

# **Draft Reserve Bank of India (Urban Co-operative Banks - Miscellaneous) Directions**

## **DRAFT FOR COMMENTS**

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## **Reserve Bank of India (Urban Co-operative Banks - Miscellaneous) Directions**

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In exercise of powers conferred by Section 35A read with Section 56 of the Banking Regulation Act, 1949, as amended vide Banking Regulation (Amendment) Act 2020 (39 of 2020) and all other provisions / laws enabling the Reserve Bank of India ('RBI') in this regard, RBI being satisfied that it is necessary and expedient in the public interest to do so, hereby issues these 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 - Miscellaneous) 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 'banks' and individually as a '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 otherwise requires,
  - (1) 'BR Act' means the Banking Regulation Act, 1949 (10 of 1949); and
  - (2) 'DICGC' means the Deposit Insurance and Credit Guarantee Corporation established under Section 3 of the Deposit Insurance Corporation Act, 1961;
5. All other expressions, unless defined in the individual chapters below, shall have the same meaning as have been assigned to them under the Reserve Bank of India Act, 1934, or the Banking Regulation Act, 1949, or any statutory modification or re-enactment thereto, or Glossary of Terms published by the RBI, or as used in commercial parlance, as the case may be.

## **Chapter II – Role of the Board**

### **A. Board Approved Policy**

6. A bank shall have a Board-approved policy for ‘Mandatory Leave’ as specified in paragraph 48 of these Directions and the same shall be periodically reviewed and updated.

### **B. Key Responsibilities**

7. The Board shall decide whether to extend ATM facility to Kisan Credit Card holders, as per provisions of paragraph 31 of these Directions.

## **Chapter III – Depositor Education and Awareness Fund**

### **A. Definitions**

8. In this chapter, unless the context otherwise requires, the terms herein shall bear the meanings assigned to them below:
- (1) 'Committee' means the Committee constituted under the Fund;
  - (2) 'Fund' means the Depositor Education and Awareness Fund established by RBI under the [Scheme notified vide Gazette Notification dated May 24, 2014](#), hereinafter referred to as the Scheme;
  - (3) 'Liquidator' means liquidator of a bank appointed under any law for the time being in force;
  - (4) 'Principal amount' means the amount, including interest, transferred by a bank to the Fund in terms of Section 26A of the Act; and
  - (5) 'Amount due' means any credit balances in any account or any deposit in a bank remaining unclaimed or inoperative for ten years or more;

### **B. Credits to the Fund**

9. A bank shall credit to the Fund the credit balance in any of the following deposit account maintained with the bank which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more, which shall include:
- (i) savings bank deposit account;
  - (ii) fixed or term deposit account;
  - (iii) cumulative / recurring deposit account;
  - (iv) current deposit account;
  - (v) other deposit account in any form or with any name;
  - (vi) cash credit account;
  - (vii) loan accounts after due appropriation by the bank;

- (viii) margin money against issue of Letter of Credit / Guarantee etc., or any security deposit;
- (ix) outstanding telegraphic transfers, mail transfers, demand drafts, pay orders, bankers cheques, sundry deposit accounts, vostro accounts, inter-bank clearing adjustments, unadjusted National Electronic Funds Transfer (NEFT) credit balances and other such transitory accounts, unreconciled credit balances on account of Automated Teller Machine (ATM) transactions, etc.;
- (x) undrawn balance amounts remaining in any prepaid card issued by the bank but not amounts outstanding against travellers cheques or other similar instruments, which have no maturity period;
- (xi) rupee proceeds of foreign currency deposits held by the bank after conversion of foreign currency to rupees in accordance with extant foreign exchange regulations; and
- (xii) such other amounts as may be specified by RBI from time to time.

*Explanation:* A bank shall deposit the amounts to be credited to the Fund in the specified account maintained with RBI. The procedure for transfer is specified in paragraph **Error! Reference source not found.** of these Directions.

10. A bank shall transfer to the Fund the entire amount as specified in the above paragraph, including the accrued interest that the bank would have been required to pay to the customer / depositor as on the date of transfer to the Fund.
11. Any expenditure incurred for the promotion of depositors' education, awareness, interests and other purposes that may be specified by RBI under Section 26A (4) of the Act, shall be charged to the Fund.

### C. Refunds and Interest

12. In case of demand from a customer / depositor (or legal heirs in case of deceased depositors) whose unclaimed amount / deposit had been transferred to the Fund, a bank shall repay the customer / depositor, along with interest if applicable, and lodge a claim for refund from the Fund for an equivalent amount paid to the customer / depositor.

*Explanation:* While there is no specific time limit prescribed in the Scheme for claiming a refund from the Fund by a customer / depositor, customers, depositors or legal heirs [in case of deceased depositor(s)] are encouraged to claim such amounts as soon as they become aware of unclaimed amounts.

13. The interest payable, if any, from the Fund on a claim shall accrue only from the date on which the balance in an account was transferred to the Fund to the date of payment to the customer / depositor. No interest shall be payable in respect of amounts refunded from the Fund, in respect of which no interest was payable by the bank to its customer / depositor.
14. A bank shall calculate the interest payable (by a bank to its depositors / claimants) on principal amount of unclaimed interest bearing deposits transferred to the Fund at the rate of 4 percent per annum up to June 30, 2018, 3.5 percent w.e.f. July 1, 2018 up to May 10, 2021 and at 3 percent with effect from May 11, 2021 till the time of payment to the depositor / claimant. Changes to the rate of interest, if any, payable on the principal amount transferred to the Fund shall be specified by RBI from time to time.

*Explanation:* The amount of interest payable in this behalf shall be calculated in the manner specified in paragraph 18 of these Directions and by rounding off the amount of interest to the nearest rupee.

15. In the case of a bank under liquidation, during the pendency of the liquidation proceedings, if any claim is received from depositors whose deposits were covered by DICGC insurance at the time of transfer to the Fund, the Fund shall pay to the liquidator, an amount equal to the amount that could have been claimed from DICGC with respect to such deposits, and with respect to all other amounts paid by the liquidator towards the amounts transferred to the Fund, whether insured by DICGC or not, the Fund shall reimburse the liquidator.

*Explanation:* In the case of a bank under liquidation, the depositor has to approach the Liquidator of the bank for claim and the Liquidator shall settle the claim as per the following procedure:

- (i) **Scenario 1: Claim on deposits covered by DICGC** - If the deposits of a customer / depositor were covered by DICGC insurance at the time of transfer

to the DEA Fund, then the Liquidator can claim an amount equivalent to what could have been claimed from DICGC, and then make payment to the depositor. If the above deposit amount is more than the insurance cover of DICGC, then the Liquidator shall claim the amount in excess of DICGC insurance cover only on reimbursement basis i.e., the Liquidator shall pay such amount to the depositor subject to meeting all the applicable requirements and thereafter submit a claim to DEA Fund for reimbursement.

(i) **Illustration 1 (DICGC insurance cover is up to ₹5 lakh):** A customer / depositor had a deposit claim of ₹4 lakh in a bank (including accrued interest), which is now under liquidation. The deposit was insured by DICGC at the time when the said unclaimed deposit was transferred to the Fund. Now, if the customer / depositor claims the same during the liquidation process, the following steps shall be followed:

- (a) The customer / depositor / legal heir submits a claim for their deposit to the liquidator.
- (b) Liquidator raises an equivalent claim of ₹4 lakh from the Fund along with necessary supporting documents
- (c) The Fund will pay an amount equal to the insured deposit to the Liquidator. (In this case, i.e., ₹4 lakh since DICGC insurance cover is available up to ₹5 lakh)
- (d) The Liquidator, after receiving the amount from the Fund, will pay to the customer / depositor i.e., ₹4 lakh.

(ii) **Illustration 2 (DICGC insurance cover is up to ₹5 lakh):** A customer / depositor had a deposit claim of ₹6 lakh in a bank (including accrued interest), which is now under liquidation. The deposit was insured by DICGC at the time when the unclaimed deposit of the customer / depositor was transferred to the Fund. Now, if the customer / depositor claims the same during the liquidation process, the following steps shall be followed:

- (a) The customer / depositor / legal heir submits a claim for their deposit to the liquidator.

