



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2013-14/298

UBD CO BPD (PCB) No.20/16.05.000/2013-14

September 27, 2013

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

Dear Sir,

Second Schedule to the Reserve Bank of India Act, 1934 – Norms for inclusion

Please refer to our [circular UBD No. BPD 3/16.05.00/2004-05 dated July 13, 2004](#) on the captioned subject in terms of which UCBs were advised of our decision to not consider for the time being any application for inclusion in the Second Schedule of the Reserve Bank of India Act, 1934.

2. It has now been decided to consider applications from UCBs for inclusion in the Second Schedule to the Reserve Bank of India Act, 1934. We [enclose a copy](#) of the Government of India notification F.No.3/42/2011-AC dated April 29, 2013 published in the Gazette of India dated May 04, 2013 notifying that with effect from April 01, 2013, only such of the primary co-operative banks as are licensed and whose Demand and Time Liabilities (DTL) are not less than ₹750 crore would be treated as a 'financial institution' for the purpose of sub-clause (iii) of clause (a) of Sub-Section (6) of Section 42 of the Reserve Bank of India Act, 1934, i.e. for the purpose of inclusion of UCBs in the Second Schedule to the Reserve Bank of India Act, 1934.

3. UCBs desirous of seeking inclusion in the Second Schedule to the RBI Act, 1934 and fulfilling the following financial criteria based on the assessed financials as per inspection reports, viz.

- a) DTL of not less than ₹ 750 crore on a continuous basis for one year;
- b) CRAR of minimum 12%;
- c) Continuous net profit for the previous three years;

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेट हाऊस, पहली मंज़िल, डॉ. एनी बेसेंट मार्ग, वरली, मुंबई - 400018
भारत

फोन: 022 - 2493 9930 - 49; फैक्स: 022 - 2497 4030 / 2492 0231; ई-मेल: cgmincubd@rbi.org.in

Urban Banks Department, Central Office, Garment House, 1st Floor, Dr. Annie Besant Road, Worli,
Mumbai - 400018, India

Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; E-mail: cgmincubd@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए—

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्ति की जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।
Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.



- d) Gross NPAs of 5% or less;
- e) Compliance with CRR / SLR requirements and
- f) No major regulatory and supervisory concerns

may submit their application along with relevant documents (two sets) as detailed in the Annex, to the Regional Office concerned of Urban Banks Department.

Yours faithfully,

(A.K. Bera)
Principal Chief General Manager

Encl: as above



Annex

Documents to be submitted to Reserve Bank of India while applying for inclusion in the Second Schedule to the Reserve Bank of India Act, 1934

- (1) Copy of resolution passed by the Annual General Body / Board of Directors to make an application to RBI for inclusion in the Second Schedule to the Reserve Bank of India Act, 1934 and containing the name(s) of one / two officials authorized to correspond with RBI in this regard;
- (2) Major financial details of the bank together with copies of the published balance sheet for the last three years and
- (3) Fortnightly balance of Demand and Time Liabilities as on each reporting Friday for the last financial year, duly certified by a Chartered Accountant.