



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

RBI/2019-20/204

DoR.Appt.No.58/29.67.001/2019-20

March 31, 2020

All Private Sector Banks (including Local Area Banks, Small Finance Banks, Payments Banks) and Foreign Banks operating in India

Madam / Dear Sir,

Appointment of Managing Director and Chief Executive Officer (MD & CEO) / CEO / part-time Chairperson (PTC) in Banks – ‘Declaration and Undertaking’ and allied matters

To complete the appointment of Managing Director and Chief Executive Officer (MD & CEO)/ CEO/ part-time Chairperson (PTC) in Banks in a timely manner, the following instructions have been reviewed:

- (a) DBOD.No.ARS.BC.75/C.318(C)-72 dated September 2, 1972 on ‘Section 35B of the Banking Regulation Act, 1949’, prescribing Form A, B and C relating to appointment/ re-appointment/ remuneration, etc. of Chairman, Chief Executive Officer or any other Director or Termination of Appointment of a Director;
- (b) DBOD.No.App.BC.47/C.318(C)-83 dated June 7, 1983 on the same subject (as above), advising banks to submit application seeking approval for appointment/ re-appointment of Chairman and Chief Executive Officer at least four months before expiry of the term of office of the present incumbent;
- (c) DBOD.No.BC.64/08.94.002/2002 dated February 13, 2002 addressed to Chairman/ CEO/ MD of all private sector banks advising banks to forward a panel of three names while submitting proposal for appointment of CEO; and
- (d) [DBOD.No.BC.No.95/29.39.001/2010-11 dated May 23, 2011](#) advising modifications in the format of ‘Declaration and Undertaking’ prescribed for conducting due diligence of Directors to determine their ‘fit and proper’ status.

2. Based on the review, the ‘Declaration and Undertaking’ ([Annex I](#)) and specimen of ‘[Form A](#)’ as well as ‘[Form B](#)’ have been revised and are enclosed with this circular.

3. To enable Reserve Bank to convey the requisite approval in time on the re-appointment of an MD & CEO/ CEO in banks, the complete applications in the prescribed forms i.e., '[Form B](#)' along with 'Declaration and Undertaking' from candidate(s), along with the remarks of Nomination and Remuneration Committee of having satisfied itself that the information is true and complete should be submitted to the Department of Regulation, Central Office, Reserve Bank of India, Mumbai, at least six months before the expiry of the term of office of the incumbent.

4. Proposals for appointment of a new MD & CEO/ CEO, should invariably contain a panel of at least two names in the order of preference. The proposals should be submitted to the Reserve Bank at least four months before the expiry of the term of office of the present incumbent.

5. Henceforth, banks should use, at the minimum, the revised format for obtaining the declaration and undertaking from all the directors.

6. Adherence to the instructions be ensured.

Yours faithfully

(Shrimohan Yadav)
Chief General Manager

Annex 1

Name of Bank: _____

‘Declaration and Undertaking’ by a proposed Director/ MD & CEO/ CEO (with appropriate enclosures)

Sr No	Particulars	Information Disclosed								
I. Personal Details										
1.	Name in full	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">First Name</td><td style="width: 33%;">Middle Name</td><td style="width: 33%;">Last Name</td></tr> <tr> <td style="height: 20px;"></td><td></td><td></td></tr> </table>	First Name	Middle Name	Last Name					
First Name	Middle Name	Last Name								
2.	Father's name									
3.	Sex (M/F/others)									
4.	Present address									
5.	E-mail address & alternate e-mail address: Telephone Number with STD code: Mobile Number:									
6.	Nationality									
7.	Date of Birth (dd/mm/yyyy) and Age	-- / -- / ---- Age: -- years -- months								
8.	Educational qualifications									
9.	Director Identification Number (DIN)									
10.	Aadhaar Number (Optional)									
11.	(a) Permanent Account Number (PAN) (b) Charge where the proposed director is assessed to tax (Income Tax jurisdiction)/name and address of Income Tax Circle/Ward (c) Details of filing of return(s) and payment of taxes for past 3 years	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Date of filing</td><td style="width: 50%;">Amount of tax paid (INR)</td></tr> <tr> <td style="height: 20px;"></td><td></td></tr> <tr> <td style="height: 20px;"></td><td></td></tr> <tr> <td style="height: 20px;"></td><td></td></tr> </table>	Date of filing	Amount of tax paid (INR)						
Date of filing	Amount of tax paid (INR)									
12.	Permanent address									
13.	Details in the form of a brief write up on the relevant knowledge or experience in respect of one or more of the matters namely accountancy, agriculture and rural economy, banking, co-operation, economics, finance, law, small scale industry, information technology, payment and settlement systems, human resources, risk management, business management or any other matter the special knowledge of and practical experience of which would in the opinion of the Reserve Bank be useful to the Banking Company.									