- (b) Liquidator raises an equivalent claim of ₹6 lakh from the Fund along with necessary supporting documents.
  - (c) The Fund shall pay an amount equal to the insured deposit to the Liquidator. (In this case, i.e., ₹5 lakh, since DICGC insurance cover is available up to ₹5 lakh)
  - (d) For the remaining amount (i.e., ₹1 lakh) the Liquidator shall make the payment to depositor subject to meeting all the applicable requirements and then claim for the same from the Fund by way of reimbursement.
- (ii) **Scenario 2: Claim on deposits not covered by DICGC** - In respect of deposits not covered by DICGC at the time of transfer to Fund, the payment to the Liquidator by the Fund shall be made only on reimbursement basis (i.e., the Liquidator can only seek as a reimbursement after settling the amount to the customer / depositor) as mentioned in Illustration 2 above.

#### D. Registration Guidelines

16. **Registration in e-Kuber system:** A bank, if not already registered under the DEA Fund Module of the e-Kuber system, shall expeditiously register itself as a prerequisite to remit the unclaimed amounts due and submit refund claims, as defined in the Scheme, in electronic form through e-Kuber system. A member bank, i.e., a bank with direct access to the e-Kuber system, shall share two e-mail ids with [dea.fund@rbi.org.in](mailto:dea.fund@rbi.org.in) to complete the registration process while a non-member bank shall provide two e-mail ids to its sponsor bank to complete the registration process. On completion of registration process, further communication from RBI shall be sent only to the two e-mail ids registered in the e-Kuber system.
17. **Authorised signatories:** A bank shall designate up to a maximum of 10 officers as authorised signatories to operate the bank's DEA Fund account jointly, who shall be responsible for authorising the applicable returns under the DEA Fund Scheme. It shall submit to RBI a certified true copy of the Resolution / Decision / Authorisation (in Hindi or English) of the Board / MD&CEO / ED / Committee of Executives empowered for the purpose along with the list of authorised signatories. Any update

in the authorised officials shall be furnished in the prescribed format ([Annex I](#)), with details of both Resolution / Decision / Authorisation and specimen signatures of all the authorised signatories.

*Explanation:* A bank, while communicating the changes made, shall ensure to submit details of all such authorised signatories and their specimen signatures to RBI, instead of furnishing only the additions or deletions made.

## **E. Procedural Guidelines for Transfer and Claim**

18. **Procedure for transferring unclaimed amount to the Fund:** A bank shall transfer to the Fund, the amounts becoming due in each calendar month (i.e., proceeds of the inoperative accounts and balances remaining unclaimed for 10 years or more) as specified in paragraph 10 of these Directions, i.e. including the interest accrued on interest bearing accounts till the date of transfer, during the last five working days of the subsequent month. Before transferring the amount due to the Fund, the bank shall ensure that all legal obligations relating to the same, till that date, including those pertaining to taxes deductible and payable, are met or adequate arrangements are made for the same.
  - (1) **Member bank's own account** - A member bank shall transfer to the Fund, the entire amount due through e-Kuber system under the module "DEA Fund Services". When a member bank is crediting amount due to the Fund, it shall furnish its DEA Fund Code in the "Bank DEA Fund Code" field and the detailed breakup (number of accounts and amount) of the deposits, viz., interest bearing deposits, non-interest bearing deposits and other credits, which also includes non-interest bearing amount (i.e., any amount other than deposits remaining unclaimed as defined in paragraph 9 of these Directions), in the fields provided for the same in the e-Kuber system.
  - (2) **Other bank's (non-member) account** - In case a sponsor bank is remitting the amounts due of non-member banks, it shall not consolidate but separately remit the amount bank-wise to the Fund, by indicating appropriate Bank DEA Fund Code of the other (non-member) bank in the field provided in the e-Kuber. It shall also provide the detailed break-up (number of accounts and amount) of

the deposits, viz., interest-bearing deposits, non-interest bearing deposits and other credits in the respective fields, i.e., the fields designated for the same, in the e-Kuber system.

19. Window for transferring unclaimed amount and submission of claim

- (i) **Deposit Window:** A bank shall ensure correctness of the amount and transfer unclaimed amounts / deposits to the Fund through e-Kuber during the last five working days of every month. A bank (including a non-member bank) shall effect only one transfer of unclaimed amounts per month. A non-member bank shall transfer the unclaimed amounts / deposits to its sponsor bank (through normal banking channel), sufficiently in advance of the due date, to enable the sponsor bank to transfer the same to the Fund through e-Kuber system. On receipt of the amount transferred to the Fund, an auto generated acknowledgement receipt will be directly sent from e-Kuber system to the registered e-mail ids of the bank.
- (ii) **Claim Window:** A bank shall ensure correctness of the amount and submit claim from the Fund in e-Kuber system during the first 10 working days of every month. A bank shall submit only one consolidated claim per month. A non-member bank shall submit the claim to its sponsor bank sufficiently in advance of the due date, to enable the sponsor bank to submit the same to RBI through e-Kuber system.

20. Procedure for submitting claim

- (1) In case of demand from a customer / depositor, whose unclaimed amount / deposit had been transferred to the Fund, a bank shall repay the customer / depositor, along with interest, if applicable, and thereafter, lodge a claim for refund from the Fund for an equivalent amount paid to the customer / depositor. In case of any claim made by the customer / depositor for refund of only part amount, the bank shall repay the customer accordingly by making the account operative and keep the remaining amount (including the interest, if any) in the account, and thereafter lodge a claim for the entire amount from the Fund.

*Explanation:* A bank may refer Reserve Bank of India (Rural Co-operative Banks – Responsible Business Conduct) Directions, 2025 for operational guidelines on activation of inoperative accounts.

- (2) On submission of a claim, an auto generated **Form II** ([Annex III](#)) from the e-Kuber system will be sent to the registered e-mail ids of the banks / non-member banks. A bank shall submit a printout of the auto generated **Form II** signed by the authorised officials and certified by the bank's auditors (internal / concurrent) to RBI, by e-mail and/or by post, within three working days of its submission on the e-Kuber system. The bank / non-member bank shall also submit a copy of the latest half-year **Form III** (Reconciliation Certificate – [Annex VII](#)) and Annual Certificate ([Annex VIII](#)), *while submitting the first claim during the half-year / year, as the case may be*, along with the claim form - **Form II**, else it will result in non-consideration of claim of the bank.
- (3) The claim will be examined by RBI. In case of a member bank, if the claim is in order, the claimed amount will be credited to the account of the member bank maintained with RBI by the end of the same month. In case of claims from the Fund by a non-member bank, RBI will credit the account of the sponsor bank and the sponsor bank shall credit the same to the non-member bank. The claim settlement / rejection advice will be sent on the registered e-mail ids.
- (4) The claims will be processed by RBI based on the information provided by a bank in **Form II**. Therefore, the onus of making correct refund claims from the Fund shall lie solely with the bank.
- (5) While a bank is not required to provide the customer-wise details in case of refund claims in **Form II**, it shall maintain the customer-wise details of claims at its end, duly certified by its auditors (internal/concurrent), which RBI may seek at a later stage / during the supervisory review process.
- (6) Proper due diligence as required under Reserve Bank of India (Rural Co-operative Banks – Know Your Customer) Directions, 2025, as amended from time to time, shall also be carried out before making payments to customers. A

bank shall verify the genuineness of the claims while making the process smoother and hassle free for the customers.

21. A bank shall have an appropriate internal operational procedure for the Fund which should specifically address error prevention mechanisms and rectification processes. Accordingly, the bank shall implement a Maker-Checker process to verify all deposit and claim entries for processing the entries.
22. A bank shall immediately report to RBI any errors, including:
  - (i) specific reasons for the error,
  - (ii) details of checks and controls implemented to prevent recurrence, and
  - (iii) assurance that such errors will not recur.

