

THE RESERVE BANK OF INDIA SCHEDULED BANKS' REGULATIONS, 1951

In exercise of the powers conferred by clause (o) of sub-section (2) of section 58 of the Reserve Bank of India Act, 1934 (2 of 1934), and in supersession of the existing regulations regarding the relations of the Scheduled banks with the Reserve Bank and the returns to be submitted by the scheduled banks to the Reserve Bank, the Central Board of the Reserve Bank of India, with the previous sanction of the Central Government hereby makes the following regulations namely :-

Short title and commencement

1. (i) These regulations may be called the Reserve Bank of India Scheduled Banks' Regulations, 1951.
- (ii) They shall come into force on the 1st November, 1951.

Interpretation

2. In these regulations:
 - (a) "the Act" means the Reserve Bank of India Act, 1934 (2 of 1934);
 - (b) "the Bank" means the Reserve Bank of India;
 - (c) "principal office of the Bank" means the office of the Reserve Bank to which the returns prescribed under the Act or these regulations are required to be submitted;
 - (d) "principal office of the scheduled bank" means the office of the scheduled bank which will be responsible for the submission of the returns prescribed under the Act or these regulations, and
 - (e) "State Bank" means the State Bank of India constituted under the State Bank of India Act, 1955.

Opening of an account at an office of the Banking Department of the Bank

3. A scheduled bank may from such date as may be intimated to it by the Bank in this behalf, keep an account at any office of

the Banking Department of the Bank at a place where the scheduled bank has an office or branch.

Provided that if a scheduled bank has no office or branch at any place where the Bank has an office of its Banking Department, it may keep an account with any such office of the Bank as the Bank may, in its discretion, permit in this behalf.

Opening of an account at a branch of the Issue Department of the Bank.

4. A scheduled bank may from such date as may be intimated to it by the Bank in this behalf, keep an account at a branch of the Issue Department of the Bank at a place where there is no office of the Banking Department if it would be entitled to keep an account at such place under regulation 3, but such account shall be limited to the following transactions :-

- (a) the adjustment of credits and debits with the Bank;
- (b) remittances to and from other offices of the Banking Department or branches of the Issue Department at which the said scheduled bank maintains an account;
- (c) the adjustment of credits and debits with the local branch of the State Bank

Submission of statement and other information

5. (i) A scheduled bank shall, not later than 14 days after its inclusion in the schedule, or if it has been included in the schedule on the date on which these regulations come into force, not later than 14 days from the aforesaid date, submit to the principal office of the Bank, a written statement containing the following information :-

- (a) a list of all its offices, branches and sub-offices (including pay offices) at which it is doing banking business whether throughout the year or seasonally;

Provided that a scheduled bank incorporated outside

India may not include its offices, branches etc. outside India.

(b) the office of the Banking Department of the Bank at which it desires its principal account to be kept and to which the information prescribed by section 42 of the Act and by these regulations will be submitted and the office of the scheduled bank from which such information shall be submitted;

(c) a list of the names, the official designations and specimen signatures of the officers of the bank who are authorized to sign on behalf of the bank returns prescribed under section 42(2) of the Act, of whom any two may sign such returns;

Provided that the information already supplied by a scheduled bank under regulations 4 and 5 of the regulations which are superseded by these regulations shall be deemed to have been furnished under this regulation.

(ii) (a) No change shall be made with regard to the matters specified in clause (c) of sub-regulations (i) without prior intimation to the Bank and no change shall be made with regard to the matters specified in clause (b) thereof unless the Bank is satisfied that there is adequate reason for such change;

(b) Any change in the information submitted by a scheduled bank under sub-regulation (i) shall be notified without delay to the principal office of the Bank.

(iii) Notwithstanding anything contained in sub-regulation (i) the Bank may at any time require a scheduled bank to maintain its principal account at any specified office of the Bank.

Forms of returns

6. (i) the fortnightly return submitted under sub-section (2) of section 42 of the Act shall be in the appropriate form appended to these regulations and the monthly return furnished under the third proviso to that sub-section shall be in such form as may be required by the Bank.

(ii) the fortnightly return shall be submitted :-

(a) in the case of a bank already included in the Second Schedule on the commencement of the Reserve Bank of India Scheduled Banks' (Amendment) Regulations 1984, from the 29th March 1985 (inclusive); and

(b) in the case of any other scheduled bank, from a date to be intimated to it by the principal office of the Bank.