Sr No	Particulars	Information Disclosed								
14.	Present occupation (designation, name of the organisation and brief write-up on experience)									
15.	Previous occupation covering minimum of past ten years, with complete address of the organisation(s) worked in, date of joining, date of relieving (including reasons), designation, etc.									
16.	In case a Chartered Accountant, indicate the following: (a) Membership Number of Institute of Chartered Accountants of India (ICAI): (b) Date of registration with the ICAI: (c) Name and Address of the registered firm/s: (d) Details of the Audit(s) presently undertaken by the firm(s) or by you:									
17.	Name of the banker(s) with Branch and Account Numbers (savings/current/loan accounts) where you are a primary account holder:	<table border="1"> <thead> <tr> <th>Bank Name</th><th>Branch</th><th>Type of A/c</th><th>A/c Number</th></tr> </thead> <tbody> <tr> <td></td><td></td><td></td><td></td></tr> </tbody> </table>	Bank Name	Branch	Type of A/c	A/c Number				
Bank Name	Branch	Type of A/c	A/c Number							
18.	Details of shareholding, if held in any entity, either in physical or dematerialized form, by you, spouse, and your minor child. (attach demat/shareholding certificate)									
19.	Any other information relevant to directorship of the bank:									
II. Relevant Relationships of proposed director										
20.	List of relatives, <i>[Refer Section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definition) Rules, 2014]</i> if any, who are connected with any bank:									
21.	List of entities in which: (a) interested <i>[Refer Section 184 of the Companies Act, 2013]</i> : (b) beneficial ownership <i>[Refer Section 89 of Companies Act, 2013 as also the applicable Significant Beneficial Ownership Rules of MCA]</i> :									

Sr No	Particulars	Information Disclosed		
	(c) Trustee (also mention any other relationship with reference to a trust):			
22.	List of entities, existing and proposed, in which holding substantial interest within the meaning of Section 5(ne) ¹ of the Banking Regulation Act, 1949.	<i>Name of the company / firm</i>		
		<i>Country of incorporation</i>		
		<i>Number of shares</i>		
		<i>Face Value of each share</i>		
		<i>Total face value of share holding</i>		
		<i>Shareholding as % of total Paid up Capital</i>		
		<i>Beneficial interest (in value as well as % terms)</i>		
		<i>Whether the entity is a Section 8 Company under Companies Act, 2013</i>		
23.	Details of holdings in entities incorporated abroad and having a place of business in India.			
24.	Name of Bank/NBFC/any other company in which currently or in the past a member of the Board/ Advisor etc. (giving details of period during which such office is being/ was held).			
25.	If connected with any entity undertaking hire purchase, financing, investment, leasing and other para banking activities (nature of association to be mentioned), details thereof.			
26.	If a stock broker or connected with any entity engaged in share broking activities, details thereof.			
27.	Details of fund and non-fund-based facilities, if any, presently availed in person and/or by entities listed in (21) to (26) above.			
28.	Cases, if any, where as an individual or the entities listed at (21) to (26) above have defaulted or declared as willful defaulter in			

¹ 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 five 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 more than ten per cent of the total capital subscribed by all the partners of the said firm.

