

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2057
ANSWERED ON:02.12.2011
COOPERATIVE SOCIETIES
Reddy Shri Magunta Srinivasulu

Will the Minister of FINANCE be pleased to state:

- (a) whether a large number of cooperative societies in the country are reported to be dormant and more than one-third of the district cooperative banks are struggling to retain their licence from the Reserve Bank of India (RBI);
- (b) if so, the details thereof and reasons therefor; and
- (c) the corrective steps taken/being taken by the Government in this regard?

Answer

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

(a)to(c): State Cooperative Societies are not regulated by Reserve Bank of India (RBI). The Committee on Financial Sector Assessment reviewed the position of unlicensed banks in the Co-operative Sector and recommended that banks which fail to obtain a license by 31 March, 2012 should not be allowed to operate. Accordingly, revised guidelines were issued by the RBI relaxing certain norms for obtaining license by State Cooperative Banks/District Central Cooperative Banks. Out of the 371 District Central Cooperative Banks (DCCBs), 254 banks have obtained license from RBI as on 3rd November 2011. RBI has advised its Regional Offices to constantly review the position in consultation with the concerned Regional Offices of National Bank for Agriculture and Rural Development (NABARD) and Registrars of Co-operative Societies of the concerned States.