

Opening of Extension Counters by Primary (Urban) Co-operative Banks

31 October 2002

REF.NO.UBD.BL(PCB)/ 22 /07.01.00/2002-2003

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

Dear Sir / Madam

Opening of Extension Counters by Primary (Urban) Co-operative Banks

Please refer to paragraph 3(ii) of our circular No.UBD.BL(PCB) 46/07.01.00/2000-01 dated 26 April 2001 in terms of which the number of direct beneficiaries / accounts attached to the institution where an urban co-operative bank desires to open Extension Counter should be at least 500. On reconsideration, it has been decided to withdraw this condition with immediate effect.

2. It has also been decided that primary (urban) co-operative banks (scheduled as well as non-scheduled) desirous of providing safe deposit locker facility at their Extension Counters and fulfilling the undernoted criteria, will be eligible to approach the concerned Regional Office of Urban Banks Department under whose jurisdiction they function, for prior approval in this regard, the grant of which would be considered on the merit of each case.

- (i) the bank should have complied with the prescribed capital adequacy norms.
- (ii) the bank's net NPAs should be less than 7% of its net loans and advances, and
- (iii) the bank should have posted net profit for the last 3 consecutive years

3. Primary (urban) co-operative banks intending to provide safe deposit lockers at their extension counters should ensure that:

- (a) the institution in whose premises the extension counter is /proposed to be opened is agreeable for the provision of such facility; and
- (b) adequate security arrangements are in place at the locker premises.

4 All other terms and conditions stipulated in our circular No.UBD.BL(PCB) 46/07.01.00/2000-01 dated 26 April 2001 remain unchanged.

Yours faithfully,
(Sudarshan Sen)
General Manager