



EC No. 55 /DoS- 13 /2020

02 March 2020

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The Managing Director / Chief Executive Officer
All State Cooperative Banks / District Central Cooperative Banks

Dear Sir / Madam

Review of Implementation of Policies by Board of Supervision

As you are aware, NABARD / RBI have been issuing instructions on various regulatory / supervisory issues from time to time. A list of these policies is furnished in Annexure I.

2. The status of implementation of these policies was reviewed by the Board of Supervision in NABARD in its 76th meeting held on 27 November 2019. The Board of Supervision noted with concern the low level of implementation / compliance by Rural Cooperative Banks and directed NABARD to ensure that banks should achieve full compliance to all the policies by 31 March 2020. Accordingly, we advise that banks should review the status of implementation of all policies and initiate immediate action to comply with the various instructions contained in the Supervisory / Regulatory instructions.

3. Further, with a view to ensuring continuous monitoring of the status of implementation of various policies, a separate quarterly return has been published in the ENSURE portal of NABARD. The first return as on 31 December 2019 may be uploaded in the ENSURE portal by 10th March 2020. The banks are also advised to review the position of implementation of each of the policies, initiate necessary action wherever required and update the position on quarterly basis in the ENSURE portal within the prescribed time frame.

4. We advise that the progress in the implementation of these policies is being closely monitored by the Board of Supervision in NABARD. Non-adherence / non-compliance to policy directions issued by RBI / NABARD would necessitate recommendation of punitive action and RCBs are therefore, advised to initiate remedial action on gaps in policy implementation immediately.

5. This circular may be placed before the Board of Directors in its next meeting. The Board may be apprised of the status of implementation of each

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

पर्यवेक्षण विभाग

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policy. Further, the banks may prepare an Action Plan, wherever required, for achieving 100 per cent compliance by 31st March 2020 and place the same before its Board for further direction/guidance in the matter.

6. Please acknowledge receipt of this circular to our Regional Office concerned.

Yours faithfully

(K. S. Raghupathi)
Chief General Manager

Encl: -as above

Annexure I

Matrix of Policies for Rural Cooperative Banks

1. KYC / AML
2. Investment Guidelines
3. Audit Committee
4. Risk Management Systems
5. Asset Liability Management
6. Fraud Prevention and Management
7. Vigilance Cell
8. Membership of all 4 Credit Info. Cos.
9. IS Audit and Migration Audit
10. Complaints & Grievance Redressal Mechanism
11. Compliance with Prudential Norms
12. System Generation NPAs
13. Compliance Dept. / Cell
14. Compliance with Inspection findings
15. Payment & Settlement Systems
16. Cyber Security