Sr No	Particulars	Information Disclosed
	the past in respect of credit facilities obtained from a bank/NBFC/any other lending institution.	
III. Records of professional achievements		
29.	Professional achievements relevant for the directorship.	
IV. Proceedings, if any, against the proposed director		
30.	(a) As a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past or whether been banned from entry at any profession/ occupation at any time, details thereof.	
	(b) If subject of any written complaint or accusation regarding individual professional conduct or activities, details thereof.	
31.	Details of prosecution, if any, pending or commenced or resulting in conviction of self or the entities listed at (21) to (26) above for violation of economic laws and regulations.	
32.	Details of criminal prosecution, if any, pending or commenced or resulting in conviction.	
33.	If indulged in any breach of AML/CFT guidelines, details thereof.	
34.	If attracting any of the disqualifications envisaged under Section 164 of the Companies Act, 2013, details thereof.	
35.	If adjudicated insolvent or has suspended payment or has compounded with creditors, details thereof.	
36.	If found to be of unsound mind and stands so declared by a competent Court, details thereof.	
37.	(a) If convicted by a Criminal Court of an offence which involves moral turpitude or otherwise, details thereof.	
	(b) If convicted by any Court of law, details thereof?	

Sr No	Particulars	Information Disclosed
38.	If holding any office of profit under any nationalised bank or State Bank of India, except for holding the post of a whole-time director, details thereof.	
39.	If as an individual or any of the entities at (21) to (26) above have been subject to any investigation/vigilance/ matters of enquiry from any of the previous employers or government departments or agency, details thereof.	
40.	If found guilty of violation of rules/ regulations/ legislative requirements by customs/ excise/ income tax/ foreign exchange/ other revenue authorities, details thereof.	
41.	<p>If reprimanded, censured, restricted, suspended, barred, enjoined, or otherwise sanctioned by any regulator such as SEBI, IRDAI, PFRDA etc., professional organisation, government agency, or court because of professional conduct or activities, details thereof.</p> <p><i>(Though it shall not be necessary for a candidate to mention in the column about orders and findings which have been later on reversed/ set aside in toto, it would be necessary to make a mention of the same, in case the reversal/ setting aside is on technical reasons like limitation or lack of jurisdiction, and not on merit. If the order is temporarily stayed and the appellate/ court proceedings are pending, the same also should be mentioned).</i></p>	
V. General Information		
42.	If a professional like Chartered Accountant, Advocate etc. and presently undertaking/ undertaken any professional work in any bank, provide details thereof including the name of the bank and period of association with the bank.	

Sr No	Particulars	Information Disclosed
43.	If a sitting MP/MLA/MLC or holding political position in Municipal Corporation or Municipality or other local bodies, provide details thereof.	
VI.	In the interest of disclosure and transparency, should there be any other information relevant for assessing 'fit and proper', provide details thereof.	
	<u>Undertaking</u>	
	I confirm that the above information is to the best of my knowledge and belief, true and complete. I undertake to keep the bank fully informed, as soon as possible, of all events which take place after my appointment which are relevant to the information provided above.	
	I also undertake to execute a 'Deed of Covenant' as required to be executed with the bank.	
	Place :	Signature of proposed Director/ MD & CEO/ CEO
	Date :	
	Remarks of Nomination and Remuneration Committee (NRC) of having satisfied itself that the above information is true and complete.	
	Place :	Signature of the Chair of the NRC
	Date :	

Form - A

**Application for the approval of Reserve Bank of India to an amendment of a provision
relating to the appointment/ re-appointment/ remuneration, etc.,
of Managing Director & Chief Executive Officer (MD & CEO) or any other Director or
termination of appointment of a Director**

Name of the banking company: _____

Address: _____

Date _____

The Chief General Manager-in-Charge
Department of Regulation
Central Office
Reserve Bank of India
Mumbai- 400001

Madam/Dear Sir,

Section 35B of the Banking Regulation Act, 1949

We hereby apply for the approval of the Reserve Bank in terms of section 35B of the Banking Regulation Act, 1949, to the following amendment/s of the relevant provision/a as per particulars given below. We shall be glad to furnish any further information that you may deem necessary in this connection.

