



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA



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RBI/2023-24/78

DoR.REG/LIC.No.54/19.51.052/2023-24

October 30, 2023

Madam / Sir

Clarification regarding Shifting of Branches/Offices/Extension Counters within the same city, town or village by District Central Co-operative Banks (DCCBs) and Guidelines on Closure of Branches and Extension Counters by DCCBs

Pursuant to the amendment to the Banking Regulation Act (No.39 of 2020) dated September 29, 2020, District Central Co-operative Banks (DCCBs) are permitted to open new place of business/install ATMs or shift the location of such offices only after obtaining prior approval of the Reserve Bank of India (RBI). Accordingly, guidelines for opening of new place of business by District Central Co-operative Banks (DCCBs) – Section 23 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) were issued vide [Circular DOR.REG.No.63/19.51.052/2022-23 dated August 11, 2022](#).

2. In this regard, RBI has been receiving references seeking clarifications on shifting of branches within the same locality and closure of un-remunerative branches by District Central Co-operative Banks (DCCBs).

3. On examination of the matter, it has been decided to issue requisites clarifications regarding Shifting of Branches/Offices/Extension Counters within the same city, town or village by DCCBs and Guidelines on Closure of Branches and Extension Counters by DCCBs, as enclosed in [Annex - 1](#).

विनियमन विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, 12^{वीं}/13^{वीं} मंज़िल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई- 400001
टेलीफोन/ Tel No: 22661602, 22601000 फैक्स/ Fax No: 022-2270 5691

Department of Regulation, Central Office, Central Office Building, 12th/ 13th Floor, Shahid Bhagat Singh Marg, Fort, Mumbai – 400001

हिंदी आसान है, इसका प्रयोग बढ़ाइए-

चेतावनी: रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।
Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.



Commencement

4. These guidelines will come into effect from the date of issue of this circular.

Applicability

5. This circular is applicable to all District Central Co-operative Banks.

Yours faithfully

(Manoranjan Padhy)
Chief General Manager

Encl: Annex - 1 & 2



Annex to the Circular DoR.REG/LIC.No.54/19.51.052/2023-24 dated October 30, 2023

Annex – 1

A. Clarification regarding Shifting of Branches/Offices/Extension Counters within the same city, town or village by DCCBs

In terms of section 23(a), read with section 56 of Banking Regulation (BR) Act, 1949 (AACS), the District Central Co-operative Banks (DCCBs) may shift their Branches/Offices/Extension Counters located in the rural or semi-urban or urban/metropolitan areas, within the same village or town or locality/municipal ward respectively, without prior permission of Reserve Bank.

The DCCBs shall ensure that:

- (a) The decision to shift branch 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.
- (b) The shifting of branch shall be approved by Registrar of Cooperative Societies, as required under Co-operative Act/Rules applicable.
- (c) Due care shall be taken that customers of the branch, which is being shifted, are informed two months in advance so as to avoid inconvenience to them.
- (d) A report in this regard shall be submitted by DCCBs in format, as per [Annex – 2](#) enclosed with this circular, to the concerned Regional Office of Reserve Bank and National Bank for Agriculture and Development (NABARD) within a month from the date of such shifting.
- (e) The DCCBs shall submit the branch licence in original to the concerned Regional Office of Reserve Bank for recording the change in the branch licence.



B. Guidelines on Closure of Branches and Extension Counters by DCCBs

DCCBs are allowed to close their un-remunerative branches without prior permission of Reserve Bank subject to the following conditions:

(a) The bank should not have been placed under any directions under section 35A of the Banking Regulation Act, 1949 (AACS).

(b) The decision to close down branches should be taken by the Board after taking into account all the relevant factors and should be properly recorded/minuted in the proceedings of the Board meeting.

(c) The closure of branch shall be approved by Registrar of Cooperative Societies of the respective state.

(d) The bank should give two months notice in advance to all existing depositors/ clients of the branch through press release in local leading newspapers as well as communicate to each constituent of the branch, well in advance of closure of the branch.

