

May 26, 2008

The Chief Executive Officers of  
All Mahila Primary (Urban) Co-operative Banks  
(As per the list enclosed)

Dear Sir/Madam,

**Mahila Urban Co-operative Banks-Membership**

As per the extant licensing policy and procedures, membership of Mahila UCBs is exclusively confined to women. Mahila banks should not resort to enrolment of male members as 'A' category or nominal members except as nominal members for the purpose of standing as sureties for the borrowers from the bank. Further, while enrolling proprietary/ partnership firm, company/ body corporate as members, the following aspects should be kept in view:

- (a) In case of partnership firm, the majority of share holding should be held by women, and
- (b) In respect of company/body corporate, majority of share holdings should be held by women.

Furthermore, relaxations have been permitted in the Entry Point Capital Norms (EPN) for Mahila banks to the extent of 50 % of the minimum required capital prescribed for the general category of banks.

2. It had been represented by some of the Mahila banks and their federations that on account of the restrictions on their membership, some of the Mahila Banks are facing difficulties in identifying creditworthy borrowers and a request had been made to review the present business model and to provide limited male membership in these banks. Taking into account the representations made by the banks and their federations and the findings of case studies carried out by Reserve Bank in this regard, **it has been decided to permit existing Mahila Banks, which conform to the extant entry point norms for general category banks, to enrol male members up to a limit of 25 % of their total regular membership**, subject to compliance by the banks with their respective bye-laws.

3. Approval of the concerned Registrar of Co-operative Societies /Central Registrar of Co-operative Societies may also be obtained wherever applicable.

4. A copy of this circular is being separately addressed to the Registrar of Co-operative Societies /Central Registrar of Co-operative Societies.

5. Please acknowledge receipt to the regional office concerned.

Yours faithfully,

(A.K Khound)  
Chief General Manager-in-Charge