

February 14, 2004

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

Dear Sir,

**Off-site Surveillance System for Primary (Urban) Co-operative Banks**

A supervisory reporting system comprising 10 Off-site Surveillance (OSS) Returns was introduced for all Scheduled Primary (Urban) Co-operatives banks (Scheduled UCBs) with effect from March 31, 2001 vide our Circular UBD.No.BSD.I/SCB.4/12.05.01/2000-2001 dated April 10, 2001.

2. As several regulatory changes have occurred since the introduction of the OSS returns, the formats of these returns were reviewed in consultation with a few UCBs and it has been decided to revise the content and structure of these forms. The revision has been done with the objective of reducing the volume of data required to be reported by the banks, while increasing the breadth and depth of information being obtained from these returns. As such, the existing set of 10 OSS forms has been rationalised and condensed into 8 Returns. A complete set of the modified OSS Returns along with a Guidance Note containing explanation of the items to be filled up in the returns are enclosed in Annexure A & B, respectively. Out of the 8 returns, the periodicity of one return, viz. Statement on Bank Profile (Return No. 8) is annual and the remaining 7 are required to be submitted at quarterly intervals.

3. OSS returns required to be submitted at quarterly intervals, should be prepared with reference to the financial position as on March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup> of every year. Statement on Bank Profile, being an annual return, should be prepared only once every year, with reference to the position as on March 31<sup>st</sup> i.e. at the end of each financial year.

4. All OSS returns should be submitted within one month of the close of the relative quarter / year. However, if the returns relating to the quarter / year ended March 31<sup>st</sup> are based on un-audited financial position, a revised set of OSS returns should be submitted as on that date, within 3 weeks of completion of statutory audit. As such, for the quarter / year ended March 31<sup>st</sup>, banks would be required to submit 2 sets of OSS returns, the first before April 30<sup>th</sup>, i.e. within the prescribed time for submission of OSS returns, and the second within 3 weeks of completion of audit.

5. The modified OSS Returns would come into effect from March 31, 2004. The existing 10 OSS Returns may, therefore, be submitted for the quarter ended December 2003 in the normal course by February 15, 2004, i.e. within six weeks of close of the quarter. Further, in order to be familiarized with the new formats, banks are also advised to prepare statements I - VII of the modified set for quarter ended December 31, 2003 and submit the same to Reserve Bank by March 15, 2004. Thus, for the quarter ended December 2003, banks would have to submit both the (existing & modified) sets of returns and from the quarter ending March 31, 2004 onwards, only the revised forms may be submitted to Reserve Bank.

6. The Off-site Surveillance Returns are required to be approved by the Board of Directors / Chief Executive Officer of the bank and sent to the Officer-in-Charge of Urban Banks Department (UBD) of the Regional Office of RBI, under whose jurisdiction the bank functions and to which the bank submits other regulatory returns. It may be noted that RBI attaches utmost importance to this reporting system and expects banks to submit the OSS Returns to UBD correctly compiled and within the prescribed time. To this end, banks may designate and authorize one or two senior official/s who would be responsible for the correct compilation and timely submission of these returns and who would be fully responsible for the information furnished therein. Such designated Authorised Reporting Official/s (ARO/s) would have to liaise with the officials of the Off-site Surveillance (OSS) Division of UBD. The names and designations of the ARO/s

may be indicated to the concerned Regional Office of UBD while forwarding the OSS Returns.

7. Further, it is informed that UBD would shortly be providing a software package along with hands-on training on the package to UCBs, without any cost. The software would facilitate preparation of all regulatory and supervisory returns by the UCBs (including OSS Returns) and submission of the same to RBI, electronically, i.e. via floppy / e-mail. A detailed communication in this regard would follow.

8. Please acknowledge receipt of this circular.

Yours faithfully,

Sd/-

**(S.Karuppasamy)**

Chief General Manager-in-Charge

Encl.: As above.