## F. Returns

23. A bank shall submit in original (unless specified otherwise), the following returns duly certified by the specified auditors to Depositor Education and Awareness (DEA) Fund, Department of Regulation, Central Office, 12th Floor, Nariman Bhavan, Vinay K Shah Marg, Nariman Point, Mumbai - 400021, as also scanned copy in pdf form by email to [dea.fund@rbi.org.in](mailto:dea.fund@rbi.org.in) :
  - (1) **Form I - Monthly Statement:** At the end of every month, irrespective of transfer of deposits, the e-Kuber system will auto generate a **Form I (Annex II)** for a bank (including a non-member bank) and send it to their registered e-mail ids. A bank (or sponsor bank on behalf of its non-member bank), after verifying the correctness of **Form I**, shall submit the same online to RBI through e-Kuber system. The auto generated Form I is confirmed only if a bank (sponsor bank in case of non-member bank) agrees with the balances shown in **Form I** by ticking the two check-boxes on the screen of e-Kuber system a) "*I Agree*" and b) "*Form has been duly audited by the bank's auditors (internal/concurrent)*".
  - (2) **Rectification Form:** If a bank (sponsor bank in case of non-member bank) does not agree with the balances given in the **Form I** with regard to the details of transfers made / claims received including non-receipt of confirmation messages, then it shall bring the same to the notice of RBI by submitting the

relevant rectification form duly signed by the two authorised officials and certified by the bank's auditors (internal / concurrent), by post and/or email, within two weeks from identification of such discrepancy. A bank shall submit its rectification requests in the prescribed forms, as under:

- (i) **Form A ([Annex IV](#))**: Deposit Related Rectification - Total deposit amount is correct but changes in accounts or amounts under Interest Bearing (IB)/Non-Interest Bearing (NIB)/Other Credits (OTH)
- (ii) **Form B ([Annex V](#))**: Deposit Related Rectification - Total deposit amount is incorrect
- (iii) **Form C ([Annex VI](#))**: Claim Related Rectification

A bank is responsible for ensuring the accuracy of these requests.

- (3) **Form III - Reconciliation Certificate**: A bank shall, for independent and periodical verification of the balances, at the end of March and September every year, prepare and keep on record a Reconciliation Certificate (RC) - **Form III ([Annex VII](#))** signed by two senior officers, other than those involved in transfer and refund claims for unclaimed deposits, and countersigned by the bank's auditors (internal / concurrent), certifying that the balances of the bank as shown in its general ledger tally with the amount reflected in the Fund account of RBI. This certificate shall be prepared and completed with auditor(s) certification within a period of one month from the end of every half-year, i.e., April 30 and October 31 respectively. A bank shall note that submission of a copy of the latest half-year RC (**Form III**) to RBI is required, only whenever a first claim of the half-year is made by the banks and shall be submitted in **Form III**, which shall contain Unique Document Identification Number (UDIN) or Internal Document Identification Number of the bank's auditors (internal / concurrent). To avoid any kind of avoidable discrepancies in reconciliation of the balances in the Fund, a bank shall take on record / account the transactions in its books on actual basis, i.e., only after settlement of claim / transfer of amount from / to the DEA Fund maintained by RBI.

- (4) **Annual Certificate by Statutory Auditor:** An Annual Certificate (AC) indicating item-wise details of outstanding amount due at the year-end shall be obtained by a bank, from its Statutory Auditors in the prescribed format ([Annex VIII](#)). The same shall be submitted to RBI within one month from the date of completion of bank's Statutory Audit but not later than September 30 of the subsequent financial year for which the AC pertains to. A bank shall furnish the AC, even if it is a 'NIL' return, to the RBI within the above stipulated period. The revised format of AC requires mandatory inclusion of UDIN of the Statutory Auditor.

#### **G. Disclosure in notes to Accounts**

24. A bank shall disclose all unclaimed liabilities (where amount due has been transferred to Fund as also the amounts transferred to Fund in its financial statements and / or under the Notes to Accounts as specified in Reserve Bank of India (Rural Co-operative Banks – Financial Statements: Presentation and Disclosures) Directions, 2025.

#### **H. Audit**

25. A bank shall ensure all entries related to Fund are audited pre and post submission, signed by both authorised signatories and the bank's auditors (internal / concurrent).
26. On the date of transferring the amount to the Fund, a bank should maintain customer-wise details verified by the concurrent auditors, including payment of up-to-date interest accrued, that has been credited to the deposit account till the date of transfer to the Fund, with respect to interest bearing deposits. With respect to non-interest bearing deposits and other credits transferred to the Fund, customer-wise details, duly audited, shall be maintained with the bank. The concurrent auditors shall also verify and certify that, as per the banks' books, the returns have been correctly compiled by the bank in the monthly and yearly returns submitted to RBI. The above returns shall also be verified by the statutory auditors at the time of annual audit.

#### **I. Preservation of Records**

27. Notwithstanding anything contained in the Banking Companies (Period of Preservation of Records) Rules, 1985, a bank shall preserve records or documents containing details of all accounts and transactions, including deposit accounts in

respect of which amounts are required to be credited to the Fund permanently; and where refund has been claimed from the Fund, a bank shall preserve records or documents in respect of such accounts and transactions, for a period of at least five years from the date of refund from the Fund.

**J. Furnishing of information**

28. If called upon by RBI or the Committee as defined at paragraph 8(1) of these Directions, to do so, a bank shall:
  - (i) pay the amount due to the Fund;
  - (ii) furnish any information sought relating to unclaimed amounts and the inoperative accounts, from time to time; and
  - (iii) submit relevant information in respect of an account or deposit or transaction for which a claim for refund has been filed.

**K. Contact details**

29. The bank shall duly furnish the updated contact details (in case of any change) by e-mail to [dea.fund@rbi.org.in](mailto:dea.fund@rbi.org.in) in the prescribed format ([Annex IX](#)) for any correspondence with RBI relating to DEA Fund Scheme.

**L. Interpretation of the provisions of the Scheme**

30. A bank may refer to the [Scheme notified in the Official Gazette on May 24, 2014](#) for other details. If any issue arises in the interpretation of the provisions of the Scheme, the matter shall be referred to RBI, and the decision of RBI thereon shall be final.

## **Chapter IV – Services and Market Operations**

### **A. ATM Facility to Kisan Credit Card (KCC) Holders**

31. A bank may, with the approval of its Board, extend ATM facility to Kisan Credit Card (KCC) holders and issue ATM-enabled debit / smart cards linked to the beneficiary's KCC account without obtaining the prior approval of RBI.

*Provided that,* the issuance of such cards shall be in accordance with the guidelines prescribed by the IBA Committee on Technology, Payment & Settlement Systems.

### **B. Participation in Currency Futures**

32. A bank authorized to undertake forex business as either Authorised Dealer Category I or II, may participate, as a client, in designated currency futures exchanges recognized by SEBI, forex subject to RBI (Foreign Exchange Department) guidelines in the matter, only for the purpose of hedging its underlying exposures.

## **Chapter V – Regulatory Compliance and Legal Matters**

### **A. Change in Bank's Name**

33. A bank desirous of change in its name shall approach the concerned Regional Office (DoR, Central Office in case of banks coming under the purview of Mumbai Office) of RBI for grant of no objection certificate (NOC), clearly stating the reason(s) for such change (as per format given in [Annex X](#)) along with the approval of the General Body of the bank.

*Explanations:*

- (i) A bank shall submit request for change of name and bye-laws, only when these are supported by valid and compelling reason/s for the proposed change.
  - (ii) RBI shall have the discretion to assess whether the reason(s) submitted by the bank are valid and compelling.
34. Under section 49C read with section 56 of BR Act, 1949, an NOC from RBI shall be necessary only in case there is a requirement for 'confirmation' from Central / State Government, one or more authority / authorities for alteration of bye-laws under the applicable Co-operative Act / Rules. It will be mandatory for a bank to give a declaration in writing regarding above mentioned requirement for 'confirmation' under the applicable Co-operative Act / Rules while submitting its request to RBI.
35. A bank shall approach the Central Registrar of Co-operative Societies (CRCS) or Registrar of Co-operative Societies (RCS), as the case may be, for amendment in its bye-laws after getting NOC from the concerned office of RBI. Once the approval is obtained from CRCS / RCS, the bank shall apply to the concerned Regional Office of RBI with the following documents:
- (a) approval of Board of Directors;
  - (b) approval of General Body of the bank;
  - (c) amended bye-laws as approved by CRCS / RCS;

- (d) copy of Certificate of Registration issued by CRCS / RCS with amended name; and
- (e) original banking licence.

*Explanation:* The CRCS / RCS shall not signify its approval to the change of name of any co-operative bank unless the Reserve Bank certifies in writing that it has no objection to such change. Further, no application for the confirmation of the alteration of bye-laws of a co-operative bank shall be maintainable unless the Reserve Bank certifies that there is no objection to such alteration.

- 36. A bank shall follow the above process for change in the name of the bank even if the name change is due to Government Notification.
- 37. A bank shall not display / operate with amended name without effecting the corresponding change in its name in the banking licence issued by RBI. Further, the displayed name of the bank shall be strictly as per the name in its banking licence.

#### **B. Display of Bank's Name**

- 38. A bank may use abbreviations / abridged name / logo etc., so long as the full name as appearing in the banking licence is also shown along with such abbreviated / abridged names in all publicity material / stationery.

