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**Reserve Bank of India (Urban Co-operative Banks - Branch Authorisation)  
Directions, 2025**

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In exercise of the powers conferred by Section 23 read with 56 of the Banking Regulation Act, 1949, the Reserve Bank of India ('RBI') being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the Directions hereinafter specified.

## **Chapter I – Preliminary**

### **A. Short Title and Commencement**

1. These Directions shall be called the Reserve Bank of India (Urban Co-operative Banks - Branch Authorisation) Directions, 2025.
2. These directions shall come into force with immediate effect.

### **B. Applicability**

3. These Directions shall be applicable to Urban Co-operative Banks (hereinafter collectively referred to as 'UCBs / banks' and individually as a 'UCB / bank').

*In this context, 'Urban Co-operative Banks' shall mean Primary Co-operative Banks as defined under section 5(ccv) read with Section 56 of Banking Regulation Act, 1949.*

### **C. Definitions**

4. In these Directions, unless the context states otherwise, the terms herein shall bear the meanings assigned to them below:

- (1) '**Administrative Office**' or '**Controlling Office**' means a corporate, regional, zonal, or any other office, by whatsoever name called, that exercises control or oversight functions on units / Banking Outlets / Offices falling under its jurisdiction and undertakes internal administrative functions including oversight of bank's own staff and carries out no banking or business transactions.
- (2) '**Area of Operation**' of a co-operative bank is the geographical area/s of operation stated in its byelaws, as approved by the registering authority and the Reserve Bank.
- (3) '**Back Offices**' means a Central Processing Centre (CPC) or an Office, by whatever name called, that exclusively attends to functions such as data

processing, processing of loans, verification and processing of documents, issuance of cheque books, demand drafts etc. on requests received from other Banking Outlets and carries out other functions incidental to banking business.

5. All other expressions, unless defined herein, shall have the same meaning as have been assigned to them under the Banking Regulation Act, 1949 or the Reserve Bank of India Act, 1934 or any statutory modification or re-enactment thereto, or Glossary of Terms published by RBI or as used in commercial parlance, as the case may be.

## **Chapter II – Role of Board of Directors**

### **A. Board Approved Policies**

6. A bank shall put in place separate Board-approved policies for the following:
  - (1) Opening of branches keeping in view the financial health of the UCB, viability study of the new branches and customer service. The policy shall be updated periodically to keep it aligned with revised RBI guidelines.
  - (2) Engagement of Business Correspondents (BCs) with the objectives of adequate oversight of the BCs as well as provision of services to customers, putting in place an effective complaints redressal system.
  - (3) Offering Doorstep Banking services including selection of agents and payment of fee / commission, charges, if any, to be levied on the customer, etc.

### **B. Key responsibilities**

7. The Board of a bank shall put in place an institutionalised system for periodically reviewing the implementation of the Business Facilitator (BF) / Business Correspondent (BC) Model at the Board level.

## Chapter III – Branch Authorisation

### A. Eligibility Criteria for Business Authorization (ECBA)

8. Based on a comprehensive review, it has been decided to replace the Financially Sound and Well Managed (FSWM) norms for UCBs with harmonised eligibility criteria for banks for certain business authorizations / permissions / approvals. These criteria, as given below, will henceforth be referred to as Eligibility Criteria for Business Authorization (ECBA).
9. A bank will be considered as fully complying with ECBA if it meets the following conditions, based on the audited financial statements as of 31 March of the immediately preceding financial year:
  - (1) The CRAR should be at least one percentage point above the minimum CRAR applicable to the bank as on the reference date;
  - (2) Net NPAs of not more than 3%;
  - (3) Net profits during the preceding two financial years;
  - (4) No default in the maintenance of CRR / SLR during the preceding and current financial year till the time of Board resolution declaring the bank as ECBA compliant / application for authorization;
  - (5) Core Banking Solution (CBS) fully implemented;
  - (6) The bank should not be under any Directions / Supervisory Action Framework / PCA of RBI at the time of Board resolution declaring the bank as ECBA compliant / application for authorization; and
  - (7) The bank should have at least two professional directors on the Board as prescribed in the Reserve Bank of India (Urban Co-operative Banks – Governance) Directions, 2025.
10. A bank shall determine its compliance with the ECBA every year based on the audited financial statements as of 31 March of the immediately preceding FY and place it before its Board within 30 days from the date of adoption of the audit report. The Board shall satisfy itself about the compliance of the bank with ECBA and pass the necessary resolution approving the same and inform the Reserve

Bank within 15 calendar days from the date of the Board resolution as per the format given in [Annex I](#). A bank not complying with ECBA need not inform the Reserve Bank in this regard. The period of validity of compliance with ECBA will be considered to be till 30 September of next FY, or the date the bank is declared non-compliant with ECBA by the supervisor, or till the date of next self-review, whichever is earlier.

(1) **Example:** If a bank determines itself to be in compliance with ECBA in August 2025 based on audited figures as of March 31, 2025, it would be considered compliant with ECBA till September 30, 2026; except in following cases:

- (i) It is declared non-compliant with ECBA in the next statutory inspection (a review will be carried out by the supervisor based on assessed figures as of March 31, 2025); or
- (ii) It is declared non-compliant with ECBA (effective from the date of Board resolution) in the next self-review based on audited figures for the next financial year (in this case, as of March 31, 2026).

11. The above process is subject to review by the Reserve Bank, including supervisory review. In case during the supervisory review, or even otherwise, if a bank, which has declared itself compliant with ECBA is found to be non-compliant, the bank shall be subject to appropriate supervisory and / or enforcement action as deemed fit by the Reserve Bank, including but not limited to debarment from self-reviewing itself as ECBA compliant for a period of minimum of one year.

## **B. Area of Operation of UCBs**

12. A UCB may extend its area of operation as follows:

<b>Sr. No.</b>	<b>Area of Operation</b>	<b>Applicability</b>
a)	The whole of its district of registration	A UCB may extend its area of operation to the whole of its district of registration <b>without prior permission</b> from the Reserve Bank.

b)	Additional three districts besides the district of registration (within the state of registration)	<p>A UCB in <b>compliance with ECBA</b> may extend its area of operation to a maximum of three districts of its choice within its state of registration (other than its district of registration), <b>without prior permission</b> from the Reserve Bank.</p>
c)	Beyond the districts as mentioned at point 12 (b) above and within the state of registration	<p>A UCB in Tier 2, 3 and 4 {including Salary Earners' Bank (SEB) meeting the minimum deposit requirement of a Tier 2 UCB} in <b>compliance with ECBA</b> may extend its area of operation beyond the districts as mentioned at point 12 (b) above and within the state of registration, subject to <b>prior approval</b> of the Reserve Bank.</p> <p>2. The UCB would be permitted to extend its area of operation to a maximum of five districts in a financial year, subject to the availability of adequate headroom capital (methodology given in Part C of <a href="#">Annex II</a>) required for opening at least one branch in each of the proposed districts.</p>
d)	Beyond the state of registration	<p>A UCB in Tier 3 and 4 (including SEB meeting the minimum deposit requirement of a Tier 3 UCB) <b>in compliance with ECBA and having a minimum assessed net worth (ANW) of ₹50 crore</b> may extend its area of operation beyond the state of registration, subject to <b>prior approval</b> of the Reserve Bank.</p> <p>2. The UCB would be permitted to extend its area of operation to a maximum of two states in a financial year, subject to the availability of adequate headroom capital (methodology given in Part C of <a href="#">Annex II</a>) required for opening at least five branches in each proposed state.</p>

