

All State Co-operative Banks,
All Central Co-operative Banks,
All Primary Co-operative Banks

Dear Sir,

The Banking Laws (Application to Co-operative Societies) Act, 1965

In continuation of our circular No. ACD.BR.333/A.1-65/66 dated 9th February, 1966 (Annexure) on the above subject, pending the formal framing of the Rules under the Banking Regulation Act, 1949, as applicable to co-operative societies, the co-operative banks are requested to note the following instructions in regard to the submission of application for licence under Section 22 of the Banking Regulation Act and the various other returns for the purposes of the Act:

1. Regional Office of the Agricultural Credit Department to which the returns to be submitted

The returns prescribed in the following paragraphs should be submitted by a co-operative bank from its registered office to the Regional Office of the Agricultural Credit Department situated in the State in which the co-operative bank has its registered office. A list showing the Regional Offices of the Agricultural Credit Department to which the co-operative banks in different States have to submit the returns, is enclosed for the guidance of the co-operative banks.

2. Date of returns

Where a return prescribed hereunder relates to a particular day or date, the return should be prepared on the basis of the figures of that day or date in respect of offices working on that day or date, and the preceding working day's figures in respect of offices where that day or date is a holiday.

3. Address of the Registered Office

A co-operative bank should intimate to the Regional Office of the Agricultural Credit Department indicated above, the address of its office responsible for the submission of the returns within one month from the date of this circular and any change in such address, within one month of such change.

4. List of officers

A co-operative bank should submit, not later than one month from the date of this circular, to the Regional Office of the Agricultural Credit Department, a written statement containing a list of -

- (a) the names, the official designations and specimen signatures of the officers who authorised to sign on behalf of the co-operative bank the returns required to be submitted by it, and
- (b) the names and addresses of the directors of the co-operative bank.

If any change takes place in the above lists, such changes should be intimated to the Regional Office of the Agricultural Credit Department within one month from the occurrence of such change.

5. Statement of cash reserve (Form I)

The cash reserve statement required to be submitted by a co-operative bank, for the purposes of section 18 of the Banking Regulation Act, 1949, should be submitted every month in Form 1 (copy enclosed) to the Regional Office of the Agricultural Credit Department before the fifteenth day of the month succeeding that to which the statement relates. The first such return should relate to the month of March 1966 and should be submitted before 15th April 1966.

6. Statement of unsecured loans and advances (Form 11)

The statement showing unsecured loans and advances (including bills purchased and discounted) to companies (other than those in which the co-operative bank is prohibited to make unsecured loans and advances) (vide section 20 of the Act) should be submitted every month in Form II (copy enclosed) to the Regional Office of the Agricultural Credit Department before the close of the month succeeding that to which the statement relates. The first return should relate to the month of March, 1966 and should be submitted before 30th April 1966.

7. Licensing of Co-operative banks (Forms III and IV)

A co-operative society or a co-operative bank desiring to have a licence under section 22 of the Banking Regulation Act should submit its application in duplicate to the Regional office of the Agricultural Credit Department in the forms specified below :

- (a) in the case of a co-operative society desiring to commence banking business as a co-operative bank after the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, in Form III (copy enclosed);
- (b) in the case of a co-operative society which at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, is carrying on the business of banking or which after such commencement becomes a co-operative bank, and desires to carry on the business of banking, in Form IV (copy enclosed). All State, central and primary co-operative banks which were carrying on the business of banking at the commencement of the above Act should submit their applications before 31st May 1966.

8. Opening of new places of business (Form V)

Applications by a co-operative bank for permission of the Reserve Bank to open a new place of business or to change the location of an existing place of business under section 23 of the Banking Regulation Act, should be submitted in duplicate in Form V (copy enclosed) to the Regional Office of the Agricultural Credit Department.

9. List of offices (Form VI)

All State, central and primary co-operative banks should submit a quarterly statement showing the list of their offices in Form VI (copy enclosed) to the Regional Office of the Agricultural Credit Department within one month from the close of every quarter, namely, 31st March, 30th June, 30th September and 31st December. The first return should relate to the quarter ending 31st March, 1966 and the same should be submitted before 30th April 1966.

10. Statement of liquid assets (Form VII)

The monthly statement showing demand and time liabilities and cash, gold and unencumbered approved securities (vide sub-section(3) of section 24 of the Banking Regulation Act) should be submitted in Form VII (copy enclosed) to the Regional Office of the Agricultural Credit Department not later than 15 days after the end of the month to which it relates.

The return in this Form is to be submitted for the first two years from the commencement of the Act i.e. upto 1st March, 1968 or for such further period as the Reserve Bank may allow. The first return will relate to the month of March 1966 and will have to be submitted to the Regional Office of the Agricultural Credit Department before 15th April 1966. In this connection it may be noted that according to the provisions of the Act, liquid assets at the prescribed rate have to be maintained by the co-operative banks on a day-to-day basis. For this purpose, a register with suitable columns will have to be maintained by the co-operative banks for ensuring that the liquid assets maintained by them are not less than the rate prescribed under the Act as at the close of business on each day during the month.

11. Statement of unclaimed deposits (Form VIII)

The annual return showing the unclaimed deposit accounts which have not been operated for 10 years or more to be furnished for the purposes of section 26 of the Banking Regulation Act should be submitted every year in Form VIII (copy enclosed) within thirty days after the close of each calendar year. The first such return would relate to the calendar year 1966 and should be submitted before 30th January 1967.

12. Statement of assets and liabilities (Form IX)

The statement showing the assets and liabilities in India as at the close of business on the last Friday of every month to be submitted as required by sub-section (1) of section 27 of the Banking Regulation Act should be furnished in Form IX (copy enclosed) to the Regional Office of the Agricultural Credit Department before the close of the month succeeding that to which the statement relates. The first return will be as at the close of business on Friday, the 25th March 1966 and should be submitted before 30th April 1966.

13. The above returns have been called for in terms of sub-section (2) of section 27 of the Banking Regulation Act as applicable to co-operative societies. In case your bank wants to obtain any further clarification on any points regarding submission of returns, etc. such enquiries may be addressed to the Regional Office of the Agricultural Credit Department concerned.