(e) It should return the original licence/s issued for the closed branch to the Regional Office concerned of Reserve Bank.

(f) The disposal of the premises occupied by the erstwhile branch should be reported to our Regional Office concerned, NABARD and the RCS.

(g) Bank should report to the Regional Office concerned of Reserve Bank and NABARD, in Form VI prescribed under Rule 8 of Banking Regulations (Co-operative Societies) Rules, 1966 after closing the branches, within one month from the date of closure, along with copies of the relative Board resolution and RCS approval.

(h) The bank should preserve all the relevant records and make them available to NABARD inspection team for scrutiny during the course of inspection.



Annex – 2

Report on shifting of Branches/Offices/Extension Counters within the same city, town or village by a District Central Cooperative Bank in cases where prior permission of Reserve Bank of India is not required

1.	(i) Name of the bank	
	ii) Address of the head office/ Central Administrative office	
	(iii) Total number of bank branches	
	(iv) Name of the office/branch(s/es) which has/ have been shifted and date of shifting	
	(v) With r/t (iv) above, please mention: i) Llicence No. & Date: ii) Approval No. & Date:	
	(vi) Old address of the aforesaid office branch	
	(vii) New address of the aforesaid office/branch	
	(viii) Distance between the old and new addresses	
	(ix) Whether the entire office/ branch(s/es) functioning at the old address has/have been shifted to the new address or only a part of the office/some departments has/have been shifted?	
	(x) Reasons for shifting	
	(xi) Details of how premises at the old address will be disposed of / surrendered	
2.	(i) Whether the city/town in which the office is located is rural or semi-urban, or urban or metropolitan (as per last Census)? Please specify	
	(ii) Whether the locality to which the office has been shifted is – a) predominantly residential (Rural/Urban) b) predominantly commercial (Rural/Urban) c) an industrial area(Rural/Urban)	
	(iii) Are there any branches of other co-operative bank or commercial bank within 400 meters from the new address? If so, give details (i.e. names and distances from new location)	



	(iv) Is any other cooperative or commercial bank also located in the same building wherein the office/branch has now been shifted or in the building adjoining or opposite it? If so, give details.	
3.	(i) Have the new premises been acquired on lease/rent or self-constructed or purchased? Please specify:	
	(ii) Has the Board approved such deviations? (If yes, please enclose a copy of the resolution)	
	(iii) Whether the shifting is being approved by RCS? (If so, enclose a copy of the approval)	
	(iii) In case the new premises have been purchased/self-constructed, has the bank obtained permission of the Registrar for investment of funds? If so, attach a copy of the Registrar's orders If not, explain the reasons why permission is not obtained?	
4.	Shifting of a bank's Head Office/ Administrative Office (within the same locality) In case the bank has shifted its Head Office /Administrative office, will the bank's registered address also change? If so, has the bank taken necessary action in this regard as required under the State Cooperative Societies Act?	
	Has the bank sent a separate intimation of change of registered address to Department of Supervision of Reserve Bank of India (Central Office and Regional Office) and NABARD Regional Office, as required under the guidelines?	
5.	Will the bank's bye-law need amendment?	
	Confirm whether RBI NOC for alteration of bye-laws has been granted u/s 49C of BR Act, 1949 (Yes/No)	
	If Yes – Give details of bank's request and RBI NOC (Furnish copy)	
	If No – Reason for not approaching RBI for grant of NOC u/s 49C of BR Act, 1949	
	Details of CRCS/RCS approval (Furnish copy)	

I hereby certify that the above information is true to the best of my knowledge and belief.

Signature _____
(Name of the Bank's Chief Executive Officer)
Date:



Forwarded to:

1. The
Reserve Bank of India
Department of Supervision
_____ Regional Office

2. The NABARD,
_____ Regional Office

Enclosure:

Note: Please submit this Annex as also the necessary enclosures/documents/sketch-maps etc. in duplicate.