

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No. 1662
Answered on Monday, March 2, 2020/Phalgun 12, 1941 (Saka)

NEW KERALA BANK

Question

1662. SHRI KODIKUNNIL SURESH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that the establishment of new Kerala bank is managed by State Government of Kerala, if so, the details thereof and response of the Government thereto;
- (b) whether the Government has any stake or control or share in the newly formed Kerala bank and if so, the details thereof and action taken by the Government in this regard;
- (c) whether the Government is aware that the Kerala bank is operated by the guidelines of RBI and mandatory compliance requirements of Finance Ministry, if so, the steps taken by the Government for proper monitoring and evaluation of the said bank; and
- (d) whether the Government has formulated any rules under RBI norms for recruitment of vacancies in Kerala bank and if so, the details thereof and response of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (d): Cooperative Societies is a State Subject under Entry 32 of the State List of Seventh Schedule of the Constitution of India. The functioning of Cooperative Banks is guided by the Cooperative Societies Act of the respective States. At the State level, the Registrar of Cooperative Societies (RCS) of respective States exercises control over the Cooperative Banks. However, the banking functions of the Cooperative Banks are regulated by Reserve Bank of India (RBI) under the Banking Regulation Act, 1949 (as applicable to Cooperatives).

National Bank for Agriculture and Rural Development (NABARD) has reported that the State Government ordered amalgamation of 13 District Central Cooperative Banks (DCCBs) and transfer of their assets and liabilities to the Kerala State Co-operative Banks vide GO No. CB(5) 784/2019 dated 29.11.2019, based on approval granted by RBI for the said amalgamation.