13. Constitution of the Board of Management (BoM) shall be a mandatory condition for the expansion of the area of operation for UCBs in Tier 2 and above. UCBs in Tier I may constitute BoM as a good governance practice.
14. The byelaws of a UCB must contain a provision that for any revision in the area of operation, except for the area of operations mentioned at Sr. Nos. 12 (a) & (b) above, prior approval of the Reserve Bank shall be necessary. Eligible UCBs as at 12 (c) & (d) above, desirous of extending their area of operation, shall submit a resolution passed by their general body to this effect and obtain a No Objection Certificate (NOC) from the Reserve Bank. The applicant bank shall submit a suitable rationale for utilisation of the current area of operation and proposed extension of the area of operation while applying for NOC. While considering applications from UCBs for extension of area of operation, the Reserve Bank will give due consideration to system of internal controls, compliance to cyber security guidelines along with IT controls prevailing in the bank and adequate headroom capital.
15. After obtaining the NOC, the bank shall get the amended byelaws registered with the concerned Registrar of Co-operative Societies (RCS) / Central Registrar of Co-operative Societies (CRCS). The validity of the NOC granted by the Reserve Bank will be for 180 calendar days.
16. The UCB shall approach the Reserve Bank within 15 calendar days of getting byelaws registered with RCS / CRCS (along with a copy of the approval), for obtaining a revised authorization. It may be noted that the amendment in byelaws should be in consonance with the NOC granted by the Reserve Bank, wherever applicable.
17. The change in area of operation of a UCB due to splitting / reorganisation of districts would be automatic and would not require prior approval from the Reserve Bank. Such UCBs shall get the amended byelaws registered with RCS / CRCS and then approach the Reserve Bank as per process given in paragraph 16 above.

### C. Opening of a New Place of Business

18. Prior permission from the Reserve Bank is required for opening a new place of business including Branches, Extension Counters, ATMs, Controlling Offices (Regional / Zonal / Administrative Office), Central Processing Centres, Regional Collection Centres, Retail Asset Processing Centres, Service Branches, Back Offices etc. or for changing the location of any existing place of business under Section 23 of the BR Act, 1949 read with Section 56 thereof. Opening a new place of business without valid authorization (except in cases permitted by the Reserve Bank) is a violation of the said Act and is liable for penal action. The reporting of opening a new place of business shall be as per procedure given in [\*\*Chapter VI\*\*](#) of this Master Direction.
19. The bank should ensure that there are no restrictions imposed by the local development or other authorities for setting up a commercial establishment in the locality where the new place of business is proposed to be opened. It is incumbent upon the bank to ensure that its branches are operating from premises that have a valid lease agreement and are free of any dispute between the bank and the landlords of the premises in question.
20. The conditions for opening of a new place of business are as under:

<b>Sr. No.</b>	<b>Activity</b>	<b>Conditions</b>
a)	Opening of a Branch	<b>Automatic Route:</b> A bank (except SEB) in <b>compliance with ECBA</b> is allowed to open branches up to 15 per cent of the number of its full-fledged branches as at the end of the previous financial year under the automatic route, <b>without prior approval</b> of the Reserve Bank, subject to conditions at paras 21 to 24 below.

		<p><b>Prior Approval Route:</b> SEBs and other banks (for opening of branches of more than 15 per cent allowed under automatic route), which are <b>in compliance with ECBA</b>, may apply for opening branches by submitting an Annual Business Plan (ABP), subject to additional conditions at paras 25 to 28 below.</p>
b)	Opening of an Extension Counter (EC)	<p>A bank in <b>compliance with ECBA</b> may open ECs under both automatic route and prior approval route, subject to additional conditions at paras 29 to 32 below.</p> <p><b>Automatic Route:</b> A bank has the option to open ECs in lieu of branches, under automatic route, within the same overall limit of up to 15 per cent of the number of full-fledged branches.</p> <p><b>Prior Approval Route:</b> A bank may apply for opening ECs by submitting an Annual Business Plan (ABP).</p>
c)	Opening of an ATM / CDM / CRM	<ul style="list-style-type: none"> <li>• A bank can install <b>on-site</b> ATMs / CDMs / CRMs at branches/ ECs, <b>without prior approval</b> of the Reserve Bank, subject to conditions at para 33 below.</li> <li>• A bank in <b>compliance with ECBA</b> can install off-site ATMs / mobile ATMs / CDMs / CRMs within its area of operation <b>without prior approval</b> of the Reserve Bank, subject to conditions at para 33 below.</li> </ul>
d)	Opening of a Central Processing Centre, Regional Collection Centre, Retail Asset Processing Centre,	A bank may open such offices within its area of operation as per its business requirements, <b>without prior approval</b> of the Reserve Bank.

	Service Branch, Back Office #	
e)	Opening of a Controlling Office (Regional / Zonal / Administrative Office) #	A UCB in <b>compliance with ECBA</b> may, at its discretion, open one Controlling Office for a cluster of not less than <b>30 branches</b> within the area of operation, <b>without prior approval</b> of the Reserve Bank. Other UCBs will require <b>prior approval</b> of the Reserve Bank to open a Controlling Office.

# Such offices should not be involved in business origination. The primary work of these offices is to handle internal processes / functions incidental to their banking business. The conversion of these offices to a normal branch and vice versa is not permitted.

#### **D. Opening of a Branch under Automatic Route**

21. A bank is eligible to open a branch in its area of operation (including the upgradation of an extension counter that is in operation for more than three years) under the automatic route subject to the following conditions:
  - (1) The bank shall be in compliance with ECBA;
  - (2) The bank should have sufficient headroom capital (methodology given in Part C of [Annex II](#)); and
  - (3) The bank should have constituted a Board of Management (BoM) (wherever applicable).
22. The eligible banks are permitted to open new branches up to 15 per cent of the number of full-fledged branches (at the end of the previous financial year) in a financial year (rounded off to the nearest whole number) subject to a minimum of one branch and maximum of 10 branches without having the need to take permission from Reserve Bank of India.
23. Branch opening under the automatic route is available only for a bank which has obtained a valid branch authorization from the Reserve Bank for all its existing branches.

24. The bank shall put in place a policy for opening branches, approved by its Board of Directors. While formulating the said policy, the bank shall bear in mind its financial health, viability of the proposed branches and bank's ability to render satisfactory customer service. The policy must be reviewed periodically to keep it aligned with the evolving banking landscape and revision, if any, in Reserve Bank guidelines. Further, the bank shall ensure that the proposal for opening of such branches in a particular financial year, based on the policy, is duly approved by its Board of Directors.

#### **E. Opening of a Branch under Prior Approval Route**

25. SEBs and other UCBs (for opening of branches of more than 15 per cent allowed under automatic route), which are in compliance with ECBA, may apply for opening branches under the Prior Approval Route by submission of a single **Annual Business Plan (ABP)** (format given in [Annex II](#)) in a financial year, along with application as per Form V of the Banking Regulation (Co-operative Societies) Rules, 1966. The bank shall have a policy as at para 24.

26. ABP for a financial year, should be submitted by the bank well in advance. The Reserve Bank will process and convey the decision within 90 calendar days of receipt of the complete application from the bank. The approval granted by the Reserve Bank for opening the branch will be valid till March 31 of concerned financial year, by which time the branch must be operationalised, or else the approval will lapse automatically.

27. The permission for opening of a branch will be strictly in the order of preference given by the bank. No request for change of order of preference would be entertained thereafter. Non-operationalisation of at least 75% of approved branches within the permitted time would be viewed seriously and may impact the approvals in future, including debarment from opening new branches for the next two years.

