

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UN-STARRED QUESTION NO. 1824
TO BE ANSWERED ON MONDAY, JULY 31, 2023/ SRAVANA 9, 1945 (SAKA)
COOPERATIVE BANKS
QUESTION**

1824. SHRI PASHUPATI NATH SINGH:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

- (a) the total number of cooperative banks in the country;**
- (b) whether the Government is aware that more than 1000 cases of frauds in cooperative banks have been registered during the last five years;**
- (c) if so, the details thereof and the action taken/being taken by the Government thereon;
and**
- (d) the initiatives taken or likely to be taken by the Government to maintain the trust of the people on the cooperative banks in the country?**

ANSWER

Minister of State (Independent Charge) of the Ministry of Statistics and Programme Implementation; Minister of State (Independent Charge) of the Ministry of Planning and Minister of State in the Ministry of Corporate Affairs.

(Rao Inderjit Singh)

(a): As per the information provided by the Department of Financial Services, the total number of cooperative banks in the country is 1,886, which includes 1,500 Urban Cooperative banks and 386 Rural Co-operative Banks (34 State Co-operative Banks and 352 District Central Co-operative Banks) as on June 14, 2023.

(b) to (d): The Department of Financial Services has informed that the total number of frauds as reported by the cooperative banks during the last 5 years is given below:

Financial Year	Number of frauds	Amount Involved (in ₹ crore)
2018-19	1,285	703.75
2019-20	719	6,839.18
2020-21	438	1,985.79
2021-22	729	536.59
2022-23	964	791.4
Total	4,135	10,856.7

Source: RBI and NABARD

All cooperative banks are required to comply with the guidelines issued by the Reserve Bank of India (RBI) from time to time. Compliance to RBI guidelines issued to banks is examined on sample basis during the Supervisory Assessment of the banks and any non-compliance observed is taken up with the banks for rectification apart from initiating supervisory/ enforcement action against the bank, as deemed fit.

Some of the policy initiatives taken up for maintaining the trust of the people in cooperative banks are as under:

- **The Banking Regulation Act, 1949 has been amended to provide additional powers to RBI for more effective regulation of cooperative banks.**
- **RBI issues instructions, circulars, guidelines and notifications to cooperative banks under the provisions of the Banking Regulation Act, 1949 [As Applicable to Cooperative Societies (AACS)].**
- **Guidelines have been issued to cooperative banks on various matters related to capital adequacy, income recognition and provisioning norms, investments, maintenance of deposits, branch expansion, customer service etc.**
- **State Cooperative Banks (StCBs) / District Central Cooperative Banks (DCCBs) are being periodically inspected by NABARD under provisions of the Banking Regulation Act, 1949 to ensure that the banks are complying with the extant guidelines/instructions/norms.**
- **Urban Cooperative Banks (UCBs) are being periodically inspected by RBI under provisions of the Banking Regulation Act, 1949 to ensure that the banks are complying with the extant guidelines/instructions/norms.**
- **Further, with a view to providing a greater measure of protection to depositors in banks, Deposit Insurance and Credit Guarantee Corporation (DICGC) raised the limit of insurance cover for depositors in insured banks from the earlier level of ₹1 lakh to ₹5 lakh per depositor with effect from 04.02.2020.**

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