*Provided that,*

- (i) the font size used for the full name shall not be smaller than the one used for its abbreviated name / abridged name / Logo; and
- (ii) the words "co-operative bank", indicating the nature of the bank, must be prominently displayed in the full name / abbreviation / abridged name/logo of the bank in equal fonts.

*Explanation:* A bank shall generally display its full name in any stationery item, publicity material, website, mobile application, advertisement, name board, etc., and the same must conform to the name as it appears in the Certificate of Registration granted by the RCS and the banking licence granted by RBI.

However, it may use abbreviations / abridged name / logo etc., as part of its brand building effort, subject to fulfilling the above requirements.

### C. Court Directives

39. A bank shall not cite or quote from the RBI circular [DBR.No.BP.BC.104/08.13.102/2017-18 dated April 06, 2018](#) as it was set aside by the Hon'ble Supreme Court on March 04, 2020 in the matter of Writ Petition (Civil) No.528 of 2018 (Internet and Mobile Association of India v. Reserve Bank of India) and is, therefore, not valid from the date of the Supreme Court judgement.

*Explanation:* A bank shall, however, continue to carry out customer due diligence processes in line with regulations governing standards for Know Your Customer (KYC), Anti-Money Laundering (AML), Combating of Financing of Terrorism (CFT) and obligations of regulated entities under Prevention of Money Laundering Act, (PMLA), 2002 in addition to ensuring compliance with relevant provisions under Foreign Exchange Management Act (FEMA) for overseas remittances.

## **Chapter VI – Financial Conduct and Prohibited Activities**

### **A. Membership of Mahila Urban Co-Operative Banks**

40. A Mahila bank shall not enrol male members as 'A' category or nominal members except as nominal members for the purpose of standing as sureties for the borrowers from the bank. Further, while enrolling proprietary / partnership firm, company / body corporate as members, the following conditions shall be complied with:
  - (i) in case of partnership firm, the majority of shareholding shall be held by women; and
  - (ii) in respect of company / body corporate, majority of shareholding shall be held by women.
41. Notwithstanding, the relaxations permitted in the Entry Point Capital Norms (EPN) for a Mahila bank to the extent of 50 percent of the minimum required capital prescribed for the general category of banks, if a Mahila Bank conforms to the extant EPN for general category banks, then it may enrol male members up to a limit of 25 percent of its total regular membership, subject to compliance by the bank with its bye-laws.

*Explanation:* Approval of the concerned Registrar of Co-operative Societies / Central Registrar of Co-operative Societies may be obtained, wherever applicable, with reference to instructions contained in paragraph 40 and paragraph 41 above.

### **B. Restriction on Holding Shares in Other Co-operative Societies**

42. Subject to the exceptions provided under Section 19 of the Act (AACS), a bank shall not, except with the permission of RBI, contribute to the share capital of a society if it is situated outside its area of operation.

*Provided that,* such investments shall be subject to limits and conditions specified in Reserve Bank of India (Urban Co-operative Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025.

### **C. Donations / Contributions for public /charitable purposes**

43. Normal donations made during a year by a bank, in aggregate, shall be restricted to a ceiling of one per cent of the published profits of the bank for the previous year. Such normal donations, together with those that may be made to National Funds and

other funds recognized / sponsored by the Central / State Government, during a year, shall not exceed two per cent of the published profits of the bank for the previous year.

Provided that, a bank carrying accumulated losses in its balance sheet shall not be eligible to make donations.

*Explanation:* The restriction in paragraph 43 shall be applicable to all banks notwithstanding funds, if any, available in the charity fund or any similar reserve created under the provision of any other legislation.

44. A bank is prohibited from giving donations to trusts and institutions, where directors, and / or their relatives hold interest, even within the permissible ceiling specified in paragraph 43 above.

*Explanation:* For the purpose of this paragraph,

- (i) a person shall be deemed to be a relative of another, if and only if:
- (a) they are members of a Hindu Undivided Family; or
  - (b) they are husband and wife; or
  - (c) the one is related to the other in the manner indicated below:
    - Father
    - Mother (including step-mother)
    - Son (including step-son)
    - Son's wife
    - Daughter (including step-daughter)
    - Daughter's husband.
    - Brother (including step-brother)
    - Brother's wife
    - Sister (including step-sister)
    - Sister's husband

- (ii) "interest" shall mean "trust in which directors/relatives of directors hold positions as trustees or are beneficiaries or involved in any capacity in the working of the trust, which is likely to influence the independence of the directors."

#### **D. Payment of Bonus**

45. A bank shall note that Ministry of Labour Employment and Rehabilitation had notified co-operative banks as banking companies for the purposes of Section 2(8) of the Payment of Bonus Act, 1965 vide notification No. WB20(36)/66 dated the 10 June 1966.

#### **E. Prohibition on Association with Prize Chit Schemes and Sale of Lottery Tickets**

46. Pursuant to the Prize Chits and Money Circulation Schemes (Banning) Act, 1978, which bans the promotion and conduct of prize-chit schemes except by charitable and educational institutions notified in that behalf by the state governments concerned, a bank shall desist from participating or associating in such prize-chit schemes floated by any person, firm or any of the non-banking financial institutions in any form.
47. A bank shall not associate itself directly or indirectly with lottery schemes of organisations of any description.

*Explanation:* Lottery falls within the expression "prize chit" under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978. Further, sale of lottery tickets on bank counters could be open to abuse and avoidable complaints from members of public.

## **Chapter VII – Operational and Administrative Matters**

### **A. Mandatory Leaves**

48. A bank shall, as per the Board-approved policy referred to in paragraph 6 above, prepare a list of sensitive positions to be covered under 'mandatory leave' requirements and the list shall be reviewed periodically.
49. As per the mandatory leave policy, the employees posted in sensitive positions or areas of operation shall be compulsorily sent on leave for a few days (not less than 10 working days) in a single spell every year, without giving any prior intimation to these employees, thereby maintaining an element of surprise.
50. A bank shall ensure that employees, while on mandatory leave, do not have access to any physical or virtual resources related to their work responsibilities, except internal / corporate email which is usually available to all employees for general purposes.

### **B. Implementation of Best Practices**

51. A bank may, at its discretion, implement the following illustrative best practices observed in well-managed banks and may put in place any other practices which would result in better customer service and business development:

- (1) Resource mobilization and deployment of resources - maintenance of liquidity - compliance with CRR / SLR requirements
  - (i) Frame and put in place a well-documented and comprehensive Investment policy so that compliance to CRR / SLR is ensured;
  - (ii) Separate duties of Investment Department into Front Office, Mid-Office and Back Office;
  - (iii) Review the funds position and asset liability mismatches on a regular basis through statement of structural liquidity and interest rate sensitivity;
  - (iv) Subject investments to scrutiny by Executive Committee at weekly meetings and get reconciliation of investments monitored by Audit Committee;

- (v) Ensure maintenance of CRR / SLR;
- (vi) Invest in Government and approved Trustee Securities as prescribed by RBI;
- (vii) Computerise the work relating to computation of CRR / SLR and develop software thereof for deployment of surplus funds in Government and other approved Securities;
- (viii) Maintain reasonable CD ratio;
- (ix) Sanction loans within exposure norms;
- (x) Offer rate of interest on deposits in line with the market trend; and
- (xi) Conduct periodic review of deposit rates and loan pricing so that they are in line with market rates;

(2) Management of NPAs

- (i) Frame reasonably well documented loan policy and rules;
- (ii) Establish sound credit appraisal on well-settled banking norms;
- (iii) Prepare detailed and comprehensive format for credit appraisal report for facilitating sound credit granting decisions and post disbursement supervision and follow up;
- (iv) Diversify loan portfolio in terms of number of borrowers so as to avoid concentration risk;
- (v) Encourage small borrowers in view of lower credit risk and consequent higher profitability;
- (vi) Adopt system of market intelligence for deciding the credibility of the borrowers while considering loan proposals;
- (vii) Factor in quality of credit appraisal while giving ex-gratia incentives to employees annually;