#### **F. Additional Conditions for Salary Earners' Bank for Opening a Branch**

28. SEB shall comply with the following additional criteria before applying to open branches under ABP:

- (1) The byelaws should not contain provision for giving loans to outsiders (i.e., persons who are / were not employees of the institution) by enrolling them as members / nominal members;
- (2) There should at least be 1000 members at a place where the SEB desires to open a branch.

#### **G. Opening of an Extension Counter (EC)**

- 29. An EC may be opened within the premises of educational institutions, big offices, factories and hospitals of which the co-operative bank concerned is the principal banker. The bank shall obtain a declaration from the institution in which it proposes to open EC in the format as per [Annex IV](#). Other bankers to such entities may also open an EC provided it is not considered feasible by the principal banker and / or the base branch of the principal banker is beyond 10 kilometres from the proposed EC, after obtaining written consent from the principal banker. An EC may also be opened in the residential colonies provided no other branch / EC is already existing in the colony and no restrictions have been imposed by the local development or any other authorities for setting up a commercial establishment in the residential colony / locality. No extension counter should be opened in a marketplace, shopping centre, etc. Only one EC is permitted within a premise.
- 30. Base branch of the bank to which the proposed EC is linked should be within a distance of 10 kilometres. The transactions carried out in the EC should be incorporated in the accounts of the base branch on a day-to-day basis.
- 31. While opening an EC, the bank should take into account important factors such as need, viability, and overall merits of opening the EC, including the bank's ability to deploy adequate resources and exercise internal controls.
- 32. The facilities at an EC should be restricted to:
  - (1) deposit / withdrawal transactions;
  - (2) issue and encashment of drafts and mail transfers;
  - (3) issue and encashment of travellers' cheques; collection of bills;

- (4) advances against fixed deposits of their customers (within the sanctioning power of the officials concerned at the EC);
- (5) disbursement of other loans (only for individuals) sanctioned by the Head Office / base branch up to the limit of ₹10.00 lakh; and
- (6) safe deposit locker facility, subject to adequate security arrangements, as contained in guidelines issued by the Reserve Bank from time to time.

#### **H. Operationalisation of an ATM / CDMs / CRMs**

- 33. A bank may offer all its products and services through the ATM channels, provided the technology permits and adequate checks are put in place. The business transacted at the ATM shall be recorded in the books of the respective base branch / Centralised Data Centre. Third-party advertisement on the ATM screens, such as the display of products of other manufacturers / dealers / vendors, is not permitted. However, the bank may utilize the ATM screens to display their own products, or products for which it acts as an agent, or customer service / financial inclusion / cyber safety messages. These guidelines shall also be applicable to CDMs and CRMs.

#### **I. Shifting of a Place of Business**

- 34. A bank is permitted to shift its branches, extension counters, offices within the same city, town or village without prior approval of the Reserve Bank. The shifting of an EC will be subject to the distance of the proposed location being within 10 kilometres from the base branch.
- 35. The decision to shift a place of business shall be taken by the Board after taking into account all the relevant factors, including viability, and should be properly recorded / minuted in the proceedings of the Board meeting.
- 36. Proper notice should be given to all existing depositors / clients of the branch / EC through SMS / public notice / letters at least one month in advance of shifting.
- 37. A bank can shift its off-site ATMs in its area of operation without prior approval of the Reserve Bank.
- 38. Closing a branch / EC in one city / town and opening in another shall not be construed as shifting. However, a bank may shift its office, except Head Office,

from one town / city to another within its area of operation, without prior approval of the Reserve Bank.

39. Splitting of a branch or part shifting of some of the departments of the parent office / branch can be made to a nearby location within the same locality / municipal ward due to space constraints and for better customer service or for convenience of the members without prior permission of the Reserve Bank, subject to the condition that there is no overlap in business conducted from both the premises.

#### **J. Closure of a Place of Business**

40. A bank is allowed to close its branches / extension counters / ATMs / offices, except the Head Office, without prior approval of the Reserve Bank. Closure of a branch / extension counter shall be subject to the following conditions:
  - (1) The bank should not have been placed under any Directions under section 35A of the Banking Regulation Act, 1949 (AACS).
  - (2) The decision to close down the branch / EC should be taken by the Board after taking into account all the relevant factors and should be properly noted in the official record of proceedings of the Board meeting.
  - (3) The bank should give two months' notice in advance to all existing depositors / clients of the branch, including through press releases in leading local newspapers, as well as communicate to each constituent of the branch well in advance of the closure of the branch.
  - (4) The bank should report to the Reserve Bank, as per the timeline (reporting format given in [Annex III](#)), along with copies of the Board resolution.
  - (5) The bank should surrender the branch license in original, wherever applicable, to the Reserve Bank within 15 calendar days of closing the branch.
  - (6) The bank should preserve all the relevant records and make them available to the Reserve Bank inspection team for scrutiny during inspection.

**K. Shifting, Acquisition, Surrender of Leased Premises, etc. of Co-operative Banks not complying with Section 11(1) of BR Act, 1949 (AACs)**

41. A bank not complying with provisions of section 11 (1) of the Banking Regulation Act, 1949 (AACs) is required to obtain prior approval of the Reserve Bank for:

- (1) Sale of bank's own premises;
- (2) Surrender of existing premises taken on lease / rental basis;
- (3) Acquisition of new premises on ownership or lease / rental basis; and
- (4) Shifting of offices / departments as a result of sale of premises / surrender of premises / acquisition of new premises.

42. Banks are required to obtain approval from the Reserve Bank by submitting the application through PRAVAAH portal as per the enclosed format given in [Annex VII](#). The bank should not enter into any firm commitment to the acquisition of premises for shifting an office thereat until the Reserve Bank's prior approval has been obtained. Therefore, if a bank has inadvertently made any such commitment, it should, in its own interest, take steps to cancel or nullify it. Reserve Bank will not consider any request for reconsidering its decision in such cases on the grounds that the bank has already acquired the premises or entered into an agreement for the same.

## **Chapter IV – Business Facilitator (BF) / Business Correspondent (BC) Model**

### **A. Eligibility**

43. With the objective of ensuring greater financial inclusion and increasing the outreach of the UCBs in providing basic and affordable banking services in their area of operation, in public interest, it has been decided to permit a well managed and financially sound UCB to engage BF / BC using ICT solutions. Accordingly, a UCB may, with the approval of its Board, formulate a scheme for use of BF / BC and ensure that the scheme is in strict compliance with the objectives and parameters laid down in this circular. The scheme may be submitted to the concerned Regional Office of RBI and approval obtained before engaging the BF / BC.
44. A UCB, which satisfy the following criteria are eligible to engage the services of BF / BC:
  - (1) CRAR of more than 10 %;
  - (2) Net NPAs less than 5 %;
  - (3) No default in the maintenance of CRR & SLR during the preceding financial year;
  - (4) Continuous net profit for the last three years;
  - (5) At least two elected professional directors on the Board; and
  - (6) Regulatory comfort based on, inter alia, record of compliance with the provisions of Banking Regulation Act, 1949 (AACS), RBI Act, 1934 and the instructions / directions issued by RBI from time to time.
45. A UCB fulfilling the above conditions may approach the Regional Office, RBI for permission to engage BF / BC.

