

No.VI(I)2/2001 2991 /Audit-8/Dated:- 17/2/2004C I R C U L A R .

Sub:- Compliance with prudential norms-
Reasons for delay in publication of
Balance Sheet.

As per provision under section 29(1) of the Banking Regulation Act, 1949(AACS)"At the expiration of each year ending 31st day of March, every Cooperative Bank shall prepare with reference to that year a Balance sheet and Profit and loss account as on the last working day of the year in forms set out in the third schedule (of the Act) or as near there to as circumstances admit" and as per provisions under section 30 of the said Act the Balance Sheet and Profit and loss account prepared in accordance with section 29 of the Act are to be audited and in pursuance of section 31 of the said Act, the accounts and Balance sheet referred to U/s section 29 together with the Auditor's report shall be furnished to the R.B.I. within 6(six) months of the close of the year i.e by 30th September every year.

Further Rule-10 of the Banking Regulation Rules, 1966 (applicable to Cooperatives) emphasize that" the balance sheet and profit and loss account prepared in ~~per~~ pursuance of Sec.29 of the B.R.Act together with the auditors report shall be published within a period of 9(Nine)months from the end of the period to which they relate in a newspaper which is in circulation of the place where the Coop. Bank has its principal office.

Explanation(1)-For the purposes of this rule, the expression "Newspaper" means any news paper or journal published at least once a week but does not include a journal other than a banking, commercial, financial or economic journal.

Explanation(2)-In the case of a Coop.Bank the deposit liabilities of which as at the end of the period to which the accounts and balance-sheet relate, do not exceed Rs.20(twenty)lakhs, ~~as~~ a display, in a conspicuous place at the principal office and every place of business of such bank, of a copy of the balance sheet and profit and loss account with the Auditor's report ^(Audit Certificate) shall be deemed to

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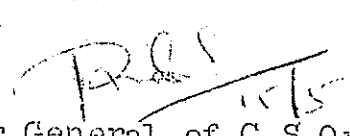
constitute compliance with the provisions of this rule."

Therefore, in terms of the above provisions of the B.R.Act and Rules, it is obligatory on the part of the Cooperative banks to publish their Balance sheet together with the Audit Certificate at the end of each year in the newspaper where the bank has its principal office within a period of 6(six)months from the end of the period to which relates, which can be further extended to 3(three)months by R.B.I. Further it is obligatory on the part of the banks to notify reasons for delay in the publication if it is published after the stipulated period.

In view of this, it is mandatory for all Coop. banks including C.C.Bs and U.C.Bs, whose deposit liabilities exceeded Rs.20 lakhs, to publish their balance sheet with the Auditor's certificate in the newspaper within the time-frame as stipulated under the afore-mentioned provisions of the Act and Rules.

In this connection, all AAGCS of Circles are impressed upon to instruct their auditors auditing C.C.Bs U.C.Bs and all other Cooperative Banks functioning in the State to ensure adherence to the above provisions of B.R. Act and Rules. Besides

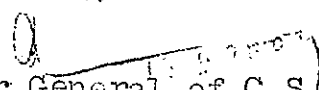
Besides giving the prescribed certificate in the NPA statement on adherence to norm for Asset classification and provisioning there of as per prescription of R.B.I., the auditor is also to certify such adherence in the concerned chapter in the audit reports of all Banks as instructed by R.B.I. vide their Circular No. UBD, BR/BK/10.45.00/2000-2001 dt.25.5.2001.


Auditor General of C.S. Orissa.

Memo No. 2992 (357)

Dated:- 17/5/2004

Copy forwarded to the Managing Director, Orissa State Coop. Bank Ltd/Secretary/Chef Executive of C.C.Bs/U.C.Bs/Utkal Coop. Bank Societies Ltd/All other Coop. Banks for information and necessary action.


Joint Auditor General of C.S. Orissa (0)

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Memo No. 2993(16) / Dated:- 17/5/2004

Copy forwarded to all Asst. Auditor General of C.S. of Circles for information and strict observance of instructions of this circular.

Joint Auditor General of C.S.(O).

Memo No. 2994 / Dated:- 17/5/2004

Copy forwarded to the Registrar of C.S., Orissa for information and necessary action with reference to his office memo No. 12396 dt. 10.8.2001.

Joint Auditor General of C.S.(O)

Memo No. 2995 / Dated:- 17/5/2004

Copy to all Auditors of Central Audit/All seats of central Audit section for information and guidance.

Copy to G.F./10S.C.

Dash. 12.5.2004.