Division of savings deposits "demand" and "time" liabilities of bank into and

7. A scheduled bank which has a savings bank department shall submit a copy of the regulations governing that department to the principal office of the Bank within the period prescribed by regulation 5(i) and any changes in such regulations shall also be intimated without delay to that office. The average of the monthly minimum balances in a savings account on which interest is being credited to the account shall be regarded as a time liability and the excess over the said account as a demand liability. Every scheduled bank shall calculate the proportion, as at the close of business on the 30th September and the 31st March of each year, of its demand liabilities to its total liabilities on the above basis and

the proportion so calculated shall, until the date of the next calculation, be used in determining the demand and time liabilities for the purposes of these regulations. The amount so, calculated shall be included in the totals of "Demand Liabilities" and "Time Liabilities" respectively in the form specified in regulation 6 and shall also be set out separately in the foot note to that form.

Provided that where a bank is included in the second schedule after the coming into force of these regulations it shall calculate the above proportion as on the date on which it has to submit its first fortnightly return and such proportion shall be used in determining the demand and time liabilities of the bank till, the 30th September or the 31st March immediately following.

Date from which scheduled banks shall be liable for penalties.

8. A scheduled bank shall become liable to penalties prescribed by sub-sections (3) and (4) of section 42 of the Act with effect from the date applicable to it under regulation 6.

Demand for the payment of the amount due

9. If a scheduled bank appears to the Bank to be liable to a penalty to it under section 42 of the Act the Bank may, through its principal office, make to the principal office of the scheduled bank a demand stating the date from which the penalty is liable to be paid and the amount due, with the request that the scheduled bank shall forthwith either pay the amount or show cause why it should not be paid.

ANNEXURE
FORM 'A'

(To be submitted by a scheduled bank which is not a State Co-operative Bank)

Statement of position at the close of business on
Friday @ the

(Rupees rounded off to the
nearest thousand)

Name of the bank :

I. LIABILITIES TO THE BANKING SYSTEM IN INDIA*

- (a) Demand and time deposits from banks*
 - (b) Borrowings from banks (in the case of a Regional Rural Bank,
other than from its sponsor Bank)*
 - (c) Other demand and time liabilities @@
- Total of I

II. LIABILITIES TO OTHERS IN INDIA

- (a) Aggregate deposits (other than from banks)*
 - (i) Demand
 - (ii) Time
 - (b) Borrowings (other than from Reserve Bank of India, Industrial
Development Bank of India, National Bank for Agriculture and
Rural Development and Export-Import Bank of India)
 - (c) Other demand and time liabilities
- Total of II

Total of I + II

III. ASSETS WITH THE BANKING SYSTEM IN INDIA*

- (a) Balances with bank*
 - i) In current account
 - ii) In other accounts
- (b) Money at call and short notice

(c) Advances to banks* i.e. due from banks*

(d) Other assets

Total of III

IV. CASH IN INDIA (i.e., cash in hand)

V. INVESTMENTS IN INDIA (at book value)

(a) Central and State Government securities including treasury bills, treasury deposit receipts, treasury savings deposit certificates and postal obligations.

(b) Other approved securities.

Total of V

VI. BANK CREDIT IN INDIA (excluding inter-bank advances)

(a) Loans, cash credits and overdrafts

(b) Inland bills purchased and discounted

i) Bills purchased

ii) Bills discounted

(c) Foreign bills purchased and discounted

i) Bills purchased

ii) Bills discounted

Total of VI

Total of III + IV + V + VI

A.	NET LIABILITIES FOR THE PURPOSE OF SECTION 42 OF RESERVE BANK OF INDIA ACT, 1934 = NET LIABILITY TO THE BANKING SYSTEM + LIABILITIES TO OTHERS IN INDIA	(I – III) + II if (I – III) is a <u>plus figure</u> OR II only, if (I – III) is a <u>minus figure</u>
B.	Amount of minimum deposit required to be kept with the Reserve Bank of India under the Act (rounded off to the nearest rupee)	Rs.

C. SAVINGS BANK ACCOUNT
(vide Regulation 7)
Demand liabilities in India
Time liabilities in India

Signature of Officers

Station : 1. (Designation)

Date : 2. (Designation)

FOOT NOTES:

@ Where Friday is a public holiday under the Negotiable Instruments Act, 1881 (26 of 1881) for one or more offices of a scheduled bank, the return shall give the preceding working day's figures in respect of such office or offices, but shall nevertheless be deemed to relate to that Friday.

* The expression "Banking System" or "Banks" wherever it appears in the return means the banks and any other financial institutions referred to in sub-clause (i) to (vi) of clause (d) of the Explanation below Section 42 (I) of the Reserve Bank of India Act, 1934.

