

Government of India  
Ministry of Finance  
Department of Financial Services

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. # 3439**  
ANSWERED ON TUESDAY, 1 APRIL, 2025/11 CHAITRA, 1947 (SAKA)

**Current financial condition of Cooperative Banks**

3439 # **Dr. Medha Vishram Kulkarni:**

**Shri Babubhai Jesangbhai Desai:**

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

- (a) the current financial condition of Cooperative Banks and whether Government has taken any specific steps for the security and transparency of Cooperative Banks;
- (b) the measures being taken to prevent corruption and irregularities in Cooperative Banks in the country;
- (c) whether Government has taken any strict action recently; and
- (d) the manner in which the contribution of the Ministry of Cooperation towards the country's economic condition and employment generation is being analyzed and the plans to improve it in future?

**Answer**

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

(a) to (d): The current financial condition of cooperative banks, as provided by RBI and NABARD is provided at **Annexure I**.

The Banking Regulation Act, 1949 has been amended to provide additional powers to RBI for more effective regulation of Co-operative banks vide Banking Regulation (Amendment) Act, 2020. The major amendments pertain to areas such as management, audit, capital, reconstruction/ amalgamation, etc. The provisions of the Act have been brought into force for Urban Co-operative Banks (UCBs) with effect from 26.06.2020. Post these amendments, inter-alia, the governance/management related provisions of the BR Act, (such as Section 10,10A,10B,35B,36AB, etc.), have become applicable to co-operative banks.

Further, the following measures are in place to prevent corruption and irregularities in cooperative banks:

- RBI has issued Master Direction on Fraud Management for the Regulated Entities viz. Cooperative Banks in 2024 which contain comprehensive guidelines related to reporting of fraud, following of principles of natural justice, governance mechanism, implementation of early warning mechanism, staff accountability, fixation of responsibility of third parties and role of external and internal auditors, among others.
- The Prompt Corrective Action (PCA) Framework requires the identified UCBs to initiate and implement remedial measures in a timely manner, to restore their financial health and protect the interests of the depositors.
- RBI has implemented a financial safety net for the account holders of banks (including cooperative banks) in the form of Deposit Insurance through DICGC.
- RBI through “RBI Kehta Hai” has issued awareness material / useful information on aspects such as different types of frauds and their modus-operandi.
- Amendment has been brought in the Multi-State Co-operative Societies (MSCS) Act, 2002 to strengthen governance, enhance transparency, increase accountability, reform electoral process and incorporate provisions of 97th Constitutional Amendment in the Multi State Cooperative Societies.
- Following the amendment in the Multi–State Cooperative Societies (MSCS) Act, 2002, Cooperative Ombudsman has been appointed under Section 85A of the said Act. The Ombudsman office deals with complaints or appeals, from members of the MSCS regarding their deposits, equitable benefits of the Multi–State Co-operative Society’s functioning or any other issue affecting the individual rights of the concerned member.
- The Cooperative Election Authority has been set up to strengthen governance and accountability, with a mandate to conduct free and fair election in all Multi-State Cooperative Societies.
- NABARD has framed guidelines for banks to report frauds to law enforcement agencies, viz State Police, State CID/Economic Offense Wing of the State, etc. for further investigation and appropriate action.

The Ministry of Cooperation (MoC) is responsible for strengthening of cooperative movement in the country and deepening its reach upto the grassroots to realise the vision of “from cooperation to prosperity”. They also promote the cooperative-based economic development model, including the creation of appropriate policy, legal and institutional framework to help cooperatives realise their potential. MoC also organizes training of personnel of co-operative institutions, including education of members, office bearers and non-officials.

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**Statement referred to in part (a) to (d) of Rajya Sabha Un-Starred Question No. 3439 on  
“Current financial condition of Cooperative Banks” due for answer on 01.04.2025**

**Financial condition of Cooperative Banks**

<b>Category of Bank</b>	<b>Total Assets</b>	<b>Total Deposits</b>	<b>Net Profit after taxes</b>	<b>Capital Ratio (CRAR) (%)</b>	<b>Gross NPA Ratio (%)</b>	<b>Net NPA Ratio (%)</b>
Urban Cooperative Banks (UCBs) [as on 31.12.2024]	7,20,141	5,59,954	4,130	17.5	9.2	3.7
State Cooperative Banks (StCBs) [as on 31.03.2024]	4,88,266	2,56,819	2,691	12.9	4.9	2.0
District Central Cooperative Banks (DCCBs) [as on 31.03.2024]	7,65,577	4,76,610	1,894	11.9	8.9	3.4

\* As per Data provided by RBI for UCBs and NABARD for StCBs & DCCBs