

## *Regulatory and Other Measures*

**May 2008**

RBI/2007-08/317 UBD (PCB) BPD Cir No:  
45 /13.01.000/2007-08 May 12, 2008

The Chief Executive Officers of All  
Primary (Urban) Co-operative Banks

### **Settlement of Claims in Respect of Missing Persons**

A query has been raised regarding the system which should be followed by urban co-operative banks (UCBs) in case a claim is received from a nominee / legal heirs for settlement of claim in respect of missing persons.

2. The settlement of claims in respect of missing persons would be governed by the provisions of Section 107 / 108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death. As per the provisions of Section 108 of the Indian Evidence Act, presumption of death can be raised only after a lapse of seven years from the date of his/her being reported missing. As such, the nominee / legal heirs have to raise an express presumption of death of the subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that he/she is dead, then the claim in respect of a missing person can be settled on the basis of the same.

3. UCBs are advised to formulate a policy, which would enable them to settle the claims of a missing person after considering the legal opinion

and taking into account the facts and circumstances of each case. Further, keeping in view the imperative need to avoid inconvenience and undue hardship to the common person, UCBs are advised that keeping in view their risk management systems, they may fix a threshold limit, up to which claims in respect of missing persons could be settled without insisting on production of any documentation other than (i) FIR and the non-traceable report issued by police authorities and (ii) letter of indemnity.

RBI/2007-2008/334 UBD.PCB.Cir.No.48/  
13.05.007/07-08 May 26, 2008

The Chief Executive Officers of All Mahila Primary (Urban) Co-operative Banks.

### Mahila Urban Co-operative Banks-Membership

As per the extant licensing policy and procedures, membership of Mahila UCBs is exclusively confined to women. Mahila banks should not resort to enrolment of 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 aspects should be kept in view:

(a) In case of partnership firm, the majority of share holding should be held by women, and

(b) In respect of company/body corporate, majority of share holdings should be held by women.

Furthermore, relaxations have been permitted in the Entry Point Capital Norms (EPN) for Mahila banks to the extent of 50 per cent of the minimum required capital prescribed for the general category of banks.

2. It had been represented by some of the Mahila banks and their federations that on account of the restrictions on their membership, some of the Mahila Banks are facing difficulties in identifying creditworthy borrowers and a request had been made to review the present business model and to provide limited male membership in these banks. Taking into account the representations made by the banks and their federations and the findings of case studies carried out by Reserve Bank in this regard, it has been decided to permit existing Mahila Banks, which conform to the extant entry point norms for general category banks, to enrol male members up to a limit of 25 per cent of their total regular membership, subject to compliance by the banks with their respective bye-laws.

3. Approval of the concerned Registrar of Co-operative Societies /Central Registrar of Co-operative Societies may also be obtained wherever applicable.

RBI/2007-2008/332 UBD.PCB.Cir.No. 46 / 09.69.000/07-08 May 26, 2008

The Chief Executive Officers of All Primary (Urban) Co-operative Banks

### Annual Policy Statement for the year 2008-09 Installation of Automatic Teller Machines (ATMs) -UCBs.

Please refer to our circular UBD.PCB.BPD.Cir.No. 50/09.69.000/05-06 dated April 28, 2006 on the above subject.

2. As announced in the Annual Policy Statement for the year 2008-09 dated April 29, 2008 (extract enclosed), the eligibility norms for opening up of on-site ATMs have been liberalised. Accordingly, UCBs that are registered in states which have entered into MoU with the Reserve Bank or are registered under the Multi-state Cooperative Societies Act, 2002 and classified in Grades other than Grade III and IV, may hereafter, set up on-site ATMs without prior approval of the Reserve Bank.

RBI/2007-2008/363 REF No. MPD.BC. 300/07.01.279/2007-08 June 11, 2008

All Scheduled Banks [excluding Regional Rural Banks (RRBs)] and Primary Dealers

### Standing Liquidity Facilities for Banks and Primary Dealers

Please refer to Financial Markets Department Circular FMD. MOAG.

No.18/01.01.01/2007-08 dated June 11, 2008 on Liquidity Adjustment Facility – Repo and Reverse Repo Rates.

2. The fixed repo rate under the LAF has been revised to 8.00 per cent with immediate effect. Accordingly, the Standing Liquidity Facilities provided to Banks (export credit refinance) and Primary Dealers (PDs) (collateralised liquidity support) from the Reserve Bank would be available at the repo rate, *i.e.*, 8.00 per cent with effect from June 12, 2008.

RBI/2007-2008/380 REF No. MPD.BC. 301/07.01.279/2007-08 June 24, 2008

All Scheduled Banks [excluding Regional Rural Banks (RRBs)] and Primary Dealers

### Standing Liquidity Facilities for Banks and Primary Dealers

Please refer to Financial Markets Department Circular FMD.MOAG. No.19/01.01.01/2007-08 dated June 24, 2008 on Liquidity Adjustment Facility – Repo and Reverse Repo Rates.

2. The fixed repo rate under the liquidity adjustment facility (LAF) has been revised to 8.50 per cent with immediate effect. Accordingly, the Standing Liquidity Facilities provided to Banks (export credit refinance) and Primary Dealers (PDs) (collateralised liquidity support) from the Reserve Bank would be available at the repo rate, *i.e.*, 8.50 per cent with effect from June 25, 2008.