

RBI/2006-2007/285

UBD.PCB.Cir.No. 32/13.05.000/06-07

March 12, 2007

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

Dear Sir / Madam,

**Loans and advances to directors, relatives and firms/
concerns in which they are interested-UCBs**

Please refer to the instructions on the captioned subject contained in our circular UBD.PCB.Cir.50/13.05.00/2002-03 dated April 29, 2003 and the subsequent relaxations advised vide circular no. UBD.PCB.Cir.No.14 /13.05.000/05-06 dated October 6, 2005.

2. As a further measure of relaxation, it has been decided to permit directors of UCBs and their relatives to avail loans against Fixed Deposits and Life Insurance Policies standing in their own name.

Yours faithfully,

(Sathyan David)
General Manager