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OFFICE OF THE REGISTRAR OF COOPERATIVE SOCIETIES, ORISSA, BHUBANESWAR.

No. XIV-9/04 8282 BK.3(A) Bhubaneswar the 24th May, 04.

To

The Secretary of All Central Cooperative Banks/ Secretary of all Urban Coop. Banks.

Sub:- Opening of accounts through Daily Deposit Agents.

Ref:- This Directorate No. 1812 dt. 3.2.04.

Sir,

In view of large scale misappropriation in daily deposit accounts opened through D.D.Agents in some CCBs and Urban Coop.Bank, restrictions have been imposed on engagement of new daily deposit against and also in opening of new D.D.Accounts vide this directorate letter under reference. In the said circular it has also been stipulated that cent percent verification of daily deposit accounts should be under taken by the Banks and the deposit accounts should be audited in order to findout incidence of misappropriation, if any. In case there is no incidence of misappropriation after such checking and verification, the Banks have been allowed to open new accounts subject to prior permission from the R.C.S.(O). In the meantime, several complaints received from the field from the Daily Deposit Agents that although the Banks have examined their accounts, they are not permitted to open new accounts and the Banks are taking the plea that permission from R.C.S.(O) is not accorded.

The underlying idea of the circular is to awaken the Bank to the various instances of misappropriation which are taking place due to lack of supervision and timely examination of the accounts by the concerned supervisory staff. In case such verification is complete in all respect of any Bank, the Bank may allow opening of such new accounts or renewal of accounts as per the decision of the Management.

This directorate is not yet informed of the progress of checking by the Banks nor there is any permission sought for from RCS(O) by any Bank in this regard. However, if checking of daily deposit accounts have been completed by any Bank, the Secretary/Chief Executive of the Bank should endorse a certificate of 100% verification of daily deposit accounts and then go ahead in allowing opening of new accounts by the D.D. Agents as per the decision of the Management if there is no incidence of misappropriation in the accounts of any D.D.Agents. The services of any agents be terminated where he/she is found involved in fraud or misappropriation and civil and criminal action be taken against him.

Yours faithfully,

Sd/-

Registrar of C.S.(O)

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Memo No.8284 /dt.24.5.2004

Copy to Auditor General of C.S.,Orissa,Bhubaneswar for information and necessary action.

Sd/-
Registrar of C.S.,Orissa.

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DIREDTORATE OF COOPERATIVE AUDIT:ORISSA:BHUBANESWAR.

Memo No. 4668 (16) /Dated:- 19.7.2004
VI(I)9/04 Audit-8.

Copy forwarded to All Asst.Auditor General of C.S. of Circles for circulation amongst Auditor for their information and guidance in audit of Banks.

5 S.C.

19/7/04
Sd-Asst.Auditor General of C.S(C)

Dash.19.7.2004.