- (viii) Put in place internal credit rating system for borrowers enjoying fund based credit facilities of ₹10 lakh and above for objective credit pricing on an on-going basis;
- (ix) Review position of overdue accounts on a weekly basis to arrest slippage of fresh accounts to NPA category;
- (x) Follow up chronic NPA accounts at Head Office level directly in addition to the efforts of the branches;
- (xi) Constitute a Committee at Head Office, to review irregular accounts;
- (xii) Obtain half-yearly balance confirmation certificates from borrowers regularly;
- (xiii) Emphasise reduction in Gross NPAs rather than the Net NPAs;
- (xiv) Create separate loan review and audit department, by an independent set of personnel to review the sanctioned loans so as to set right irregularities observed;
- (xv) Create a separate 'Recovery Department' with Special Recovery Officer appointed by the RCS;
- (xvi) Conduct vigorous recovery drive to not allow stress assets to accumulate;
- (xvii) Follow-up irregular borrowal accounts vigorously;
- (xviii) Vest one of the employees of the bank with the powers of Sales / Recovery Officer for execution proceedings;
- (xix) Hold officers, on whose recommendations loans are sanctioned, personally responsible;
- (xx) Start recovery efforts from the first month of default and take prompt legal and seizure action;
- (xxi) Scrutinize news items appearing in the newspapers for sale of property to ascertain whether defaulters intend to dispose of property mortgaged with the bank;

- (xxii) Use unique ways to inform the customer that the loan is overdue, like inviting delinquent borrowers to the branch for tea; Word the letter like an invitation and gradually bring up the issue of non-payment of dues when the borrower arrives;
- (xxiii) Paste sale notice / wall posters on the houses pledged as security;
- (xxiv) Undertake recovery action under 'Transfer of Properties Act' by entrusting the work to private auctioneers;
- (xxv) Organize employees into groups and assign each group a set of borrowers for monitoring or recovery to pick up early warning signals and follow them up closely; and
- (xxvi) Extend recovery competition system among staff members and felicitate the one recovering the highest amount;

(3) Expenditure control and maximization of profit

- (i) Prepare expenditure budgets;
- (ii) Avoid frittering away gains by declaring unsustainably high level of dividend;
- (iii) Impose strict ceiling on dividend declaration irrespective of profit earned (cap of say not more than 12 -15 percent dividend or limit fixed under State Co-operative Societies Act, whichever is lower, irrespective of profit), within the permissions contained in the Reserve Bank of India (Urban Co-operative Banks – Prudential Norms on Declaration of Dividends) Directions, 2025;
- (iv) Increase fee based income by rendering efficient and prompt customer service such as issue of DDs etc;
- (v) Avoid seeking to open new branches as a matter of routine;
- (vi) Close loss-making branches to cut down the expenditure and lay off inefficient staff;

(vii) Avoid filling up the vacancies arising out of retirements and deploy available staff judiciously;

(4) System of reporting to Board and professionalisation of management

- (i) Constitute the Board of Directors with qualified persons who take keen interest in the working of the bank and avoid involvement in day-to-day affairs of the bank;
- (ii) Ensure that the CEO and other senior officials of the bank are well qualified and sincere to their work, with the CEO taking full responsibility and management maintaining cordial relationship with the staff;
- (iii) Task the Chief Executive Officer / General Managers with directly monitoring recovery of NPA;
- (iv) Appoint a senior officer as secretary to the Board and make the officer responsible for handling the bank's board and sub-committees related affairs including preparation of agenda and minutes as also for follow up on the decisions undertaken; and
- (v) Prepare agenda for the meetings in detail and place important financial data and reviews before the Board;

(5) Employee motivation

- (i) Ensure fair and transparent recruitment and performance appraisal system;
- (ii) Issue ID cards and uniform across the cadre of the bank so as to create a brand identity that may instill a sense of pride in the employees;
- (iii) Impart training to all staff on an on-going basis. Conduct regular training programmes for staff on subjects like motivation, leadership, modern banking, etc., by inviting guest lecturers to the banks' premises for wider coverage at lesser cost;
- (iv) Depute staff members for external trainings including for various training programmes conducted by RBI and other Training Institutions;

- (v) Implement reward and motivation scheme wherein a few top performing employees are chosen for special recognition and award every year. The employee may be honored by the Board in the presence of their family;
- (vi) Arrange monthly staff meetings to work out strategies for the recovery of overdues; and
- (vii) Conduct regular meetings of the family members of all employees.

(6) Customer service

- (i) Have single window mechanism for all banking transactions;
- (ii) Design counters and study workflow so as to minimize the queue / waiting time;
- (iii) Install Note counting machines outside the counters / in the banking hall for the added convenience and satisfaction of the customers;
- (iv) Provide hand-held IT enabled device to deposit agents to ensure on-spot entry of deposits tendered by customers for quick credit in their accounts;
- (v) Organise regular customer and borrower meets at branch level to provide a platform to voice their difficulties and problems / provide feed back on the deficiency, if any, in banking service;
- (vi) Follow a system of personally meeting customers, especially borrowers, at regular intervals.
- (vii) Form a Customer Care Service Center; and
- (viii) Provide banking services to suit the requirement of the customers, e.g., keeping the branch open on all the days of the week / staggering the banking hours.

(7) System and Control

- (i) Institute a system of internal audit or inspection apart from statutory audit and take prompt follow-up action on the reports while putting in place accountability of Branch Manager and concerned staff;
  - (ii) Ensure high standard in quality and content of internal audit and keep inter-bank and inter-branch reconciliation up-to-date;
  - (iii) Conduct surprise verification of cash, gold stock, blank FD receipt forms, DD forms, cheque books etc. held by the branches by the internal inspector;
  - (iv) Convene a monthly branch level meeting to review housekeeping, systems and procedures, audit and inspection findings, loans and advances, recoveries and staff matters;
  - (v) Put in place a comprehensive disaster recovery mechanism;
  - (vi) Vest the authority of account opening with two officers;
  - (vii) Maintain account opening forms and KYC documents at a central repository to ensure their safety;
  - (viii) Issue a thanksgiving letter to the account holder to confirm the fact of account opening;
  - (ix) Deliver the confidential Login Password and Transaction password to Internet banking users through two different courier agencies to prevent possible misuse;
  - (x) Implement One Time Password for all financial transactions for each login as a strong system for ensuring Internet banking security;
  - (xi) Segregate and monitor inoperative accounts under the supervision of the branch manager or any senior official on an annual basis and credit interest to balances held under inoperative Savings Bank Accounts;
  - (xii) Ensure prompt submission of returns to RBI; and
  - (xiii) Ensure prompt compliance with RBI inspection report.
- (8) Operational efficiency

- (i) Provide core banking facility;
  - (ii) Recruit staff based on an online examination conducted by an outside agency; and
  - (iii) Put in place a system of fixing annual targets for the branches and review their performance at half-yearly intervals by the Board.
- (9) Corporate Social Responsibility
- (i) Award scholarship to needy and intelligent students at local level;
  - (ii) Sponsor child education and provide free meals at religious places during festivals as part of social service; and
  - (iii) Introduce ambulance service.

## **Chapter VIII – Financial Restructuring**

52. A bank having negative net worth may approach the concerned Regional Office of RBI with specific proposal for financial restructuring after it has been approved by its Board, provided that the proposal conforms to the following norms:
- (1) No conversion of deposits into equity shall be permitted in respect of depositors holding deposits in the bank up to the insurance coverage limit specified by the Deposit Insurance and Credit Guarantee Corporation (DICGC) from time to time;
  - (2) A portion of the deposits of individual depositors exceeding the DICGC insurance coverage limit may be converted into equity. Similarly, a portion of the deposits of institutional depositors may be converted into Innovative Perpetual Debt Instruments (IPDIs), which are eligible for inclusion in Tier I capital. Issuance of such IPDIs shall be governed by the terms and conditions set out in Reserve Bank of India (Urban Co-operative Banks – Prudential Norms on Capital Adequacy) Directions, 2025.  
*Provided that*, the conversion of deposits into equity and / or IPDI shall be subject to consent of the depositors or their forum.
  - (3) Post-restructuring, no shares (equities) shall be redeemed until the bank achieves a CRAR of nine percent.
  - (4) The proportion of deposits converted into equity or IPDI shall be such that the net worth of the bank turns positive after the financial restructuring.  
*Provided that*, this requirement regarding positive net worth shall not apply if the depositors agree voluntarily for such a conversion.
  - (5) The bank shall maintain CRR / SLR on the restructured liabilities.
53. Aspects related to management shall be considered on a case-to-case basis while considering the financial restructuring proposal.

