

RBI/2005-06/337
UBD(PCB).Cir.No.39/ 09.17.500/2005-06

March 24, 2006.

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

Dear Sir,

Currency Chest facility for UCBs

As you are aware, an announcement was made in the Mid Term Review of the Annual Policy Statement for the year 2005-06 to extend currency chest facility to scheduled UCBs registered under the Multi State Co-operative Societies Act, 2002 and under the State Acts, where the State governments concerned have assured regulatory coordination by entering into MOU with the Reserve Bank. The eligibility norms were to be notified separately.

2. It has since been decided to extend the currency chest facility to scheduled primary (urban) cooperative banks (UCBs) which are registered under Multi State Co-operative Societies Act, 2002 and under the State Acts, where the State Governments concerned have assured regulatory co-ordination by entering into MOU with the Bank subject to compliance with the following eligibility norms:

- (a) The bank should have minimum net worth of Rs 200 crore.
- (b) It should have a CRAR of 12 % and net NPA less than 10 %.
- (c) The bank should have made profit in the preceding three years and should not have accumulated losses.
- (d) The bank should have a minimum "A" audit classification.
- (e) The bank should be complying with CRR and SLR requirements.
- (f) The bank should have an elected board of management, which has at least two professionals.

3. Accordingly, UCBs satisfying the above norms may apply to the Chief General Manager, Reserve Bank of India, Department of Currency Management, Central Office, Central Office Building, Shahid Bhagat Singh Road, Mumbai – 400 001 for necessary authorisation.

Yours faithfully

(N.S.Vishwanathan)
Chief General Manager In-charge