

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4668

ANSWERED ON:23.04.2010

CORRUPTION IN COOPERATIVE AND RURAL BANKS

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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received complaints regarding irregularities and corruption in the cooperative and rural banks during the last three years; and

(b) if so, the details thereof and the action taken thereon, State-wise and bank-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) & (b): Reserve Bank of India (RBI) has reported that complaints received against Scheduled Co-operative Banks & Regional Rural Banks (RRBs) are examined by the 15 offices of Banking Ombudsmen under the Banking Ombudsman Scheme. The details of the complaints received against Scheduled Co-operative Banks and RRBs, for the deficiency of services rendered by banks on the grounds indicated in the Banking Ombudsman Scheme (BOS), 2006 during the last three years are given below:

Year	Total complaints received by Banking Ombudsmen	Out of which complaints against Scheduled Co-op Banks	Out of which complaints against RRBs
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2006-07	38638	313	536
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2007-08	47887	295	826
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2008-09	69117	302	846
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Only Scheduled Cooperative Banks are covered under the BOS 2006.

The National Bank for Agriculture and Rural Development (NABARD) has reported that in the case of Cooperative Banks, complaints regarding irregularities and corruption are generally looked into by the Registrar of Cooperative Societies/Department of Cooperation of the respective State Governments. As regards RRBs, the complaints are generally received at different levels

(i) RRB itself,

(ii) its sponsor banks,

(iii) the Ombudsmen,

(iv) RBI & NABARD. Government of India also forwards complaints received from various sources to NABARD, RBI and Sponsor Banks for enquiry and redressal. However, state wise and bank wise details as sought are not centrally maintained.