suitable banking experience or Chartered Accountants with bank accounting / auditing experience, several UCBs have expressed difficulties in having two professional directors on their Board. The matter has been reviewed and it has been decided to enlarge the ambit of 'professional directors' to include persons with professional qualification in the fields of law, accountancy or finance.

4. Accordingly, UCBs may, at all times, have at least two professional directors, i. e. persons with suitable banking experience (at middle / senior management level) or with professional qualification in the fields of law, accountancy or finance. You may initiate steps to amend the bye-laws of your bank accordingly and ensure compliance with the above requirement.

5. Please acknowledge receipt to the concerned Regional Office of Reserve Bank of India.

Yours faithfully,

(A.K.Khound)  
Chief General Manager in Charge.