### **B. Business Facilitator (BF) Model: Eligible Entities and Scope of Activities**

46. Under the BF model, the UCB may use intermediaries, such as, Non-Government Organisations (NGO) / Micro Finance Institutions (MFI) set up under Societies / Trust Acts, Farmers' Clubs, co-operative societies other than primary & credit co-

operatives, community based organisations, IT enabled rural outlets of corporate entities, Post Offices, insurance agents, well functioning Panchayats, Village Knowledge Centres, Agri Clinics / Agri Business Centers, Krishi Vigyan Kendras and KVIC / KVIB units, and individuals as BFs depending on the comfort level of the UCB, for providing facilitation services. However, Directors of the UCB and their relatives (as defined in the Reserve Bank of India (Urban Co-operative Banks – Credit Facilities) Directions, 2025) as also serving employees of the UCB are not eligible to act as BFs.

47. The facilitation services may include : (i) identification of borrowers and fitment of activities; (ii) collection and preliminary processing of loan applications including verification of primary information / data; (iii) creating awareness about savings and other products and education and advice on managing money and debt counselling; (iv) processing and submission of applications to UCBs; (v) promotion and nurturing Self Help Groups (SHG) / Joint Liability Groups; (vi) post-sanction monitoring; (vii) monitoring and handholding of Self Help Groups / Joint Liability Groups / Credit Groups / others; and (viii) follow-up for recovery.
48. Where individuals are engaged as BFs, adequate precautions need to be taken, and proper due diligence conducted. However, Directors of the UCB and their relatives (as defined in the Reserve Bank of India (Urban Co-operative Banks – Credit Facilities) Directions, 2025) as also serving employees of the UCB are not eligible to act as BFs.

### **C. Business Correspondent (BC) Model: Eligible Entities and Scope of Activities**

49. Under the BC Model, NGOs / MFIs set up under Societies / Trust Acts, Co-operative Societies registered under Mutually Aided Co-operative Societies Acts or the Co-operative Societies Acts of States, other than primary / co-operative credit societies, Post Offices, retired bank employees, ex-servicemen, retired teachers, retired government employees, individual kirana / medical / fair price shop owners, Individual Public Call Office (PCO) operators, agents of small savings schemes of Government of India / Insurance Companies, individuals who own petrol pumps, authorised functionaries of well-run Self Help Groups (SHGs) linked to the UCB or any other individual including those operating Common Service Centres may act as BCs. However, Directors of the UCB and their

relatives (as defined in the Reserve Bank of India (Urban Co-operative Banks – Credit Facilities) Directions, 2025) as also serving employees of the UCB are not eligible to act as BCs. The UCB may also engage companies registered under Section 25 of the Companies Act, 1956 provided that the companies registered under Section 25 are stand-alone entities or Section 25 companies in which NBFCs, banks, telecom companies and other corporate entities or their holding companies do not have equity holdings in excess of 10 per cent. If the UCB in North Eastern Region intend to engage as BCs any other organisation / association not falling under any of the above categories of BCs, they may, after due diligence, approach the Regional Office of RBI at Guwahati for approval. The UCB is also permitted to allow, with suitable and adequate safeguards, the BCs in the North Eastern Region to account for the transactions in its books latest by the end of the second working day from the date of the transaction.

50. In addition to activities listed under the BF Model, the scope of activities to be undertaken by the BCs will include (i) disbursal of small value credit, (ii) recovery of principal / collection of interest (iii) collection of small value deposits (iv) sale of micro insurance / mutual fund products / pension products / other third-party products and (v) receipt and delivery of small value remittances / other payment instruments.
51. The activities to be undertaken by the BCs would be within the normal course of the UCB's banking business but conducted through the entities indicated above at places other than the UCB's premises. Accordingly, in furtherance of the objective of increasing the outreach of the UCBs for micro finance, in public interest, RBI permits a UCB to formulate a scheme.
52. The arrangements with the BCs shall specify:
  - (1) suitable limits on cash holding as also limits on individual customer payments and receipts,
  - (2) the requirement that the transactions are accounted for and reflected in the UCB's books by end of the day or next working day, and

(3) all agreements / contracts with the customer shall clearly specify that the UCB is responsible to the customer for acts of omission and commission of the BF / BC.

53. With a view to ensuring adequate supervision over the operations and activities of the BCs by the UCB, every BC will be attached to and be under the oversight of a specific branch to be designated as the base branch. The distance between the place of business of a BC and the base branch should not exceed 30 kms in rural, semi-urban and urban areas and 5 kms in metropolitan centres. While engaging BCs, the UCB shall ensure that the area covered by them is strictly within their eligible area of operation.

### **C.1 Due diligence**

54. A UCB shall conduct thorough due diligence of the entities proposed to be appointed as BCs and also institute additional safeguards as may be considered appropriate to minimise the agency risk. The due diligence on entities to be engaged as the BF / BC shall factor the key risks and other risks identified of different capacities of entities. Some of the indicative parameters for due diligence of MFIs / other entities while considering agency / funding relationship with them are given below:

#### **(1) Non-Government Organisation (NGO) / Micro Finance Institution (MFI)**

- (i) Charter and Registration - The foremost would be to examine whether the charter and objectives of the MFIs / NGOs permit it to undertake the kind of activities proposed, especially if it is some form of financial intermediation.
- (ii) Presence in the area - MFIs / NGOs with adequate presence in the area for a reasonable time period would be preferable, as they would have developed better networking and understanding of local conditions.
- (iii) Management and Governance Structure - Many NGOs / MFIs are almost solely driven by the founders. It is essential to examine the composition of the governing body of the entity to assess if it can function independent of the promoter and if there is a second tier of management.

- (iv) Manpower Quality and Retention Rates - The quality of manpower from the perspective of undertaking the new task needs to be assessed. If not available in sufficient number, plans of the MFI / NGO to strengthen their manpower through recruitment and training are to be considered.
- (v) Social vs. Profit Orientation - Often MFIs / NGOs are social service oriented, which may hamper undertaking a task like financial intermediation. This needs to be carefully assessed as the two are vastly different competencies.
- (vi) Accounting Systems - The accounting systems and methods need careful study, especially in case the MFI / NGO is being considered for acting as a financial intermediary.
- (vii) Secular and Social Orientation - The MFI / NGOs should preferably be nondiscriminatory on caste, gender, political affiliation and religious lines. While its work could focus of specific groups or communities; it should not have any negative discrimination. The commitment of the entity for catering to the unserved, poor, and disadvantaged sections including women, etc. may be seen.
- (viii) Assessment of Donors Partners and Peers - Assessment of the MFI / NGO by the donors, partners and peers would be a crucial input in assessing the capabilities of the MFI / NGO. This can be obtained from independent discussions with the donors, partners and peers and the government agencies connected with such programmes.
- (ix) Financial Reporting - The financial reporting of the MFI / NGO will indicate both the transparency and compliance to the laws of the land. It is to be seen whether there is consistency in financial reporting to the reporting authority, government, and donors etc.

**(2) Self Help Groups (SHGs) Federation like Societies under Mutually Aided Co-operative Societies (MACS)**

In case of a federated structure, the strength of the federation would depend on the health of the constituent SHGs, as the financial assets would be with the

members of SHGs. Hence, the due diligence parameters would be a little different from a typical MFI. Some parameters for rating a Federation could be as follows:

**(i) Governance Related**

- (a) The federation should have a system of rating its constituent SHGs at periodic intervals, preferably six monthly. At least 75 percent of the SHGs should be rated on all the defined parameters.
- (b) The federation should be a registered body and have capacity to enter into legal obligations.
- (c) The federation should have a defined area of operation and have only primary SHGs as members.
- (d) The federation should have an elected board which should meet at regular intervals.
- (e) The accounts of the federation should have been audited and placed before the General Body within six months of the closing of the accounting period.
- (f) The federation should have filed all the statutory returns before the appropriate authority.

