

May 26, 2008

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

Dear Sir/Madam,

**Annual Policy Statement for the year 2008-09
Installation of Automatic Teller Machines (ATMs) -UCBs.**

Please refer to our circular UBD.PCB.BPD.Cir.No. 50/09.69.000/05-06 dated April 28, 2006 on the above subject.

2. As announced in the Annual Policy Statement for the year 2008-09 dated April 29, 2008 (extract enclosed), the eligibility norms for opening up of **on-site ATMs** have been liberalized. Accordingly, UCBs that are registered in states which have entered into MoU with RBI or are registered under the Multi-state Cooperative Societies Act, 2002 and classified in Grades other than Grade III and IV, may hereafter, set up **on-site ATMs** without prior approval of the Reserve Bank.

Yours faithfully,

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

Annual Policy Statement for the Year 2008-09

Opening of On-site ATM By UCBs

210. At present, UCBs are allowed to open on-site ATMs subject to certain eligibility norms, including minimum deposit criterion of Rs.100 crore. With a view to liberalising this facility, it is proposed:

- to dispense with the extant eligibility norms for opening on-site ATMs for well-managed and financially sound UCBs in the States that have signed MoUs with the Reserve Bank and those registered under the Multi-State Cooperative Societies Act, 2002.