

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:509

ANSWERED ON:11.05.2012

COOPERATIVE BANKS WITHOUT RBI LICENSES

Bhoi Shri Sanjay;Gaikwad Shri Eknath Mahadeo

Will the Minister of FINANCE be pleased to state:

- (a) whether instances of a large number of State and District cooperative banks reported to be functioning without the requisite Reserve Bank of India (RBI) license, have come to the notice of the Government;
- (b) if so, the details thereof, State/bank-wise alongwith the reasons therefor;
- (c) whether the State Government including Maharashtra have approached the Union Government for extending the deadline for securing license for certain cooperative banks in the States;
- (d) if so, the details thereof and the reaction of the Union Government thereto; and
- (e) the steps taken/ proposed to be taken by the Government to protect the interest of customers of those cooperative banks which failed to get the license in time from RBI?

Answer

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (e): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 509 to be answered on 11 May, 2012 regarding Cooperative Banks without RBI Licenses, tabled by Shri Eknath M. Gaikwad and Shri Sanjay Bhoi.

(a) & (b): As on 31st March, 2012, one out of 31 States Cooperative Banks, and 42 out of 371 District Central cooperative Banks have not fulfilled the licensing norms set by RBI. State-wise/bank-wise details of State Cooperative Banks and District Cooperative Banks not meeting the licensing criteria as on 31st March, 2012, is enclosed at Annex. These banks were not complying with eligibility norms as laid down by RBI which inter-alia include minimum Capital to Risk Weighted Assets Ratio (CRAR) of 4% and/ or no default on Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR).

(c) to (e): The license under the Banking Regulation Act 1949 are required to be obtained by the concerned banks from the RBI. RBI alongwith NABARD has decided to constitute a Task Force at the Regional Offices of RBI in respect of all unlicensed Cooperative Banks who could not meet the licensing requirements by 31 March, 2012. The unlicensed banks would submit a Monitorable Action Plan (MAP) to fulfil the licensing criteria and the Task Force would periodically review the progress.