

January 3, 2007

The Chairman/Managing Director/CMDs/
Chief Executive Officer
State Bank of India
Associate Banks, Nationalised Banks, Private Sector Banks
(As per list)

Dear Sir / Madam,

Installation of Coin Vending Machines

As you are aware, the Reserve Bank has been taking measures to ensure that adequate number of banknotes and coins are put in circulation so as to cater to the needs of people over a huge geographical area. In addition to the Currency Chests and Small Coin Depots that have been set up across the country, we have also been reviewing the distribution mechanism for banknotes and coins. A few years ago, when shortage of coins was reported from some pockets in the country, some innovative measures were put in place to extend the outreach. The banks also had been advised to keep some of their branches in semi-urban and rural areas open on Sundays so that the common person was not inconvenienced.

2.While Automated Teller Machines (ATMs), either stand alone or on a shared basis, are becoming increasingly popular and have made 'any time banking' a reality, the same has not been replicated in the matter of disbursement of coins.

3.In this connection, we may add that many of our offices have installed Coin Vending Machines in order to facilitate easy disbursement of coins to members of public. The performance of the machines at these offices has been satisfactory. Installation of coin dispensing machines not only facilitates easy distribution of coins to members of public but also reduces manual handling of coins.

4.Of late, it is observed that the demand for coins in certain regions is picking up. You are, therefore, requested to consider the installation of suitable machine/s at some of your branches/ATM locations to begin with.

5.Please acknowledge receipt.

Yours faithfully

(Smt. S.Maurya)
Deputy General Manager