

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4440  
ANSWERED ON:20.08.2010  
MISMANAGEMENT OF DCBS  
Yadav Shri Om Prakash

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government is aware that the depositors of District Cooperative Banks are not getting their money back due to poor financial condition and mismanagement of such banks;
- (b) if so, the details thereof;
- (c) whether the Government proposes to take over these banks through National Bank for Agriculture and Rural Development (NABARD) keeping in view their poor condition;
- (d) if so, the details thereof and if not, the reasons therefore; and
- (e) the remedial measures taken/being taken by the Government in this regard?

**Answer**

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

(a) & (b): Reserve Bank of India(RBI) as a regulator of banks, monitors the functioning of District Central Co-operative Banks (DCCBs) regularly. The actions, as appropriate, are taken by RBI against the weak/non-complaint DCCBs under provisions of the Banking Regulation Act, 1949 (AACS) in consultation with National Bank for Agriculture and Rural Development(NABARD) from time to time with due process. In view of unsatisfactory financial position and/or violation of RBI guidelines, Two DCCBs viz. Nanded District Central Co-operative Bank Ltd., Maharashtra and Panchmahals District Co-operative Bank Ltd., Gujarat are presently prohibited from accepting fresh deposits and/or allowing withdrawal of deposits in excess of a stipulated limit. Details are as follows:

S. No.	Name of the DCCB	State	Nature of Direction/s
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1	Panchmahals District Co-operative Bank Ltd.	Gujarat	Ban on (i) acceptance of fresh deposits (ii) grant of loans and advances except in certain cases (iii) withdrawal of deposits exceeding Rs.2000/- per depositor.
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2.	Nanded District Central Co-operative Bank Ltd.	Maharashtra	Ban on allowing withdrawal of deposits exceeding Rs.25,000/- per depositor.
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(c) to (e): Government does not propose to take over these banks through NABARD. However, for the revival of the cooperative credit institutions, Government of India has formulated a revival package for Short Term Cooperative Credit Structure(STCCS) in January, 2006. The total size of the package is Rs.13,597 crore to be shared by the Government of India, State Governments and the Cooperative Credit Structures in the ratio of 68:28:4. Govt. of India so far has released an amount of 8,230 crore to NABARD, the implementing agency under the Scheme and against this as on 30-06-2010, Rs. 7,987.60 crore has been released by NABARD as Gol share for recapitalization. 25 States including the States of Gujrat and Maharastra have executed MoUs with Gol and NABARD for implementing the revival package.