## **Chapter IX – Opting out of the Purview of the Banking Regulation Act, 1949**

### **A. Salary Earners' / Employees' Co-operative Bank**

54. A Salary Earners' / Employees' Co-operative Credit Society classified as a Primary Co-operative Bank which desires to opt out of the purview of the BR Act shall:
- (i) amend its by-laws so as to prohibit acceptance of deposits from non-members. The amendment shall provide for acceptance of deposits only from members and the term 'member' will include such persons as were once 'full-fledged' members of the society but have ceased to be so on retirement from service and have been admitted as nominal / associate / sympathiser members in accordance with the provisions to that effect in the by-laws of the society subject to, and in conformity with, the provisions of the Co-operative Societies Act / Rules;
  - (ii) pass a resolution of the general body / board of directors converting itself into a non-banking institution and requesting RBI to notify it as a non-banking institution;
  - (iii) pass a resolution of the executive committee / board of directors that the society shall forthwith stop accepting deposits from non-members. In pursuance of this it shall take immediate steps to refund deposits from non-members within a specified date which may be about two months from the date of passing the resolution. It shall also send notices by registered post to the non-member depositors stating that it has been decided to convert the society into a non-banking institution and that the depositors shall obtain payment of the balances standing to the credit of their deposit accounts within a period of one month from the date of the notice. If it so chooses, the bank may send notices to the non-members to receive their deposits back even before the amendment passed at its general body meeting is duly approved and registered by the competent authority. However, this action shall be taken only in pursuance of the board's resolution as above. It may publish a similar notice in any one of the local newspapers;

*Provided that*, if any deposits from non-members remain unclaimed or unpaid after the expiry of the period specified in the notice referred to above, the society shall arrange to deposit an equivalent amount with the central co-operative bank of the district concerned / apex bank of the state in a special account to be opened for the specific purpose of paying the non-member deposits. Alternatively, the society may earmark government or other trustee securities of such face value, the market value of which is not less than the amount of its dues to non-member depositors and lodge such securities with the central co-operative bank / apex bank. In either case, the action shall be supported by a specific resolution to that effect by the board / executive committee of the society.

- (iv) take steps to amend its by-laws to comply with the provisions of Section 7 of the Banking Regulation Act (i.e., deletion of the words 'bank', 'banker' or 'banking' from its name), if necessary.
55. After taking the steps as above and after allowing the period specified for refund of non-member deposits to lapse, the society which had accepted deposits from non-members, shall apply to the concerned Regional Office (Department of Regulation) of the Reserve Bank of the state in which the society is situated for notifying it as a non-banking institution. The application shall be accompanied by the following documents and statements:
- (i) A certified true copy of the amendment of the by-laws prohibiting the acceptance of deposits from non-members together with a copy of the certificate of registration of the amendment from the competent authority. If the amendment of the by-laws provides for acceptance of deposits from nominal or associate or sympathiser members, a certified true copy of the provisions in the Co-operative Societies Act or the Rules under the Act regarding nominal or associate members may also be furnished;
  - (ii) a certified true copy together with the certificate of registration from the competent authority, of the amendment of the by-law deleting the words 'bank', 'banker' or 'banking' from its name, if it had one;

- (iii) a certified true copy of the resolutions mentioned in paragraph 54(ii) and 54(iii) above;
- (iv) a specimen of the form of notices sent to depositors as in paragraph 54(iii) and also copies of newspapers etc. in which the notice as in paragraph 54(iii) may have appeared.
- (v) a statement showing the names and addresses of non-member depositors whose deposits have remained unpaid / unclaimed and the amounts standing to the credit of their various deposit accounts such as savings, current, fixed, cash certificates etc., as on the date of application.
- (vi) a certified true copy of the resolution referred to in the proviso to the paragraph 54(iii) above together with a certified copy of the statement of balance in the special account from central co-operative bank of the district concerned / apex bank of the state, as the case may be. If the society has earmarked government and trustee securities for the purpose, it shall provide a certified true copy of the statement furnished by the central co-operative bank of the district concerned / apex bank of the state, as the case may be, showing the particulars of government and other trustee securities (and the market value thereof) earmarked and lodged with the bank for meeting its liability towards the non-member depositors.

56. If a society has merely a provision in its by-laws for acceptance of deposits from anybody but has not accepted any deposits from non-members or has already refunded whatever deposits it had accepted in the past, it may take steps as specified in paragraph 54(i), 54(ii), and 54(iv). Action as indicated in 54(iii) may not be required. Similarly, it shall send to the Regional Office documents mentioned under paragraph 54(i) and paragraph 54(ii) and certified copy of the resolution mentioned in item 54(ii) above along with a certificate to the effect that it has no deposits from non-members on the date of application.

## **B. Other banks**

57. A bank, other than a salary earners'/employees' co-operative credit society classified as a primary co-operative bank, which desires to be notified as a non-banking institution, shall:
- (i) amend its by-laws so as to prohibit acceptance of deposits from non-members;
  - (ii) repay or make adequate provision for repaying all deposits (from members and non-members) accepted by it by following a procedure similar to that specified in paragraph 54(iii).
- Provided that*, a bank need not refund the deposits of the members and the member depositors need not be advised to obtain payment of the balances standing to credit of their deposit accounts. Consequently, the members' deposits will not be treated as unclaimed or unpaid deposits. However, RBI should be satisfied that the bank is in a position to repay the members' deposits;
- (iii) amend its by-laws to comply with the provisions of Section 7 of the Banking Regulation Act (As Applicable to Co-operative Societies), (i.e., deletion of the words 'bank', 'banker' or 'banking' from its name), if applicable; and
  - (iv) ensure that the general body / board of directors of the bank / society pass a resolution requesting RBI to declare it as a non-banking institution under the provisions of Section 36A(2) of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies).
58. After taking the steps as above and after allowing the period specified for refund of deposits to lapse, if applicable, the bank intending to go out of the purview of the Banking Regulation Act (AACs) may apply to the Regional office (Department of Regulation) of RBI of the state in which the society is situated for notifying it as a non-banking institution under the provisions of Section 36A(2) of the Act (AACs). The application shall be accompanied by the following documents and statements:

- (i) a certified true copy of the amendment of the by-laws prohibiting the acceptance of deposits from non-members together with a copy of the certificate of registration of the amendment from the competent authority;
  - (ii) a certified true copy together with the certificate of registration from the competent authority, of the amendment of the by-law deleting the words 'bank', 'banker' or 'banking' from its name, if it had one;
  - (iii) certified true copies of the resolutions mentioned in paragraph 57(ii) (if applicable) and paragraph 57(iv) above;
  - (iv) a specimen of the form of notices sent to the depositors referred to in paragraph 57(ii) (if applicable) and also copies of newspapers etc. in which the notice may have appeared;
  - (v) a statement showing the names and addresses of the depositors whose deposits have remained unpaid / unclaimed and the amounts standing to the credit of their deposits accounts as on the date of application; and
  - (vi) a certified copy of the statement of balance in the special account from the central co-operative bank or the state co-operative bank, as the case may be. If the bank/society has earmarked government and/or other trustee securities for the purpose, it should furnish a certified true copy of the statement furnished by the central co-operative bank or the state co-operative bank showing the particulars of the securities (and the market value thereof) earmarked and lodged with the bank.
59. After being declared as a non-banking institution the entity may accept deposits from only its 'members' where 'members' shall mean only full-fledged members of the society and will not include nominal / associate members.

## **Chapter X – Repeal and Other Provisions**

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

60. With the issue of these Directions, the existing Directions, instructions, and guidelines relating to areas covered in these Directions as applicable to Urban Co-operative Banks stand repealed, as communicated vide notification dated XX, 2025. The Directions, instructions, and guidelines repealed prior to the issuance of these Directions shall continue to remain repealed.
61. 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**

62. 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**

63. 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.

**Annex I**

**Resolution / Decision / Authorisation for Authorised Signatories and Specimen Signature\***

**Name of the Bank-----**

**DEA Fund Code -----**

Resolution / Decision / Authorisation of Board / MD & CEO / ED / Committee of Executives (with date, signature and stamp)

<b>Authorised Officials (Surname) (First Name)</b>	
1.	
2.	
<b>Designation</b>	
1.	
2.	
Specimen Signature of first official 1)	Specimen Signature of first official 2)
Specimen Signature of second official 1)	Specimen Signature of second official 2)
<b>Attested by</b> CGM / ED / MD & CEO (Signature with Bank's Seal)	

**\* A bank is required to submit details of all authorised signatories, rather than only those who have been newly added or replaced. A bank can have a maximum of 10 authorised signatories.**

**Form I**

Monthly Return of unclaimed deposits/credits/ accounts/ in India which have not been operated upon/remained unclaimed for 10 years or more as on the date of the return and transferred to the DEA Fund Account.

