

RAJYA SABHA
Unstarred Question No. 877
Answered on Tuesday, July 30, 2024/ Sravana 8, 1946 Saka

Failure of co-operative banks

877 Shri Pramod Tiwari:

Will the Minister of **Finance** be pleased to state:

- (a) whether after 2014, a number of co-operative banks-both urban and rural-were closed due to failure;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether RBI has expressed concern over the elevated non-performing assets of urban cooperative banks; and
- (d) if so, the way RBI proposes to expand the operations of cooperative banking sector and improve their financial health?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d) As informed by National Bank for Agriculture and Rural Development (NABARD), none of the Rural Cooperative Banks viz. State Cooperative Banks (StCBs)/District Central Cooperative Banks (DCCBs) have been closed since 2014. Further, Reserve Bank of India (RBI) has informed that licenses of 78 Urban Cooperative Banks (UCBs) were cancelled after 2014. The list of these UCBs is provided in Annexure-I. The reasons for cancelling these licenses were, among others, inadequate capital, poor earning prospects, deteriorating financial position, and the continuation of operations being prejudicial to the interests of depositors and the public at large.

An increase in non-performing assets (NPAs) can be attributed to various factors, including macroeconomic conditions, sectoral issues, global business environment etc. RBI has taken several initiatives aimed at timely identification and resolution of stressed assets with the banks' boards entrusted with the responsibility of ensuring effective oversight. To address the issue of elevated NPAs, RBI has issued 'Prudential Guidelines on Restructuring of Advances by UCBs' and 'Guidelines on the Transfer of Stressed Loans'.

RBI has implemented several measures to expand the operations and strengthen the financial health of cooperative banks, which, inter alia, include:

Urban Cooperative Banks (UCBs):

- i. Increased Housing Loan Limits.

- ii. RBI has mandated a phased approach for Urban Cooperative Banks (UCBs) to comply with a Priority Sector Lending (PSL) target of 75% of adjusted net bank credit (ANBC) or credit equivalent amount of off-balance sheet exposure (CEOBSE) by March 31, 2026.
- iii. UCBs have to adhere to prudential exposure limits of 15% for a single borrower/party and 25% for a group of connected borrowers/parties, based on their Tier-I capital. Additionally, at least 50% of their loans must be in amounts not exceeding ₹25 lakh or 0.2% of Tier-I capital, up to a maximum of ₹1 crore per borrower/party.

Rural Cooperative Banks (RCBs):

- i. RCBs have been permitted to extend finance to Commercial Real Estate - Residential Housing (CRE-RH) sector within the existing housing finance limit of 5% of their total assets.
- ii. Increased Housing Loan Limits.

Statement referred to in part (a) to (d) of Rajya Sabha Un-Starred Question No.877 on failure of co-operative banks due for answer on 30.07.2024

The list of Urban Cooperative Banks (UCBs) whose licences have been cancelled since 2014

