

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4340
ANSWERED ON:19.04.2002
UNLICENSED BANKS
ANANDRAO ADSUL

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India has identified the unlicensed banks functioning in the country;
- (b) if so, the details thereof and how many such banks were identified, State-wise; and
- (c) the action proposed to be taken against the unlicensed banks ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a)&(b): According to Reserve Bank of India (RBI), 17 State Co-operative Banks, 294 District Central Co-operative Banks and 126 Urban Co-operative Banks which were in existence as on 1st March, 1966 i.e. the date of applicability of the Act to co-operative banks, are carrying on banking business without licence in terms of the provisions of the Banking Regulation Act, 1949. The State-wise breakup of these banks is given in the Annexure. In addition, 18 Urban Co-operative Banks were opened in Kerala without obtaining requisite licence from RBI.

(c): RBI issues public notification in national and local dailies, regarding the status of banks carrying on banking business illegally, to warn the members of the public against dealing with such banks. The matter is taken up with the concerned State Governments and criminal complaints are filed against the unauthorised banks.