

July 28, 2004

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

Dear Sir,

**Placement of deposits by Non Scheduled UCBs
with eligible Scheduled UCBs**

Please refer to our circular UBD. No. BPD. PCB. Cir. 46 /16.20.00 / 2002-03 dated May 17, 2003, permitting non-scheduled urban co-operative banks (UCBs) to place deposits with eligible scheduled urban co-operative banks. A reference may also be made to our circular UBD No.BPD. PCB. cir. 35 /13.05.00/2003-04 dated February 27, 2004.

2. We advise that in future you may obtain as at the end of March every year, a certificate from the statutory auditors / chartered accountants, stating that your bank has not placed any deposit with any ineligible bank during the year. The certificate may please be sent to the Regional Office concerned of the UBD every year.
3. In case of doubt as to whether a particular scheduled bank is eligible to accept deposits, you may please contact our Regional Office concerned.
4. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

(N.S. Vishwanathan)
Chief General Manager