

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5317
ANSWERED ON:29.04.2005
MONITORING OF COOPERATIVE BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India has recently made some recommendations regarding the functioning and monitoring of Co-operative Banks;
- (b) if so, the details thereof; and
- (c) the reaction of the Union Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) to (c) The Reserve Bank of India has placed a draft Vision Document for Urban Cooperative Banks (UCBs) on its website inviting feed back from the public, with the objective that UCBs emerge as a sound and healthy network of jointly owned, democratically controlled and ethically managed Banking Institutions providing need based quality banking services, essentially to the middle and lower middle classes and marginalized sections of the society. Further, a Task Force on Rural Cooperative Credit Structure was constituted by the Government. Reserve Bank of India has agreed with most of the recommendations made by the Task Force, but suggested some options regarding changes in the legal frame work for regulating/monitoring of the Cooperative Banks.

The Government has accepted the report of the Task Force in principle for implementation and consultation with State Governments has been initiated.