

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1040

ANSWERED ON TUESDAY, 29 JULY, 2025/ SRAVANA 7, 1947 (SAKA)

REVIVAL OF COOPERATIVE BANKS

1040. **SHRI DEBASHISH SAMANTARAY:**

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

- (a) the number of cooperative banks under financial stress or RBI restrictions;
- (b) whether Government has any revival plan for such banks; and
- (c) the steps taken to ensure transparency and accountability in cooperative banks?

Answer

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

(a) to (c): As reported by RBI & NABARD, a total of 20 Urban Cooperative Banks (UCBs) are under All Inclusive Directions (AID) and 431 UCBs are under Supervisory Action Framework (SAF) of RBI. Similarly, 01 State Cooperative Bank (StCB) & 15 District Central Cooperative Banks (DCCBs) have also been placed under RBI directions.

The Government has taken various steps to bring improvement in performance of Cooperative banks which *inter-alia* include capacity building of Rural Cooperative Banks (RCBs), implementation of multipronged comprehensive Turn Around Plan (TAP) through NABARD for weak RCBs, etc.

In order to ensure transparency and accountability in the functioning of cooperative banks, RBI & NABARD have taken various measures which *inter-alia* include:

- RBI has put in place in place Prompt Corrective Action (PCA) framework for UCBs in order to enable supervisory intervention at an appropriate time and require the UCBs to initiate and implement remedial measures in a timely manner, to restore their financial health.
- UCBs (other than those having deposit size less than Rs.100 crore and salary earners' banks) are required to constitute a Board of Management (BoM) to facilitate professional management and focused attention to their banking-related activities.
- UCBs shall put in place a transparent mechanism to ensure that Whistle Blower complaints on possible fraud cases / suspicious activities in account(s) are examined and concluded appropriately under their Whistle Blower Policy.
- RBI has issued guidelines for Risk Based Internal Audit (RBIA) system in UCBs.