Year	S. No.	Urban Cooperative Bank	Date of Cancellation	State	Remark
2014	1	Ajmer Urban Co-Op Bank Ltd.	September 15, 2014	Rajasthan	Cancelled
	2	Baripada Urban Co op Bank Limited.	October 16, 2014	Odisha	Cancelled
	3	Merchant's Co-op. Bank Ltd., Dhule.	August 30, 2014	Maharashtra	Cancelled
	4	Mirzapur Urban Co-op Bank Ltd.	September 11, 2014	Uttar Pradesh	Cancelled
	5	Municipal Cooperative Bank Ltd.,Ahmedabad	February 03, 2014	Gujarat	Cancelled
	6	Shri Shivaji Sahakari Bank Ltd.,Gadhinglaj.	June 14, 2014	Maharashtra	Cancelled
	7	Urban Coop Bank Ltd,Bhubaneshwar.	February 17, 2014	Odisha	Cancelled
	8	Vasavi Coop Urban Bank Limited.	July 14, 2014	Telangana	Cancelled
	9	Apex Co-op. Bank of Urban Banks of Maharashtra & Goa	October 30, 2014	Maharashtra	Cancelled
2015	10	Baranagar Co-operative Bank Limited (West Bengal)	January 21, 2015	West Bengal	Cancelled
	11	Shri Swami Samarth Urban Co-operative Bank Ltd., Naldurg.	April 30, 2015	Maharashtra	Cancelled
	12	The United Commercial Co-operative Bank Ltd., Kanpur	January 24, 2015	Uttar Pradesh	Cancelled
	13	Vitthal Nagari Sahakari Bank Ltd., Latur.	June 26, 2015	Maharashtra	Cancelled
2016	14	Pioneer Urban Co-operative Bank Ltd.,Lucknow	July 25, 2016	Uttar Pradesh	Cancelled
	15	Shri Sai Urban Cooperative Bank Ltd. , Mukhed	December 28, 2016	Maharashtra	Cancelled
2017	16	Shri Chhatrapati Urban Co-operative Bank Ltd., Pimple	February 07, 2017	Maharashtra	Cancelled
	17	The Mercantile Urban Co-operative Bank Ltd., Meerut	March 30, 2017	Uttar Pradesh	Cancelled
	18	Jamkhed Merchants Co-operative Bank Ltd.	June 01, 2017	Maharashtra	Cancelled
	19	Gokul Co-operative Urban Bank Ltd., Secunderabad	June 20, 2017	Telangana	Cancelled
	20	Hardoi Urban Co-operative Bank Ltd.,Hardoi	August 30, 2017	Uttar Pradesh	Cancelled
	21	Mahamedha Urban Co-op bank Ltd., Ghaziabad	August 23, 2017	Uttar Pradesh	Cancelled
	22	Lokseva Sahakari Bank Ltd., Pune	September 18, 2017	Maharashtra	Cancelled
2018	23	Bhopal Nagarik SahakariBank Limited.	January 22, 2018	Madhya Pradesh	Cancelled
	24	Brahmawart Commercial Co-operative Bank Ltd., Kanpur	July 03, 2018	Uttar Pradesh	Cancelled
	25	Alwar Urban Co-Op Bank Ltd.	July 05, 2018	Rajasthan	Cancelled
	26	Bhilwara Mahila Urban Co-op. Bank Ltd.	August 31, 2018	Rajasthan	Cancelled
	27	The Navodaya Urban Co-operative Bank Ltd., Nagpur.	October 08, 2018	Maharashtra	Cancelled
2020	28	Mapusa Urban Co-op Bank	April 16, 2020	Goa	Cancelled
	29	CKP Co-op Bank Ltd	April 30, 2020	Maharashtra	Cancelled
	30	The Karad Janata Sahakari Bank Ltd	December 07, 2020	Maharashtra	Cancelled
2021	31	Vasantdada Nagari Sahakari Bank Ltd.	January 11, 2021	Maharashtra	Cancelled
	32	Shivam Sahakari Bank Ltd, Ichalkaranji	January 29, 2021	Maharashtra	Cancelled

Year	S. No.	Urban Cooperative Bank	Date of Cancellation	State	Remark
	33	Bhagyodaya Friends Urban Co-operative Bank Limited	April 22, 2021	Maharashtra	Cancelled
	34	United Co-operative Bank Ltd., Bagnan, West Bengal	May 13, 2021	West Bengal	Cancelled
	35	Shivajirao Bhosale Sahakari Bank Ltd.	May 31, 2021	Maharashtra	Cancelled
	36	Madgaun Urban Co-Op. Bank Ltd.	July 29, 2021	Goa	Cancelled
	37	Dr. Shivajirao Patil Nilangekar Urban Co-operative Bank Limited, Nilanga, Dist. Latur, Maharashtra	July 14, 2021	Maharashtra	Cancelled
	38	Karnala Nagari Sahakari Bank Limited	August 13, 2021	Maharashtra	Cancelled
2022	39	Independence Co-operative Bank Limited, Nashik, Maharashtra	February 03, 2022	Maharashtra	Cancelled
	40	Mantha Urban Cooperative Bank Ltd., Mantha, District: Jalna, Maharashtra	February 16, 2022	Maharashtra	Cancelled
	41	Sarjeraodada Naik Shirala Sahakari Bank Ltd, Shirala, Dist. Sangli, Maharashtra	March 02, 2022	Maharashtra	Cancelled
	42	People's Co-operative Bank Limited, Kanpur, Uttar Pradesh	March 21, 2022	Uttar Pradesh	Cancelled
	43	The Mudhol Co-operative Bank Limited, Dist.- Bagalkot, Karnataka	June 08, 2022	Karnataka	Cancelled
	44	Millath Co-operative Bank Limited, Davangere, Karnataka	June 18, 2022.	Karnataka	Cancelled
	45	Shri Anand Co-operative Bank Ltd., Chinchwad, Pune	July 07, 2022	Maharashtra	Cancelled
	46	Deccan Urban Co-operative Bank Ltd., Vijayapur, Karnataka	August 18, 2022	Karnataka	Cancelled
	47	The Laxmi Co-operative Bank Limited, Solapur, Maharashtra	September 22, 2022	Maharashtra	Cancelled
	48	The Seva Vikas Co-operative Bank Ltd., Pune, Maharashtra	October 10, 2022	Maharashtra	Cancelled
	49	Rupee Co-operative Bank Ltd, Pune	October 31, 2022	Maharashtra	Cancelled
50	Babaji Date Mahila Sahakari Bank Ltd, Yavatmal, Maharashtra	November 11, 2022	Maharashtra	Cancelled	
2023	51	Garha Co-operative Bank Ltd., Guna, Madhya Pradesh	February 20, 2023	Madhya Pradesh	Cancelled
	52	Adoor Co-operative Urban Bank Ltd.,	April 24, 2023	Kerala	Conversion to Co-operative Society
	53	The Malkapur Urban Co-operative Bank Limited, Buldhana, Maharashtra	July 05, 2023	Maharashtra	Cancelled
	54	Shushruti Souharda Sahakara Bank Niyamita, Bengaluru	July 05, 2023	Karnataka	Cancelled
	55	Sri Sharada Mahila Co-operative Bank Ltd., Tumkur, Karnataka	July 11, 2023	Karnataka	Cancelled
	56	Harihareshwar Sahakari Bank Ltd., Wai, Satara	July 11, 2023	Maharashtra	Cancelled
	57	United India Co-operative Bank Limited, Nagina, Bijnor, Uttar Pradesh	July 19, 2023	Uttar Pradesh	Cancelled
	58	National Urban Co-operative Bank Limited, Bahaich (U.P)	September 22, 2023	Uttar Pradesh	Cancelled
	59	Sri Mallikarjuna Pattana Sahakari Bank Niyamita, Maski, Karnataka	September 22, 2023	Karnataka	Cancelled