**(To be submitted online to the Reserve Bank of India by 15<sup>th</sup> of the succeeding month)**

**Name of the Bank** \_\_\_\_\_

**Bank DEA Fund Code allotted by RBI** \_\_\_\_\_

**If remitted through sponsor bank, Name of the Sponsor Bank** \_\_\_\_\_

**Month** ----- **Year** -----

**Date of Transfer to the Fund**

**(Amount in Rupees)**

Sr. No	Particulars	Interest bearing Deposits		Non-interest bearing Deposits		Other Credits (Non- interest bearing)		Total	
		(a)		(b)		(c)		(d)=(a)+(b)+(c)	
		Number of Accounts	Amount	Number of Accounts	Amount	Number of Accounts	Amount	Number of Accounts	Amount
1	Opening balance of accounts transferred to the Fund at the beginning								
2	Adjustment in accounts, if any, wrongly reported in the past and rectified during this month (net of the correct and wrong figures).								
3	Accounts transferred to the Fund during this month. (including accounts, if any, inadvertently omitted in the previous month and transferred during this								

Sr. No	Particulars	Interest bearing Deposits		Non-interest bearing Deposits		Other Credits (Non- interest bearing)		Total	
		(a)		(b)		(c)		(d)=(a)+(b)+(c)	
		Number of Accounts	Amount	Number of Accounts	Amount	Number of Accounts	Amount	Number of Accounts	Amount
4	Claims settled and refund received from the Fund during this month (only the principal amount to be mentioned).								
5	Net amount transferred to the Fund during the month <b>(2 +3 - 4)</b>								
6	Total amount with the Fund at the end of the month .....(month) 20..... <b>(1+5)</b>								

**Signature:** **Name:**

**Designation of the Officer (With Stamp): Telephone Number:**

**Place:** **Date:**

**Certificate** - Details given above are true as per the records of the bank and verified by me and found to be correct.

**Signature:**

**Name of Bank's Auditors (Internal /Concurrent) (with Stamp):**

## Form II

## Monthly return claiming refund from the DEA Fund

1. Name of the Bank -----

2. Bank DEA Fund Code allotted by RBI -----

3. Current A/c maintained with RBI @ -----

4. Details of claims made during the month \_20

(Amount in Rupees)

Interest Bearing Deposits				Non-Interest Bearing Deposits		Other Credits		Grand Total	
No. of Accounts	Principal Amount	Interest Amount	Total Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
(1)	(2)	(3)	(4=2+3)	(5)	(6)	(7)	(8)	(9=1+5+7)	(10=4+6+8)
Total	Total	Total	Total	Total	Total	Total	Total	Total	Total

@ Please mention the A/c Number of your Current A/c or the Current A/c of your sponsor bank, maintained with RBI, through which you would desire to receive the above refund claim.

**Note-** No individual customer/depositor wise details should be furnished. In the case of any claim for refund of part amount by the depositor whose unclaimed amount/inoperative deposit had been transferred to the Fund, the bank shall claim the entire amount transferred to the Fund in respect of such depositor along with interest payable, if any, from the Fund.

Certified that the above claims have not earlier been made or received from the DEA Fund.

**Signature:**

**Name of the First Authorised Signatory:**

**Designation of Officer (With Stamp):**

**Place:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signature:**

**Name of the Second Authorised Signatory:**

**Designation of Officer (With Stamp):**

**Certificate -Details given above are true as per the records of the bank and verified by me and found to be correct.**

**Signature:**

**Name of Bank's Auditors (Internal /Concurrent) (with Stamp):**

**Address:**

**Place:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Form A**

**Deposit related rectification where total deposit amount is correct but changes in accounts or amounts under Interest Bearing (IB)/Non-Interest Bearing (NIB)/Other Credits (OTH)**

**Name of Bank:**

**DEA FUND Code:**

A. Details of actual (account and amount) transferred (as per auto-generated Form-I):

	Interest bearing		Non-Interest bearing		Other credits		Total	
Date of Deposit	No. of Accounts	Amounts	No. of Accounts	Amounts	No. of Accounts	Amounts	No. of Accounts	Amounts

B. Details of Correct figures:

	Interest bearing		Non-Interest bearing		Other credits		Total	
Date of Deposit	No. of Accounts	Amounts	No. of Accounts	Amounts	No. of Accounts	Amounts	No. of Accounts	Amounts

**Reason for Rectification:**

**Signature:**

**Name of the first Signatory:**

**Designation of Officer (With Stamp):**

**Signature:**

**Name of the Second Signatory:**

**Designation of Officer (With Stamp):**

**Place:**

**Date:**

**Certificate -Details given above are true as per the records of the bank and verified by me and found to be correct.**

**Signature:**

**Name of Bank's Auditors (Internal/Concurrent) (With Stamp):**

**Form B**  
**Deposit related rectification where total deposit amount is incorrect**

**Name of Bank:**

**DEA FUND**

**Code:**

A. Details of actual deposit (account and amount) transferred (as per auto-generated Form-I):

<b>Date of Deposit</b>	<b>Interest bearing</b>		<b>Non-Interest bearing</b>		<b>Other credits</b>		<b>Total</b>	
	<b>No. of Accounts</b>	<b>Amounts</b>	<b>No. of Accounts</b>	<b>Amounts</b>	<b>No. of Accounts</b>	<b>Amounts</b>	<b>No. of Accounts</b>	<b>Amounts</b>

B. Details of excess deposit (account and amount) claimed back by bank (Form-II):

<b>Date of Claim Paid</b>	<b>Interest bearing</b>			<b>Non-Interest bearing</b>		<b>Other credits</b>		<b>Total</b>	
	<b>No. of Accounts</b>	<b>Principal Amount</b>	<b>Interest Paid</b>	<b>No. of Accounts</b>	<b>Amounts</b>	<b>No. of Accounts</b>	<b>Amounts</b>	<b>No. of Accounts</b>	<b>Amounts</b>

**Reason for Rectification:**

**Signature:**

**Name of the first Signatory:**

**Designation of Officer (With Stamp):**

**Signature:**

**Name of the Second Signatory:**

**Designation of Officer (With Stamp):**

**Place:**

**Date:**

**Certificate – Details given above are true as per the records of the bank and verified by me and found to be correct.**

**Signature:**

**Name of Bank's Auditors (Internal/Concurrent) (With Stamp):**

**Form C**  
**Claim related rectification**

**Name of Bank:**

**DEA FUND Code:**

A. Details of actual, correct and excess claim:

		Interest bearing		Non-Interest bearing		Other credits		Total		
	Date of claim paid	No. of Accounts	Principal Amount	Interest Paid	No. of Accounts	Amounts	No. of Accounts	Amounts	No. of Accounts	Amounts
Actual Claim										
Correct Claim										
Excess Claim										

B. Details of Excess Claim sent with regular deposit in current month:

		Interest bearing		Non-Interest bearing		Other credits		Total	
	Date of deposit	No. of Accounts	Amounts	No. of Accounts	Amounts	No. of Accounts	Amounts	No. of Accounts	Amounts
Regular deposit for current month									
Excess Claim returned back **									
Total Deposit									

\*\*Note: The interest paid in excess claim (in A) should be clubbed with Excess claim returned back in Interest Bearing amount (in B)

**Reason for Rectification:**

**Signature:**  
**Name of the first Signatory:**  
**Designation of Officer (With Stamp):**

**Signature:**  
**Name of the Second Signatory:**  
**Designation of Officer (With Stamp):**

**Place:**  
**Date:**

**Certificate –Details given above are true as per the records of the bank and verified by me and found to be correct.**

**Signature:**  
**Name of Bank's Auditors (Internal/Concurrent) (With Stamp):**

**Form III – Reconciliation Certificate**

[On the letter head of bank's auditors]

To

Address of the bank audited

We, (Bank's Auditors [Internal/Concurrent] details) hereinafter referred to as "Bank's Auditors" have been requested by (bank's Name), having its Registered Office at the above-mentioned address, to issue the Reconciliation Certificate (RC) containing the details of returns filed with the Reserve Bank of India ("the Statement") for the half-year ended ..... for the purpose of submission to Reserve Bank of India (RBI) in accordance with the Depositor Education and Awareness Fund Scheme, 2014 and the Reserve Bank of India (Commercial Banks – Miscellaneous) Directions, 2025.