**(ii) Finance Related**

- (a) The federation should be in operating profit from the thrift and credit operations.
- (b) The thrift collections at the SHG level should be at least 90 percent of the determined amount.
- (c) The share capital mobilisation should not be in arrears.
- (d) The federation should demonstrate a repayment performance of 90 percent or more on a continuous basis.
- (e) At least 95 percent of the Loan Assets should be in performing category.
- (f) The federation should have made adequate loan loss provisions.
- (g) The federation should have defined exposure norms for individuals and

groups.

### **(3) Due Diligence in case of other entities**

In case of entities other than MFIs and NGOs, a due diligence may have to be more rigorous. The important aspects which need to be seen are:

- (i) details of incorporation and promoters
- (ii) details of management staff including qualifications, experience, other business activities, financial status, etc.
- (iii) particulars of employee level expertise
- (iv) type of infrastructure available
- (v) financials position
- (vi) present business relationships and their status and
- (vii) adherence to the various local rules and regulations

55. In engaging intermediaries as BCs, a UCB shall ensure that they are well established, enjoying good reputation and having the confidence of the local people. UCBs may ensure that the individuals engaged as BCs are permanent residents of the area in which they propose to operate as BCs and also include additional safeguards as may be considered appropriate to minimise agency risk. The UCB may give wide publicity in the locality about the intermediary engaged by them as BC and take measures to avoid being misrepresented.

56. In case, the duly appointed BCs of the UCB desire to appoint sub-agents at the grass-root level to render the services of a BC, the UCB shall ensure that : (i) the sub-agents of BCs fulfill all relevant criteria stipulated for BCs in terms of the guidelines; (ii) the BCs appointed by them carry out proper due diligence in respect of the sub-agent to take care of the reputational and other risks involved; and (iii) the distance criterion of 30 kms / 5 kms, as applicable, from the base branch should invariably be fulfilled in the case of all sub-agents. Further, where individuals have been appointed as BCs, they cannot in turn appoint sub-agents.

## **C2. Service Charges and Payment of Commission / Fees for engagement of Business Correspondent (BC) / Business Facilitators (BF)**

57. To ensure viability of the BC model, a UCB (and not BCs) is permitted to collect reasonable service charges from the customer, in a transparent manner under a board-approved policy. Considering the profile of the clientele to whom banking services are being delivered through the BC model, the UCB shall ensure that the service charges / fees collected from the customer for delivery of banking services through the BC model are not only fair and reasonable but also seen to be so. A copy of the Board-approved policy in this regard may be forwarded to the concerned Regional Office of RBI. The UCB shall ensure that there are no complaints from the customers about the charges being non-transparent / not reasonable. Any unfair practices adopted by the UCB in this regard would be viewed seriously by RBI.
58. A UCB may pay reasonable commission / fee to the BFs / BCs, the rate and quantum of which may be reviewed periodically. The agreement with the BFs / BCs shall specifically prohibit them from charging any fee to the customers directly for services rendered by them on behalf of the UCB.

## **C3. Redressal of Grievances in regard to Services rendered by Business Correspondents (BCs) / Business Facilitators (BFs)**

59. A UCB shall constitute Grievance Redressal Machinery within the UCB for redressing complaints about services rendered by BFs and BCs and give wide publicity about it through electronic and print media. The name and contact number of designated Grievance Redressal Officer of the UCB shall be widely publicised and also placed in public domain. The details of the grievance redressal officer shall be displayed at the premises of the BC and also at the base branch. The designated officer shall ensure that grievances of customers are redressed promptly.
60. The grievance redressal procedure of a UCB and the time frame fixed for responding to the complaints shall be placed on the UCB's website.
61. If a complainant does not get satisfactory response from a UCB within 30 days from the date of lodging the compliant, the complainant will have the option to

approach the RBI Ombudsman (in case the complaint is against Scheduled Primary (Urban) Co-operative Banks and Non-scheduled Primary (Urban) Co-operative Banks with deposit size of ₹50 Crore and above, as on the date of the audited balance sheet of the previous financial year) or the concerned Regional Offices of RBI for redressal of grievances.

#### **C4. Compliance with Know Your Customer (KYC) Norms**

62. Compliance with KYC norms will continue to be the responsibility of the UCB. Since the objective is to extend savings and loan facilities to the underprivileged and unbanked population, the UCB may adopt a flexible approach within the parameters of guidelines issued on KYC from time to time. In addition to introduction from any person on whom KYC has been done, the UCB can also rely on certificates of identification issued by the intermediary being used as Business Correspondent, Block Development Officer (BDO), head of Village Panchayat, Post Master of the post office concerned or any other public functionary, known to the UCB.

#### **D. Other terms and conditions for engagement of Business Correspondents (BCs) and Business Facilitators (BFs)**

63. As the engagement of intermediaries as BCs / BF involves significant reputational, legal and operational risks, due consideration shall be given by the UCB to those risks. The UCB should also endeavour to adopt technology-based solutions for managing the risk, besides increasing the outreach in a cost-effective manner.

64. The implementation of the BC / BF model shall be monitored closely by controlling authorities of the UCB, who should specifically look into the functioning of BCs / BF during the course of their periodical visits to the branches.

65. In order to achieve greater penetration of banking service, the UCB may scale up its efforts substantially towards educating its clientele through various means - print, electronic etc., in their respective vernacular languages regarding the benefits of banking habit, the role of the BCs and its obligation towards the customers and give wide publicity about implementation of the BC model by them.

66. Information regarding BCs engaged by the UCB shall be placed on the UCBs' websites. The Annual Report of the UCB shall also include the progress in respect of extending banking services through the BC model and the initiatives taken by the UCB in this regard.
67. For streamlining cash management, the UCB may consider adopting 'Cash Routes' (linking various BCs, which are in close proximity to each other to a base branch) wherever warranted with suitable cash transit insurance.
68. The UCB shall ensure the preservation and protection of the security and confidentiality of the customer information in the custody or possession of the BCs.
69. The UCB may consider bearing the initial set up cost and other costs of the BCs and extend a handholding support to the BCs, at least during the initial stages. The UCB may consider providing reasonable temporary overdrafts to the BCs.
70. The UCB may develop suitable training modules in the local language/s, in order to provide proper attitudinal orientation and skills to the BCs.
71. The UCB shall adhere to the extant RBI guidelines on adoption of appropriate technology as contained in the Reserve Bank of India (Urban Co-operative Banks – Managing Risks in Outsourcing) Directions, 2025, while implementing the BC model.

## **Chapter V – Doorstep Banking**

72. A bank may provide Doorstep Banking Services to its customers on a voluntary basis, without prior approval of the Reserve Bank.
73. The bank may formulate a scheme for providing Doorstep Banking Services to its customers, with the approval of their Boards, in accordance with the guidelines provided in [Annex V](#). The details of the scheme may be informed to the Reserve Bank within 15 calendar days of implementing the scheme.
74. Tier 3 and 4 UCBs may offer doorstep banking services to customers either directly through its own employees or through agents. Tier 1 and 2 UCBs shall offer doorstep banking services only through their permanent employees. The bank shall take into account the various risks that may arise on account of offering Doorstep Banking Services, such as outsourcing risk, operational risk, reputational risk, etc., to customers either directly through its own employees or through agents and take all necessary steps to manage the same.
75. The operation of the scheme may be reviewed by the Board of the bank on an annual basis.

