

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1035

ANSWERED ON:28.11.2014

COOPERATIVE BANKS

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Will the Minister of FINANCE be pleased to state:

- (a) the details of criteria/norms laid down for grant of licenses of Central Cooperative Banks;
- (b) the number of Central Cooperative Banks registered in the country as on date, State/UT-wise;
- (c) the number of cooperative banks out of these which are currently functional and those running losses/closed down during the last three years and current year;
- (d) whether there is any mechanism for rehabilitation or revival of loss making cooperative banks; and
- (e) if so, the details thereof along with the steps taken/being taken by the Government to safeguard the interest of customers?

Answer

The Minister of State in the Ministry of Finance (Shri Jayant Sinha)

(a) The norms for issue of license to Cooperative Banks, inter alia, laid down by the Reserve Bank of India (RBI) are compliance with Section 11(1) of the Banking Regulations (BR) Act, 1949 (As applicable to Cooperative Societies) i.e. minimum capital requirement (Rs. 1 lakh – real or exchangeable value); CRAR of at least 4%; compliance with Section 18 (Cash Reserve Ratio) and Section 24 (Statutory Liquidity Ratio) of BR Act, 1949 (AACS) during the last one year.

(b) & (c) The total number of District Central Cooperative Banks (DCCBs) as on 31.3.2014 was 370. However, in April, 2014, the RBI had rejected the license applications of 4 DCCBs viz. 3 in Maharashtra and 1 in West Bengal, hence the number of functioning DCCBs stands at 366.

The details of loss making DCCBs during the last 3 years as well as upto March, 2014 are as under :

Total No. of CCBs (As on 31 March 2011- 2014)	Out of total CCBs, loss making CCBs as on
	2011 2012 2013 2014#
370	42 42 43 31

#out of 345 DCCBs Source : NABARD

(d) & (e):- Though it is the responsibility of the State Governments to revive their weak cooperative banks, considering their precarious position as well as to protect the interest of depositors/customers, the Government of India has agreed, as a special case, to implement the Scheme for Revival of 23 Unlicensed DCCBs in four States viz. 16 in Uttar Pradesh, 3 in Jammu & Kashmir, 3 in Maharashtra and 1 in West Bengal. Under the Scheme, the total capital infusion for revival of these 23 DCCBs is Rs. 2375.42 crore, out of which the commitment from Central Government is Rs. 673.29 crore, from State Governments Rs.1464.59 crore and from NABARD Rs.237.54 crore. Moreover, in case a cooperative bank is liquidated, the deposit amount upto Rs.one lakh is covered under Deposit Insurance and Credit Guarantee Corporation (DICGC) Act, 1961.