



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2016-17/57

DCBR.BPD (PCB).BC.No.3/12.05.001/2016-17

September 1, 2016

The Chief Executive Officers
Salary Earners Primary (Urban) Co-operative Banks

Dear Sir/Madam,

Advances against Term Deposits of Non-members

In terms of our circular UBD.No.BL.(SEB)5A/07.01.00-2001/02 dated August 8, 2001, Salary Earners' Primary (Urban) Co-operative Banks (SEBs) applying for permission to open branches should ensure, inter alia, that their byelaws do not contain provisions for giving loans to outsiders (non-employees) by enrolling them as members / nominal members.

2. Pursuant to the deliberations in the 32nd Standing Advisory Committee meeting held on December 14, 2015, it has been decided to permit SEBs to grant advances against term deposits of non-members, subject to the following conditions:

(i) The SEB should be fulfilling all the criteria for financially sound and well managed (FSWM) UCBs laid down in our [circulars UBD.CO.LS \(PCB\) Cir.No.20/07.01.000/2014-15](#) and [DCBR.CO.LS \(PCB\) Cir.No.4/07.01.000/2014-15](#) dated October 13, 2014 and January 28, 2015 respectively.

(ii) The SEB should have in place an Audit Committee of the Board of Directors which is constituted and functioning in compliance with the instructions contained in our circular UBD.No.Plan.(PCB).9/09.06.00-94/95 dated July 25, 1994.

(iii) The bye-laws of SEB should have a provision for giving loans to non-members against term deposits held in their own name singly or jointly with other non-members/ members.

सहकारी बैंक विनियमन विभाग, केंद्रीय कार्यालय, सी-7, पहली/ दूसरी मंज़िल, बांद्रा कुर्ला संकुल, बांद्रा (पूर्व), मुंबई - 400 051

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हिंदी आसान है, इसका प्रयोग बढ़ाइए

चेतावनी: रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत 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।

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(iv) The SEB should maintain a reasonable margin against such advances at all times as per the policy approved by its Board.

(v) No credit facilities, other than advances against term deposits, shall be granted to non-members.

3. All other conditions prescribed in the circular UBD.No.BL(SEB)5A/07.01.00-2001/02 dated August 8, 2001 remain unchanged.

Yours faithfully,

(A.G. Ray)
General Manager-in-charge