## Chapter VI – Information Reporting

### A. Proforma and Reporting of Bank / Branch Details under the Central Information System for Banking Infrastructure (CISBI)

76. The CISBI portal (<https://cisbi.rbi.org.in>) has been web-deployed by the Reserve Bank. Under this system, banks are required to submit their information in a single Proforma ([Annex I of CISBI](#)) online on the CISBI portal. The instructions for submission of Proforma online are given in [Annex II of CISBI](#). The CISBI portal contains the relevant circulars, user manuals and other relevant documents to facilitate reporting.
77. The Reserve Bank has provided login credentials to Nodal Officers of banks for submitting their information in CISBI. Access to CISBI can also be sought by making an e-mail request at [cisbi@rbi.org.in](mailto:cisbi@rbi.org.in). Banks should submit information on the CISBI portal as per guidelines given in [Annex VI](#), and thereafter, bank branch / office / NAIO / CSP codes would be allotted by CISBI after due validations. In case of status change, banks need to edit only the relevant part. All banks should submit immediately and, in any case, not later than seven calendar days, the information relating to the opening, closure, merger, shifting and conversion of bank branches / offices / NAIOs / CSPs online through the CISBI portal.
78. Further, in order to ensure the correctness of data on CISBI, in the last week of every month, banks shall generate a 'NIL Report' in CISBI for the position as on last day of the previous month, indicating the total number of functioning branches, offices, NAIOs, CSPs; and submit it through CISBI after authenticating its correctness. Banks can also use the facility to access / download the data related to them.
79. It is further advised that CISBI also has a provision to maintain complete bank-level details (*example*, bank category, bank group, bank code, type of license issued, registration details, area of operation, addresses of offices, contact details of senior officials, etc.) and history of all the changes with a time stamp. After gaining first-time access to the system, banks shall ensure to submit correct and updated bank-level information in all the fields where submission / updation rights are available with the bank. After the initial submission of information on the CISBI

portal, a one-time confirmation stating that 'correct and updated Bank level information has been submitted on CISBI' shall be sent by banks to the Regional Office concerned of the Reserve Bank. Any subsequent changes in the bank-level information shall be submitted for updation on the CISBI portal on an immediate basis by the banks. The banks shall enter the complete and clear (without abbreviations) particulars on the Banking Channel Name, Address, geotagging, etc.

80. **Reporting Timeline:** Reporting on the CISBI portal within the prescribed time of seven calendar days, shall be ensured by the bank. Any instance for which a prior approval of the Reserve Bank is not required for any authorisation in terms of these Directions, the bank shall report such event / changes to the Reserve Bank within 15 calendar days (reporting format given in [Annex III](#)). Non-receipt of information / particulars within the prescribed time or furnishing of incorrect / partial information by the bank (including reporting on the CISBI portal) would be viewed seriously and the bank would be liable for penal action, including debarment from opening a new place of business for up to next three years.
81. **Point of contact for application / submission of information:** The point of contact for all matters related to this Direction shall be as under:

<b>Sr. No.</b>	<b>Entity</b>	<b>Point of Contact</b>
1.	UCBs (whose Head Office is under the jurisdiction of Mumbai)	Department of Regulation, Central Office, Mumbai
2.	All other UCBs	Regional Office of the Reserve Bank under whose jurisdiction the Head Office of the bank is located

**Note:** Banks shall submit their applications to the Reserve Bank using relevant application forms in the **PRAVAAH portal** (<https://pravaah.rbi.org.in>).

## **Chapter VII – Repeal and other Provisions**

### **A. Repeal and saving**

82. With the issue of these Directions, the Reserve Bank of India (Urban Co-operative Banks – Branch Authorisation) Directions, 2025 dated November 28, 2025 stands repealed. The directions, instructions, and guidelines repealed prior to the issuance of these Directions shall continue to remain repealed.
83. Notwithstanding such repeal, any action taken or purported to have been taken, or initiated under the repealed Directions, instructions, or guidelines shall continue to be governed by the provisions thereof. All approvals or acknowledgments granted under these repealed lists shall be deemed as governed by these Directions.

### **B. Application of other laws not barred**

84. The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other laws, rules, regulations, or directions, for the time being in force.

### **C. Interpretations**

85. For the purpose of giving effect to the provisions of these Directions or in order to remove any difficulties in the application or interpretation of the provisions of these Directions, the RBI may, if it considers necessary, issue necessary clarifications in respect of any matter covered herein and the interpretation of any provision of these Directions given by the RBI shall be final and binding.

(Manoranjan Padhy)  
Chief General Manager

**Report on Compliance to Eligibility Criteria for Business Authorization (ECBA)**

Name of the bank:

Based on audited/assessed financial statements (Tick one) for financial year \_\_\_\_\_

Sl. No.	Particulars	As on March 31	Compliance Status (Yes / No)
1	CRAR should be at least one percentage point above the minimum CRAR applicable		
2	Net NPAs of not more than 3%		
3	Net Profit during the last two financial years		
4	Number of professional Directors on the Board		
5	No default in the maintenance of CRR / SLR during the preceding and current financial year till the time of Board resolution declaring the bank as ECBA compliant / application for authorization		
6	CBS fully implemented in the bank		
7	Whether the bank is under Directions / Supervisory Action Framework / PCA of RBI		
8	Details, if any, of prohibition for any authorization by RBI		

Enclosures:

1. A copy of the Board resolution on the compliance with ECBA
2. A copy of the audited financials

**Annual Business Plan****A. Profile of the bank**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Data as on March 31 of preceding financial year</b>
1.	Name and address of the bank	
2.	License No. and date of license (copy of license to be attached)	
3.	Area of Operation (a copy of relevant extract from the byelaws of the bank to be attached)	
4.	Whether bank has an elected Board of Directors?	
5.	Bank Type	Scheduled / Non- Scheduled
6.	Bank Tier	Tier 1 / 2 / 3 / 4
7.	No. of existing branches / extension counters (List as per CISBI portal to be annexed)	
8.	Have all the existing branches / ECs / ATMs / Offices etc. been reported on CISBI portal? (Yes / No)	
9.	Details of any place of business (branch / EC / ATM / Office etc.) for which valid authorization from the Reserve Bank has not been obtained under section 23 of BR Act, 1949 (AACs)	

## B. Board Resolution format approving the plan of action for opening branches

Name of the bank:

1. Medium term policy for branch expansion programme: Bank may furnish details of the proposed medium-term policy for its branch expansion for a period of 3 years along with expected level of business in the next 3 years in terms of deposits and advances.

2. Details of proposed new branches

Name of the centre with address and Pin code	Population of the centre	Name of the district and state	Members at the proposed centre (only for Salary Earners' Banks)

Note: Reasons for the proposed branch including adequacy of banking facilities at the centre, business prospects at the proposed place of business within 12 months (an estimate of minimum business which the bank expects to attract) may be submitted. A viability study report (as per proforma given below) for the proposed branch containing the potential available in the area, estimate of income and expenditure and likely period of break-even etc. may be submitted.

Name of centre and district	Population of centre	No. of bank branches at centre	Population expected to be served	Deposits			Advances		
				1st year	2nd year	3rd year	1st Year	2nd Year	3rd Year

Estimated Income			Estimated Expenditure			Profit / Loss		
1st year	2nd year	3rd year	1st year	2nd year	3rd year	1st year	2nd year	3rd year

3. Whether any current Director and / or their family members have any interest in the leased / rented / acquired premises used / proposed to be used by the bank. If yes, details thereof may be submitted (attach extra sheet if necessary).

