

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6197
ANSWERED ON:27.04.2001
CO OPERATIVE BANKS
IQBAL AHMED SARADGI

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India has sought more powers to regulate cooperative banks from the Ministry;
- (b) if so, whether the move is aimed at doing away with (he dual control by the Central Bank and registrar of cooperative societies in this bank;
- (c) if so, whether any concrete decision in this regard has been taken; and
- (d) if so, the details thereof?

Answer

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

(a) to (d) Government had appointed a Task Force to study the Co-operative credit system and suggest measures for its strengthening under the Chairmanship of Shri Jagdish Capoor, Deputy Governor, Reserve Bank of India (RBI). The Task Force has recommended that for removing overlapping of controls and granting functional autonomy and operational freedom to co-operatives there a need to prepare specific action plan refining clearly the relationships, the roles and responsibilities in respect of all concerned agencies viz. Central Government, State Government, Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) and Apex Bank Co-operative Institutions. The Task Force has emphasized that banking functions should be brought completely under the control of Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) to be regulated by RBI. The report of the Task Force is being examined by the Government.