

**Section 23 of the Banking Regulations Act, 1949 (As Applicable to Co-operative Societies) -  
Issue of post-facto / duplicate licences**

UBD. No. BL (RO) 3 /07.01.00-2001/02

18 July 2002

To,

All Regional Offices of UBD

Dear Sir,

Section 23 of the Banking Regulations Act, 1949  
(As Applicable to Co-operative Societies)  
- Issue of post-facto / duplicate licences

We have been receiving frequent requests from primary (urban) co-operative banks for issue of post-facto licences for their branches, which were in existence as on 1 March 1966 i.e. the date when certain provisions of the Banking Regulations Act, 1949 were made applicable to cooperative banks, as also for issue of duplicate licences where original licences issued for opening branches were reportedly lost/ misplaced.

The matter has been examined in consultation with our Legal Department, and keeping in view the instructions issued by the Department of Banking Operations and Development in respect of such requests received from commercial banks, and it has been decided as under:

1. Issue of post-facto licence for branches which were in existence as on the date of extension of certain provisions of the B. R. Act, 1949

It has been decided to grant licences to all branches of the banks, which were in existence as on 1 March 1966. Hence, on a request received from the banks, the Regional Offices may issue post-facto licences to such branches, if not already issued, under Section 23 of the Banking Regulations Act, 1949(As Applicable to Co-operative Societies), with a suitable superscript indicating the date of opening of the branch as also the fact that it is a post-facto licence. Before issuing such licence it should, however, be ensured by the concerned Regional Offices that the branches were in existence as on 1 March 1966 and that these were opened with the permission of the concerned Registrar of Co-operative

Societies and / or reported by the bank in its application for seeking licence under Section 22 of the Banking Regulations Act, 1949(As Applicable to Cooperative Societies).

2. Issue of post-facto licence for branches opened by a primary co-operative bank, prior to its conversion from a credit society

The branches opened by a bank, prior to conversion from a credit society may be issued post-facto licences, if not already issued, under Section 23 of the B. R. Act, 1949, with a suitable superscript on the licence to indicate date of opening of the branch and the fact that it is a post-facto licence. Such licences may, however, be issued only after obtaining from the bank a copy of approval of the concerned Registrar of Co-operative Societies for opening the branch and /or by verifying the fact of existence of the branch from the application of the bank for conversion into a primary co-operative bank.

3. Issue of duplicate licence for branches where the original licence issued has been reported as lost / misplaced

When any request is received from banks for issue of duplicate licence, in case of lost / misplaced licence, Regional Office should not issue a duplicate licence but advise the banks by means of a letter stating that **the branch was opened under RBI licence No. \_\_\_\_\_ dated \_\_\_\_\_ and has been functioning at \_\_\_\_\_ (location), since \_\_\_\_\_ (date of opening the branch)**, with instructions to preserve the letter for the purpose of record. In case of shifting of the office, the change of location may be incorporated in the letter to be issued / already issued.

The Regional Offices, at their own level, may dispose of the requests received from the banks in the light of above guidelines, unless they require any specific clarification from Central Office. Further, in future, you may also add in your letters forwarding branch licences to banks that the licence being an important document, due care should be taken by the bank for its preservation and that no duplicate licence would be issued.

Yours faithfully

**(Sudarshan Sen)**  
**General Manager**