

RBI/2006-2007/283
DCM (NPD) No.6316/09.40.02/2006-07

March 9, 2007

The Chairman & Managing Director /
Managing Director / Chief Executive Officer,
All Banks having currency chests

Dear Sir / Madam,

Incentive for improving service to non-chest bank branches

Please refer to our circulars DCM (NPD) No. G.30/ 09.39.00/2001-02 dated March 23, 2002 and DCM (NPD) No. G.9 /09.39.00/2002-03 dated September 23, 2002 on the captioned subject.

2. It has been decided to allow the currency chest holding banks to enhance the 'service charges' from the existing rate of Re.1/- per note packet of 100 pieces to Rs.2/- per packet to be levied on cash deposited by the non-chest bank branches with effect from April 01, 2007. The constituent banks may be advised well in advance in this regard.

3. The exemption granted to Co-operative banks and Regional Rural Banks on their cash deposits for the purpose of transfer of funds under the Reserve Bank of India's Remittance Facility Scheme would however, continue.

4. Please acknowledge receipt.

Yours faithfully,

(R. Muralidharan)
General Manager