Year	S. No.	Urban Cooperative Bank	Date of Cancellation	State	Remark
	60	The Kapol Co-operative Bank Limited, Mumbai, Maharashtra	September 25, 2023	Maharashtra	Cancelled
	61	Nashik Zilla Girna Sahakari Bank Limited, Nashik, Maharashtra	September 26, 2023	Maharashtra	Cancelled
	62	Lucknow Urban Co-operative Bank Ltd., Lucknow, Uttar Pradesh	September 29, 2023	Uttar Pradesh	Cancelled
	63	Nagar Urban Co-operative Bank Ltd., Ahmednagar, Maharashtra	October 04, 2023	Maharashtra	Cancelled
	64	Shankarrao Pujari Nutan Nagari Sahakari Bank Ltd., Ichalkaranji, Kolhapur	December 04, 2023	Maharashtra	Cancelled
	65	Urban Co-operative Bank Ltd., Sitapur, Uttar Pradesh	December 07, 2023	Uttar Pradesh	Cancelled
	66	the Musiri Urban Co-operative Bank Ltd., Musiri	December 29, 2023	Tamil Nadu	Cancelled
	67	Adarsh Mahila Nagari Sahakari Bank Maryadit, Aurangabad, Maharashtra	December 29, 2023	Maharashtra	Cancelled
	68	The Faiz Mercantile Cooperative Bank Ltd., Nashik, Maharashtra	December 30, 2023	Maharashtra	Cancelled
2024	69	Shree Mahalaxmi Mercantile Co-operative Bank Ltd., Dabhoi, Gujarat	January 12, 2024	Gujarat	Cancelled
	70	The Hiriya Urban Co-operative Bank Ltd., Hiriya, Karnataka	January 12, 2024	Karnataka	Cancelled
	71	Jai Prakash Narayan Nagari Sahakari Bank Ltd., Basmathnagar	February 6, 2024	Maharashtra	Cancelled
	72	Sumerpur Mercantile Urban Cooperative Bank Limited, Sumerpur, Pali, Rajasthan	February 28, 2024	Rajasthan	Cancelled
	73	Purvanchal Co-operative Bank Ltd., Ghazipur, Uttar Pradesh	June 15, 2024	Uttar Pradesh	Cancelled
	74	The City Co-operative Bank Ltd., Mumbai, Maharashtra	June 19, 2024	Maharashtra	Cancelled
	75	Banaras Merchantile Co-operative Bank Limited, Varanasi	July 04, 2024	Uttar Pradesh	Cancelled
	76	Shimsha Sahakara Bank Niyamitha, Maddur, Mandya District, Karnataka	July 05, 2024.	Karnataka	Cancelled
	77	Uravakonda Co-operative Town Bank Ltd., Uravakonda (Anantapur District), Andhra Pradesh	July 20, 2024	Andhra Pradesh	Cancelled
	78	The Mahabhairab Cooperative Urban Bank Ltd., Tezpur, Assam	July 24, 2024	Assam	Cancelled