Yours faithfully,

(Signature)

(Designation)

Particulars

Sr No	Particulars	Information Disclosed
(1)	State who the competent authority is to make the amendment/s in question. In case it is the Board of Directors, please quote the number of the relevant Article: [A certified copy of the resolution (also mentioning the date thereof) of the competent authority - the General Body or the Board of Directors, as the case may be - authorising the amendment/s should be furnished along with the application. If the resolution is in vernacular, a certified copy thereof - as translated into English may preferably be supplied.]	
(2)	Full name of the person to whom the amendment relates:	
(3)	Post held by him and whether he is also the MD & CEO:	
(4)	Particulars of -	
	(a) the existing provision/s:	
	(b) the proposed amendment/s:	
	[For instance: an amendment of the Articles/ Memorandum of Association relating to the appointment or re-appointment or termination of appointment or remuneration of the specified persons; additions to the remuneration payable to them such as by way of an increase in the pay, allowances, perquisites and benefits, etc.]	
(5)	Position in regard to compliance with such of the provisions of the Companies Act, 2013, as are attracted, e.g., sections 188,190,196,197: Please state the position with reference to each section (which is applicable) separately.	
(6)	Any additional facts which the banking company may like to state in support of the application or otherwise:	

For

(Name of the banking company)

(Signature)

(Designation)

Form - B

**Application for the approval of Reserve Bank of India to the appointment/
re-appointment of Managing Director & Chief Executive Officer (MD & CEO) /
whole-time Directors / CEO / part-time Chairperson**

Name of Banking Company: _____

Address: _____

Date: _____

The Chief General Manager-in-Charge
Department of Regulation
Central Office
Reserve Bank of India
Mumbai- 400001

Madam/Dear Sir,

Section 35B / 10B(1A)(i) of the Banking Regulation Act, 1949

We hereby apply for the approval of the Reserve Bank in terms of Section 35B / 10B(1A)(i) of the Banking Regulation Act, 1949, to the following appointment/re-appointment* and give below the relevant particulars. We shall be glad to furnish any further information that you may deem necessary in this connection.

Yours faithfully,

(Signature)

(Designation)

*Strike out the word that is not applicable.

Particulars

Sr No	Particulars	Information Disclosed
(1)	State who the competent authority is to make the appointment / re-appointment in question and to fix the terms thereof. In case it is the Board of Directors, please quote the number of the relevant Article: [A certified copy of the resolution (also mentioning the date thereof) of the competent authority, the General Body or the Board of Directors, as the case may be authorising the appointment/ re-appointment should be furnished along with the application. If the resolution is in vernacular, a certified copy thereof as translated into English may preferably be supplied.]	
(2)	Full name of the person to be appointed/ re-appointed:	
(3)	His present designation:	
(4)	His -	
	(a) Age:	
	(b) Academic qualifications:	
	(c) Banking and/or other professional experience stating the name/s of the institution/s, the position/s held therein and the approximate period of such experience:	
(5)	Terms of appointment/ re-appointment:	
	(a) Whether the appointment/ re-appointment will be under a contract or agreement: (If so, a copy of the draft contract or agreement should be furnished, together with a copy of existing contract or agreement, if any)	
	(b) Period of appointment/ re-appointment fixed:	
	(c) Details of remuneration:	<i>To be furnished as per the format prescribed in Appendix 1 to the 'Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff' issued by the Reserve Bank on November 4. 2019</i>
(6)	(a) State whether the banking company complies with the provisions of Section 10(1)(b)(i) and (ii) and Section 10(1)(c) of the Banking Regulation	

	Act, 1949 in respect of the person proposed to be appointed/ re-appointed:	
	(b) State whether the person to be appointed as the Managing Director & Chief Executive Officer (MD&CEO) is subject to any of the disqualifications mentioned in Section 10B(4) read with Section 5(ne) of the Banking Regulation Act, 1949:	
(7)	Position in regard to compliance with such of the provisions of the Companies Act, 2013 as are attracted, e.g. section 188, 190, 196, 197: Please state the position with reference to each Section separately.	
(8)	Any additional facts, which the banking company may like to state in support of the application or otherwise:	

For _____
(Name of the banking company)

(Signature)

(Designation)

Note: In case the application relates to the re-appointment of the MD & CEO, also involving an amendment of the provision/s relating to his existing appointment or remuneration, only one application as in 'Form B' need be submitted, particulars of existing provision/s and the proposed amendment/s being furnished as indicated in item 5 thereof.