

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5922
ANSWERED ON:11.05.2012
URBAN COOPERATIVE BANK
Meghwal Shri Arjun Ram

Will the Minister of FINANCE be pleased to state:

- (a) whether there is any scheme to set up Urban Cooperative Banks in major cities of the country;
- (b) if so, the details thereof and the number of such banks operational in the country;
- (c) the number of urban cooperative banks during the last three years closed down for incurring losses, year-wise, State-wise including Rajasthan; and
- (d) the action taken by the Government to safeguard the interest of customers of such banks ?

Answer

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

(a) & (b): As on 31st March 2011, 1645 Urban Cooperative Banks were working in the Country.

(c): The number of Urban co-operative banks whose licenses were cancelled by Reserve Bank of India (RBI) during the last three years is as under:

Name of the State Year

1.4.2009 to 31.3.2010 1.4.2010 to 31.3.2011 1.4.2011 to 31.3.2012

Andhra Pradesh 1 1 2

Assam & North East States 0 1 0

Gujarat 7 2 2

Karnataka 4 1 0

Madhya Pradesh 2 0 0

Maharashtra 17 7 11

Total 31 12 15

The licenses were cancelled for various reasons including incurring losses.

(d): In terms of provisions of the Deposit Insurance & Credit Guarantee corporation (DICGC) Act 1961, on cancellation of the license of an insured bank, the Deposit Insurance and Credit Guarantee Corporation (DICGC)shall be liable to pay to every depositor of that bank in accordance with the provisions of section 17 of the DICGC Act, an amount equal to the amount due to him in respect of his deposit in that bank at the time when such order is made, provided further that the total amount payable by the Corporation to any one depositor in respect of his deposit in that bank in the same capacity and in the same right shall not exceed one lakh rupees.