

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3879

ANSWERED ON:16.12.2011

LOSSES OF COOPERATIVE BANKS

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Will the Minister of FINANCE be pleased to state:

- (a) whether the losses of cooperative public and private sector banks in the country are on the rise during each of the last three years and the current year;
- (b) if so, the details thereof, bank-wise and the reasons therefor;
- (c) whether some of the said banks have disappeared with the public deposits during the said period;
- (d) if so, the details thereof; and
- (e) the remedial measures taken/being taken by the Government to protect the interests of the customers and to revive the cooperative banks?

Answer

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

(a)to(e): The Public Sector Banks and Private Sector Banks as a whole has made profits during the last three years and in the current year.

The details of loss making State Co-operative Banks (SCBs), District Central Cooperative Banks (DCCBs), State Cooperative Agriculture and Rural Development Banks (SCARDBs) and Primary Co-operative Agriculture and Rural Development Banks (PCARDBs) for the last three years are given below:

(Rs in crore)

Year	SCBs	DCCBs	SCARDBs	PCARDBs	Total
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No Amt	No Amt	No Amt	No Amt	No Amt	No Amt
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2008-09	4	68.56	47	242.42	8	349.23	392	369.05	451	1,029.26
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2009-10	2	208.06	47	523.92	9	154.86	425	539.15	483	1,425.99
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2010-11	2	252.40	36	332.05	7	62.97	270	353.05	315	1,000.47
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The Urban Co-operative Banking sector as a whole has made profits during the last two years i.e. 2009-10 and 2010-11.

The Reserve Bank of India has cancelled the licenses of 75 Urban Co-operative Banks during the last three financial years in terms of the provisions of Sec 22(4) of the Banking Regulation Act, 1949. On cancellation of the banking license the depositors of the UCBs are entitled to receive from the Deposit Insurance and Credit Guarantee Corporation (DICGC) an amount in accordance with the

provisions of the DICGC Act, 1961.

Section 36 to 45 of Banking Regulation Act 1949 deals with appointing of official liquidator for banking companies, monitor the progress in liquidation proceedings of banks placed in liquidation and also ensure speedy disposal of winding up proceedings of banks taking into account the depositors' interests.

Based on the Vaidyanathan Committee-I recommendations, the Government of India formulated a Revival Package (RP) aimed at reviving and revitalizing the Short Term Cooperative Credit Structure (STCCS) to make it a well managed and vibrant medium to serve the credit needs of rural India, particularly the small and marginal farmers. Under the Revival Package for STCCS, an amount of Rs.9858.51 crore (Rs.9002.98 crore as Government of India (GoI) share and Rs. 855.53 crore as State Govt. share) has been released as on 30 November 2011 to recapitalize 54728 STCCS entities (54715 PACS and 13 CCBs) in seventeen States to wipe out their accumulated losses.