4. Details of branches proposed and opened under previous three Annual Business Plans

Financial Year	Branches proposed by the bank	Branches approved by the Reserve Bank	Branches operationalised within stipulated time	Details of branches not operationalised within stipulated time*

\* Please furnish reasons of not opening the approved branches within stipulated time along with a copy of communication with the Reserve Bank on the matter, if any.

5. Details of branches proposed and opened under Automatic Route in last two financial years and the current financial year.

Financial Year	Name of Branch	Complete Address of Branch	Branch Opening Date	Date of Reporting on CISBI Portal

**C. Steps for arriving at Headroom in terms of Net Worth per Branch for Allotment of Branches**

	<b>No. of Branches</b>	<b>(₹ in crore)</b>	
Net Worth* as on March 31 <sup>st</sup> of 20XX		XX	a
No. of Branches as on March 31	XX		x
Add: No. of Branches allotted but not yet opened	XX		y
Total (x + y)	XX		b
Headroom capital utilised @ ₹ 2 crore per branch (b x 2)		XX	c
Available Headroom for allotment of branches during next FY (a-c)		XX	d
No. of Branches proposed	XX		z
Available headroom after allotment of proposed branches @ ₹ 2 crore per branch [d- (z x 2)]		XX	

\* As per latest available assessed / audited figures

**Annex III****Reporting of opening / shifting / closing of a branch / EC / office/ ATM where prior approval of the Reserve Bank is not required**

<b>Sl. No.</b>	<b>Data Field</b>	<b>Response</b>
1	Name of bank	
2	Address of bank	
3	Banking license number and date of license (a copy to be attached)	
4	Area of operation (copy of relevant section of the byelaws to be attached)	
5	Date of passing of the resolution declaring the bank in compliance with ECBA (a copy of the Board Resolution to be attached)*	
6	Total number of branches (at the end of previous financial year as per Audited annual report)	
7	Has valid authorization from the Reserve Bank been obtained for all the existing branches? If no, details thereof.	
8	Nature of action (opening / shifting / closing / splitting)	
9	Date of action	
10	Date of passing of Board Resolution (a copy of the Board Resolution to be attached)*	
11	Type of place of business (branch / EC / office / ATM)	
12	Current address of place of business*	
13	Details of base branch (in case of ECs /	

	ATMs)*	
14	Old / original address and opening date of place of business (in case of closing / shifting / splitting)*	
15	Date of reporting on CISBI portal (please report on CISBI portal before sending this annexure)	
16	Whether any current Director and / or their family members have any interest in the leased / rented / acquired premises used by bank. If yes, details thereof (attach extra sheet if necessary).	
Note: Separate statements may be submitted for each action.		
* Please Strike out items which are not relevant.		

**Format of declaration of the institution in the premises of which the Extension Counter is to be opened**

Date:

1. We have requested \_\_\_\_\_ to open its extension

(Name of the bank)

counter in the premises of \_\_\_\_\_

(Name and full address) of the institution

for the benefit of the following persons attached to the above institution.<sup>®</sup>

- \* Workers .....
- \* Staff / Employees .....
- \* Students .....
- \* Teachers .....

} Please indicate actual numbers

<sup>®</sup> (where there is more than one institution being managed by the authority issuing this letter which are also to be benefited by the extension counter, the names of these institutions, their distance from the proposed location of the extension counter, the number of students / staffs, etc. attached separately to each of the institutions, the name and the distance of their bankers should also be indicated separately.)

\* Strike out whichever is not applicable.

2. (a) \_\_\_\_\_

(Name of the bank and place)

is our principal banker.

We also deal with the following bankers (give names of bankers and their distance from the institution)

1. \_\_\_\_\_

2. \_\_\_\_\_  
3. \_\_\_\_\_

(b) Extent of our Accounts with the principal banker and other bankers as on

\_\_\_\_\_ 20 \_\_\_\_\_

(Latest position please)

	Name of the Bank	Type of account/s maintained	Amount (₹ crore)
1.			
2.			

3. We undertake to provide necessary accommodation for the extension counter within the premises of our institution (mentioned at Sr. No.1 above)

4. We have no objection to the bank to provide safe deposit lockers and allow outsiders also to have access to the extension counter.

5. If the extension counter is allowed to a bank other than the principal banker, the reasons therefor.

6. Whether a similar letter to any other banker for the purpose has been issued.

(Signature of Competent Authority  
on behalf of the institution mentioning  
designation and seal, if any)

## Conditions related to Doorstep Banking Services

### Services to be offered

1. Eligible banks can voluntarily offer the following banking services to individual customers / natural persons at their doorstep: -
  - a) Pick up of cash against receipt;
  - b) Pick up of payment instruments against receipt;
  - c) Delivery of demand drafts against withdrawal from account;
  - d) Delivery of cash against withdrawal from account either against cheque received at the counter or request received through any secured convenient channel, such as phone banking, internet banking, etc;
  - e) Submission of Know Your Customer (KYC) documents;
  - f) Submission of Life Certificate.
2. The banks which offer services of pick-up of cash shall take suitable steps to educate their employees and agents to enable them to detect forged and mutilated notes so as to avoid frauds and disputes with customers.
3. Mode of Delivery:
  - a) Through own employees
  - b) Through Agents (permitted only for Tier 3 and 4 UCBs)
4. Where banks engage the services of Agents for delivery of services, it should be ensured that the policy approved by the Board lays down the broad principles for selection of agents and payment of fee / commission etc. Banks must refer to the Reserve Bank of India (Urban Co-operative Banks – Managing Risks in Outsourcing) Directions, 2025 and ensure that the principles enumerated therein are complied with while offering Doorstep Banking Services.
5. Delivery process
  - a) Cash collected from the customer should be acknowledged by issuing a receipt on behalf of the bank;

- b) Cash collected from the customer should be credited to the customer's account on the same day or next working day, depending on the time of collection;
- c) At the time of collection of cash, the customer should be informed of the date of credit by issuing a suitable advice;
- d) Delivery of demand draft should be done by debit to the account on the basis of requisition in writing / cheque received and not against cash or instruments collected at the doorstep;
- e) Acknowledgment should be provided for collection of KYC documents, Life Certificate.

### **Risk Management**

6. It shall be ensured that the agreement entered into with the customer does not entail any legal or financial liability on the bank for failure to offer doorstep services under circumstances beyond its control. The services should be seen as a mere extension of banking services offered at the branch and the liability of the bank should be the same as if the transactions were conducted at the branch. The agreement should not provide any right to the customer to claim the services at his doorstep.

7. The bank should provide cash limits (for collection as well as delivery) for their employees / agents and customers, for doorstep banking. The bank should also take all necessary steps to contain technology risk while providing these services.

### **Transparency**

8. Charges, if any, to be levied on the customer for doorstep services should be incorporated in the policy approved by the Board and should form part of the agreement entered into with the customer. The charges should be prominently indicated on the banks' website and brochures offering doorstep services.

### **9. Other conditions**

- a) Banks shall ensure compliance with the Reserve Bank of India (Urban Co-operative Banks – Know Your Customer) Directions, 2025 with regard to customer identification procedures while offering doorstep services to their customers.

- b) The services should be offered at either the residence or office of the customer as opted by the customer, the address of which should be clearly and explicitly mentioned in the agreement.
- c) The agreement / contract with the customer shall clearly specify that the bank will be responsible for the acts of omission and commission of its 'agent'.
- d) Banks shall keep in view the restrictions imposed by Section 10 (1) (b) (ii) of the Banking Regulation Act, 1949, while making payments for the services outsourced.

