



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2013-14/205

UBD.BPD.(PCB).Cir. No. 7/09.72.000//2013-14

August 30, 2013

The Chief Executive Officer
All Primary (Urban) Co-operative Banks

Dear Sir/Madam,

**Donations to Trusts and Institutions where
Directors, their relatives hold position or are interested**

Please refer to our [Circular UBD \(PCB\)/BPD/Cir.43/09.72.00/2004-05 dated April 11, 2005](#), in terms of which Urban Co-operative Banks (UCBs) were advised that the normal donations to be made during a year should be restricted to a ceiling of 1% of the published profits of the bank for the previous year and such normal donations, together with those that may be made to National Funds and other funds recognized /sponsored by the Central /State Government, during a year, should not exceed 2% of the published profits of the bank for the previous year.

2. It has been brought to our notice that some of the UCBs have made contributions which are in the nature of donations to the Trusts for charitable or benevolent objective or for any exhibition in which the directors or relatives are interested. In view of this, UCBs are, with immediate effect, prohibited from giving donations to Trusts and Institutions, where directors, and/or their relatives hold position or are interested, even within the permissible ceiling of 1% of the published profits of the bank for the previous year.

3. The terms 'relative' and "interest, as used above, shall have the meaning as indicated in the Annex.

Yours faithfully,

(A.K. Bera)
Principal Chief General Manager

Encl: Annex

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेट हाऊस, पहली मंज़िल, डॉ. एनी बेसेंट मार्ग, वरली, मुंबई - 400018 भारत
फोन: 022 - 2493 9930 - 49; फैक्स: 022 - 2497 4030 / 2492 0231; ई-मेल: cgmincubd@rbi.org.in

Urban Banks Department, Central Office, Garment House, 1st Floor, Dr. Annie Besant Road, Worli, Mumbai - 400018, India
Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; E-mail: cgmincubd@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए—

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्ति की जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।
Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

Definition of terms "relative" and "interest"

1. "relative"

The 'relative' of a director of the bank shall mean any relative of a director of the bank as indicated hereunder:

A person shall be deemed to be relative of another, if and only if, :-

- a) they are members of a Hindu Undivided Family; or
- b) they are husband and wife; or
- c) the one is related to the other in the manner indicated below :

List of relatives

1. Father
2. Mother (including step-mother)
3. Son (including step-son)
4. Son's wife
5. Daughter (including step-daughter)
6. Daughter's husband.
7. Brother (including step-brother)
8. Brother's wife
9. Sister (including step-sister)
10. Sister's husband

2. "interest"

Trust in which directors /relatives of directors hold positions as Trustees, or are beneficiaries or involved in any capacity in the working of the trust, which is likely to influence the independence of the director(s).