@@ If it is not possible to provide the figure against I(c) separately from II(c), the same may be included in the figure against II(c). In such a case, the net liability to the banking system will be worked out as the excess, if any, of the aggregate of I(a) and I(b) over the aggregate of III.

ANNEXURE

FORM `B'

(To be submitted by a scheduled bank which is a State Co-operative bank)

Statement of position at the close of business on Friday
@ the _____

(Rupees rounded off to the nearest thousand)

Name of the bank :

I. **LIABILITIES TO THE BANKING SYSTEM IN INDIA** *

(a) Demand and time deposits from banks *

- i) Demand
- ii) Time

(b) Borrowings from banks *

(c) Other demand and time liabilities @@

Total of I

II. **LIABILITIES TO OTHERS IN INDIA**

(a) Aggregate deposits (other than from banks* and also other than any deposit of money representing the reserve fund or any part thereof maintained by any co-operative society within the State Co-operative Bank's area of operation)

- i) Demand
- ii) Time

(b) Borrowings (other than from Reserve Bank of India, Industrial Development Bank of India, National Bank for Agriculture and Rural Development, Export-Import Bank of India, the State Government and the National Co-operative Development Corporation).

(c) Other demand and time liabilities

Total of II

Total of I + II

III. **ASSETS WITH THE BANKING SYSTEM IN INDIA***

- (a) Balances with banks *
 - i) in current account
 - ii) in other accounts
 - (b) Money at call and short notice
 - (c) Advances to banks*, i.e. due from banks*
 - (d) Other assets
- Total of III

IV. **CASH IN INDIA** (i.e. cash in hand)

V. **INVESTMENTS IN INDIA** (at book value)

- (a) Central and State Government securities including treasury bills, treasury deposit receipts, treasury savings deposit certificates and postal obligations.
 - (b) Other approved securities
- Total of V

VI. **BANK CREDIT IN INDIA** (excluding inter-bank advances)

- (a) Loans, cash credits and overdrafts
- (b) Inland bills purchased and discounted
 - i) Bills purchased
 - ii) Bills discounted
- (c) Foreign bills purchased and discounted
 - i) Bills purchased
 - ii) Bills discounted

Total of VI
Total of III + IV + V + VI

A. NET LIABILITIES FOR THE PURPOSE OF SECTION 42 OF RESERVE BANK OF INDIA ACT, 1934 = NET LIABILITY TO THE BANKING SYSTEM + LIABILITIES TO OTHERS IN INDIA	(I – III) + II, if (I – III) is a <u>plus figure</u> OR II only, if (I – III) is a <u>minus figure</u>
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B. Amount of minimum deposit required to be kept with the Reserve Bank of India under the Act (rounded off to the nearest rupee) | = Rs.
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C. SAVINGS BANK ACCOUNT (vide Regulation 7)

Demand liabilities in India

Time liabilities in India

Signature of officers

Station :

1. (Designation)

Date :

1. (Designation)

1. Borrowings in India from the Reserve Bank of India
Under the Reserve Bank of India Act, 1934 – Section :

	Rs.	Rs.
i) 17(2)(a)		
ii) 17(2)(b) or (4)(c)		
iii) 17(2)(bb) or (4)(c)		
iv) 17(4)(c)		
v) 17(4)(a)		
	_____	_____
Total of item No. 1	_____	_____

2. Borrowings from

Rs.

Rs.

i) National Bank under the National Bank for Agriculture and Rural Development Act, 1981 under Section

- (a) 21
- (b) 22
- (c) 23
- (d) 24
- (e) 25

ii) State Bank of India

iii) Other banks

- iv) Industrial Development Bank of India
- v) State Government
- vi) National Co-operative Development Corporation
- vii) Export-Import Bank of India

Total of item No.2

3. Balances with the Reserve Bank of India

FOOTNOTES :

@ Where Friday is a public holiday under the Negotiable Instruments Act, 1881 (26 of 1881) for one or more offices of a scheduled State Co-operative Bank, the return shall give the preceding working day's figures in respect of such office or offices, but shall nevertheless be deemed to relate to that Friday.

* The expression "Banking System" or "Banks" wherever it appears in the return means the banks and any other financial institutions referred to in regulations (i) to (v) of clause (e) of the Explanation below Section 42(1) of the Reserve Bank of India Act, 1934.

@@ If it is not possible to provide the figure against I(c) separately from II(c) the same may be included in the figure against II(c). In such a case, the net liability to the banking system will be worked out as the excess, if any of the aggregate of I(a) and I(b) over the aggregate of III.

(Updated upto 31st March 1995)