#### 10. Redressal of Grievance

- a) Banks should constitute an appropriate Grievance Redressal Machinery internally for redressing complaints about services rendered by its employees / agents. The name and telephone number of the designated Grievance Redressal Officer of the bank should be made available to the customers including on the bank's website. The designated officer should ensure that genuine grievances of customers are redressed promptly.
- b) If a complainant does not get satisfactory response from a UCB within 30 days from the date of lodging the complaint, the complainant will have the option to approach the RBI Ombudsman (in case the complaint is against Scheduled Primary (Urban) Co-operative Banks and Non-scheduled Primary (Urban) Co-operative Banks with deposit size of ₹50 Crore and above, as on the date of the audited balance sheet of the previous financial year) or the concerned Regional Offices of RBI for redressal of grievances.

## **Annex VI**

### **Guidelines for UCBs on the use of CISBI**

The Department of Statistics and Information Management (DSIM), Reserve Bank of India is the nodal department for CISBI and co-ordinates with other the Reserve Bank departments, banks, other financial institutions and stakeholders.

2. Under this system, information related to Bank, Branches, Office, NAOs, other fixed customer service points (CSPs) (e.g., ATMs, etc.) must be submitted in CISBI. For accessing CISBI, each bank is allotted two types of user IDs: (i) "Bank Admin ID" and (ii) "Bank User ID". the Reserve Bank (DSIM-BBSD) will create single "Bank Admin ID" for each bank, who in turn would create multiple "Bank User IDs". Banks can update information related to their bank by using "Bank Admin ID" and can report new branches / offices / NAOs / CSPs or can report any change in status / address, closure / merger / conversion / relocation / upgradation, etc. of existing branches / offices / NAOs / CSPs by using both the IDs. However, only "Bank Admin ID" (and not "Bank User ID") can make changes in the information related to their Bank.

3. All the UCBs are required to submit the above information in CISBI which will be validated and published by the Reserve Bank. For getting "Bank Admin ID", a bank should provide an authorised email ID on which the Reserve Bank can forward "Bank Admin ID" and its password in two different emails. A new UCB seeking reporting access to CISBI, should contact the Reserve Bank with a request letter providing details of the bank's nodal person, an email ID for receiving the login credentials and certain basic documents as under:

- a) Certificate of incorporation from the Registrar of Co-operative Societies / Central Registrar of Co-operative Societies.
- b) License / Authorization to carry on banking business from the Reserve Bank.
- c) A letter of commencement of business in India.
- d) The Press release by the Reserve Bank regarding commencement of business.
- e) A copy of registered Bye Laws.

4. Based on the documents, as mentioned above, the Reserve Bank will open an account of the bank in CISBI system by filling its "Basic Details" in the system.

5. System will generate the “Bank Admin ID” and will automatically send email notification of “Bank Admin ID” and its Password (in two separate emails) on the designated email ID of the bank.
6. Bank should login on the CISBI portal (<https://cisbi.rbi.org.in>) using its allotted “Bank Admin ID” and change the allotted password on the first login.
7. Bank should fill all other information pertaining to the bank and submit on the CISBI portal. the Reserve Bank will validate and publish the information in CISBI.
8. After submission of the complete information related to the bank, CISBI will generate Bank-Code and Bank Working Code.
9. After getting the Bank / Bank Working Code, the bank can create “Bank User ID” for its internal users. Management of “Bank User ID” will remain the responsibility of the bank.
10. Banks can submit the information related to their new branch / office / NAIOs / CSPs as per the proforma by login through “Bank Admin ID” or “Bank User ID”.
11. For reporting any change in the existing information, banks should edit the existing information and indicate the effective date of change.
12. Banks can also use the facility to access / download the data relating to them.
13. “Instructions for Filling Proforma” are given in Annex II of CISBI.
14. Banks must reset the password every three months. In case the password expires, or it is forgotten, they can login on CISBI and (a) Use “Bank Admin ID” to reset the password for Bank User ID” and (b) contact CISBI helpdesk for resetting the password of “Bank Admin ID”.
15. All the changes will be reflected in the system and accordingly will go in the database only after the approval of the Reserve Bank.
16. Nil Report: Nil report will show the status of the bank in CISBI, i.e., total number of functioning branches / offices / NAIOs / other fixed customer service points (CSPs) (ATMs etc.) as on last day of the month as well as opened/closed during the month. Report will be generated from CISBI itself and banks will authenticate that the information in CISBI is correct and updated. If a bank finds any difference in the “Nil

Report" generated by CISBI and the actual status, it should first update the information in CISBI, then generate "Nil Report" and submit it through CISBI. (No hard copy is required).

17. In the last week of every month, banks shall generate 'NIL Report' for position as on last day of previous month, authenticate it and submit on CISBI. For example, 'NIL Report' for the month of June 2025 shall be generated and submitted in the last week of July 2025.

**Information to be furnished by a bank not complying with provisions of section 11 (1) of the Banking Regulation Act, 1949 (AACS) for obtaining prior approval of the Reserve Bank for shifting of its offices, sale / surrendering of existing premises or for acquisition of new premises on ownership / leased rental basis**

<b>A. Profile of the bank</b>			
(i) Name of the bank			
(ii)(a) Address of the Head Office / Administrative office			
(iii) Registered address of the bank			
Total No. of offices			
<b>B. Financial position of the bank for last three financial years</b>			
	(₹ crore)		
	March 20	March 20	March 20
(i) Share capital			
(ii) Reserve Fund (please furnish details of various funds)			
(iii) Deposits			
(iv) Borrowings			
(v) Loans and advances			
(vi) Gross NPA (amount and % age up to two decimal)			
(vii) Net NPA (amount and % age up to two decimal)			
(viii) CRAR (% up to two decimal)			
(ix) Net Profit (+) / Loss (-)			
(x) Audit classification			
<b>C. Sale of owned premises/surrendering of existing premises taken on lease / rental basis</b>			
(i) Address of the premises proposed to be sold / surrendered			
(ii) Market value / present rent/lease fee			
(iii) Total floor space			

(iv) Whether any of the bank's board members or their relatives or office bearers have financial interest in leased / rented premises	
(v) The reasons for selling / surrendering	
<b>D. Acquisition of new premises on ownership / lease/ rental basis</b>	
(i) Name and address of the premises	
(ii) Name and address of owners from whom premises / property is to be purchased / taken on lease or rental basis	
(iii) Estimated cost / amount of lease or rent / taxes etc.	
(iv) Total floor space	
(v) Whether any of the bank's board members or their relatives or office bearers have financial interest in proposed premises	
<b>E. In case the sale / purchase of the premises at C&amp;D above involves shifting of bank's office</b>	
(i) Name and address of the premises from which office/ departments is / are proposed to be shifted.	
(ii) Licence No. / Permission for opening the above offices / department	
(iii) (a) Name and address of the premises to which above office/department is / are proposed to be shifted. (b) Total floor space of the new premises.	
(iv) Distance between the premises at (i) and (iii) above.	
(v) Whether all departments / entire office of the bank presently functioning at address at (i) above are / is proposed to be shifted.	
(vi) If answer at (v) is "no", please indicate – (a) Name of all departments / offices functioning at existing premises. (b) The departments which will continue to function at	

the existing place after proposed shifting	
(vii) Reasons for shifting (please enclose supporting documents)	
<b>F. In case of proposed shifting of Head Office/Administrative Office</b>	
(i) Will the bank's registered address also be changed or not?	
(ii) Will the bank's byelaw need amendment?	
(Please enclose a copy of the byelaws)	

Date:

Signature\_\_\_\_\_