**2. Auditor's Responsibility**

Pursuant to the requirements of the Depositor Education and Awareness Fund Scheme, 2014, it is our responsibility to provide a reasonable assurance whether the returns filed by the bank with the RBI have been correctly compiled by the bank in accordance with the Depositor Education and Awareness Fund Scheme, 2014.

**3. The following documents have been furnished by the bank:**

- (a) Copy of monthly returns in Form I and Form II filed with RBI
- (b) Details of settlement made by the branches of the bank to customers
- (c) Other books and records of the bank

**4. We have performed the following procedures:**

- (a) Verified Form I and Form II
- (b) Verified details received from the branches regarding settlement made to customers on sample basis
- (c) Checked the details regarding reconciliation of balances for the Half Year ended March ..... / September..... , as under:

(Please certify either **c.i or c.ii** and strike out whichever is not applicable)

**i. If the balances tally**

We certify that balances of unclaimed deposits transferred by the bank to the DEA Fund under various heads as shown in the General Ledger of the bank, tally with the balances maintained with the DEA Fund Cell as reflected in Form I generated from the DEA Fund module of RBI, as on 31-03-..... or 30-09-.....

**ii. If the balances do not tally**

We observe that while balance of unclaimed deposits as shown in the General Ledger of the bank as on 31-03-...../ 30-09-..... is ₹....., balance of unclaimed deposits as shown in the balances maintained with the DEA Fund Cell as reflected in Form I generated from the DEA Fund module of RBI, as on 31-03-..... / 30-09-..... is ₹ .....

- (d) Verified that the returns have been correctly compiled in accordance with the Depositor Education and Awareness Fund Scheme, 2014.

**5. The balance of DEA Fund as it appears in the books of the bank as on 31-03-..... / 30-09-..... is as under**

(Amount in crore)

Sr. No.	Particular	Current Half-Year 31-03-yyyy / 30-09-yyyy	Previous Year 31-03-yyyy / 30-09-yyyy
1 .	Opening balance of DEA Fund as on 01-04-yyyy / 01-10-yyyy		
2.	Add: Amounts transferred to DEA Fund during the half-year .....		
3.	Less: Amounts reimbursed by DEA Fund towards claims during the half-year .....		
4.	Closing balance of DEA Fund as on 31-03-yyyy / 30-09-yyyy (1+2-3)		

6. Based on the procedures performed by us as mentioned in paragraph 4 above, information and explanations given to us by the bank's management and to the best of our knowledge, we report that the **DEA Fund Returns/Certificates have been compiled correctly/have not been compiled correctly by the bank\*** in accordance with Depositor Education and Awareness Fund Scheme, 2014.

7. This certificate is issued solely for the purpose of submission to RBI. This certificate should not be used by any other person or for any other purpose.

Signatures of Bank's Auditors (Internal /Concurrent) with registration number (FRN) & seal

Place:

Date:

UDIN / Internal Document Identification Number:

**Details of Bank Officials (other than the authorised signatories for Form II):**

	1 <sup>st</sup> Official	2 <sup>nd</sup> Official
Signature with bank's seal		
Name		
Designation		
Place		
Date		

\*Strike out whichever is not applicable

**Annual Certificate**

[On the letter head of statutory auditors]

Address of the bank audited

We, (Statutory Auditor's Firm details) hereinafter referred to as "Statutory Central Auditors" have been requested by (bank's Name), having its registered office at the above mentioned address, to issue the Annual Certificate containing the details of returns filed with the Reserve Bank of India ("the Statement") for the financial year for the purpose of submission to Reserve Bank of India (RBI) in accordance with the Depositor Education and Awareness Fund Scheme, 2014 and the Reserve Bank of India (Commercial Banks – Miscellaneous) Directions, 2025.

**2. Auditor's Responsibility**

Pursuant to the requirements of the Depositor Education and Awareness Fund Scheme, 2014, it is our responsibility to provide a reasonable assurance whether the returns filed by the bank with the RBI have been correctly compiled by the bank in accordance with the Depositor Education and Awareness Fund Scheme, 2014.

**3. The following documents have been furnished by the bank:**

- (a) Copy of monthly returns in Form I and Form II filed with RBI duly certified by the concurrent auditors of the bank
- (b) Details of settlement made by the branches of the bank to customers
- (c) Other books and records of the bank and
- (d) Written representation

**4. We have performed the following procedures:**

- (a) Verified Form I and Form II
- (b) Verified details received from the branches regarding settlement made to customers on sample basis

- (c) Verified that Half-yearly Reconciliation Certificates (Form III) have been submitted on time
  - (d) Verified that the returns have been correctly compiled in accordance with the Depositor Education and Awareness Fund Scheme, 2014.
5. The balance of DEA Fund as it appears in the books of the bank as on 31.03.yyyy is as under

(Amount in crore)

Sr. No.	Particular	Current Year 31.03.yyyy	Previous Year 31.03.yyyy
1.	Opening balance of DEA Fund as on 01.04.yyyy		
2.	<b>Add:</b> Amounts transferred to DEA Fund during the year yyyy-yy		
3.	<b>Less:</b> Amounts reimbursed by DEA Fund towards claims during the year yyyy-yy		
4.	Closing balance of DEA Fund as on 31.03.yyyy (1+2-3)		

6. Based on the procedures performed by us as mentioned in paragraph 4 above, information and explanations given to us by the bank's management and to the best of our knowledge, we report that the DEA Fund Returns/Certificates have been compiled correctly/have not been compiled correctly by the bank\* in accordance with Depositor Education and Awareness Fund Scheme, 2014.

7. This certificate is issued solely for the purpose of submission to RBI. This certificate should not be used by any other person or for any other purpose.

Signatures of Statutory Auditors with firm's registration number (FRN) & seal

Place:

Date:

UDIN:

\*Strike out whichever is not applicable

**Annex IX**

**Contact details for correspondence/ queries related to  
DEA Fund Scheme, 2014**

**Name of the Bank-----**

**Bank DEA Fund Code Number-----**

Sr No	Particulars	Contact Officer	Alternate Officer
1	Name of the Contact Officer		
2	Designation		
3	Telephone No.		
4	Mobile No.		
5	Email Id		

The above details may be forwarded by e-mail to [dea.fund@rbi.org.in](mailto:dea.fund@rbi.org.in)

**Name:**

**Signature:**

**Designation of Officer:**

**Name of the Bank:**

**Place:**

**Address:**

**Date:**

**(Stamp of the bank)**

**Annex X**

Details to be submitted to Regional Office of RBI

<b>Sr. No.</b>	<b>Particulars</b>	<b>Information submitted by the Bank</b>
1.	Name of the Bank & Address	
2.	Licence No. and Licence issue date	
3.	Area of Operation and No. of branches	
4.	Name and Address of the office of registrar under whose purview the bank is registered	
5.	Name the Co-operative Act under which the bank is registered as a society	
6.	Proposed name of the Bank	
7.	Reason for Change in Name of the bank (Please furnish supporting documents)	
8.	Whether there are any restrictions imposed on the bank by RBI (Yes/No) If yes, give details	
9.	Whether applied / carried change in name of the bank in the past: (Yes/No)  If yes : i) Date of application to RBI ii) Original Name of the bank iii) Proposed name of the bank iv) Reason for change v) Date of CRCS/RCS Approval vi) Change approved / rejected by RBI	
	vii) Date of RBI Approval / Rejection	
	viii) Reason for Rejection, give details	
10.	Whether change in name of the bank had been carried out without approval of RBI in the past: (Yes/No)	
11.	If Yes, reason for not applying for RBI Approval	
12.	If No, furnish details of RBI approval (Furnish copy)	
13.	Whether CRCS/RCS approval was taken in case of previous change in name and date of approval (Furnish copy)	

14.	Is there any requirement for 'confirmation' from Central/State Government, one or more authority/authorities for alteration of bye-laws under the applicable Co-operative Act /Rules? (Yes/No)	
15.	If yes: i) Give details of the requirement (Furnish copy)	
<u>16. Details to be submitted to Regional Office of the RBI at time of Regulatory approval</u>		
	i) Confirm whether RBI NOC for alteration of bye-laws has been granted u/s 49C of BR Act, 1949 (Yes/No)	
	ii) If Yes – Give details of bank's request and RBI NOC (Furnish copy)	
	iii) If No – Reason for not approaching RBI for grant of NOC u/s 49C of BR Act, 1949	
	iv) Details of CRCS/RCS approval (Furnish copy)	