

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 3553
TO BE ANSWERED ON 10th AUGUST 2021**

NOTICES UNDER SECTION 35A

3553. SHRI L.S. TEJASVI SURYA

Will the Minister of COOPERATION सहकारिता मंत्री be pleased to state:

- (a) the number and names of cooperative banks who have been given a notice under Section 35A of the Banking Regulation Act year-wise during the last three years;
- (b) the existing policy framework regarding cooperative banks in the country;
- (c) the details about the reforms brought in since 2014 to improve the structure and banking functions of cooperative banks in the country; and
- (d) whether the Government is pondering over any robust improvisations/modifications in the cooperative banking sector given their importance in catering to banking needs at the grassroots level, and if so, the details thereof?

ANSWER

**MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a): Since January 1, 2019, 23 Urban Co-operative Banks have been placed under Directions under Section 35A read with Section 56 of the Banking Regulation Act, 1949. Year-wise data is furnished in the Annexure 1. However, no such notice under Section 35A of the Banking Regulation Act, 1949, as applicable to Cooperative Societies (AACS) has been given to any State Co-operative Bank (StCB)/ District Co-operative Bank (DCCB) in the last three years.

(b): State Co-operative Banks/ District Central Co-operative Banks are regulated by RBI under the provisions of the Banking Regulation Act, 1949 (AACS). Further, as the co-operative banks are incorporated as co-operative societies, the related matters are being regulated by the state/ central governments to that extent. State Co-operative Banks/District Central Co-operative Banks are being periodically inspected by NABARD under the provisions of Section 35 (6) of the Banking Regulation Act, 1949 (AACS). RBI issues instructions, circulars, guidelines and notifications to State Co-operative Banks and District Central Co-operative Banks under the provisions of the Banking Regulation Act, 1949 (AACS).

(c) & (d): Following are the details about the reforms brought in since 2014 to improve the structure and banking functions of cooperative banks in the country:

1. A roadmap was provided to co-operative banks for achieving a minimum Capital to Risk Weighted Assets (CRAR) of 7 per cent on an on-going basis by March 31, 2015 and 9 per cent by March 31, 2017. Further, StCBs/ DCCBs were permitted to issue Long Term (Subordinated) Deposits (LTD) and Innovative Perpetual Debt Instruments (IPDI) subject to conditions.
2. Pursuant to the amendments to the B.R. Act, 1949 (AACS), CRR and Statutory Liquidity Ratio (SLR) for all cooperative banks were brought on par with scheduled commercial banks in 2014.
3. StCBs and DCCBs were allowed to shift their Statutory Liquidity Ratio (SLR) term deposits to approved securities in phases by 2017.
4. The Banking Regulation (Amendment) Act, 2020 (39 of 2020) was notified for the State Co-operative Banks (StCBs) and District Central Co-operative Banks (DCCBs) with effect from, April 1, 2021. The amendment seeks to protect the interests of depositors and strengthen co-operative banks by improving governance and oversight.

Annexure-I

List of Co-operative Banks placed under Directions under Section 35A read with Section 56 of the Banking Regulation Act,1949

Year	Number of UCBs	Name of the UCBs
2019	15	<ul style="list-style-type: none"> • Sri Bharathi Co-operative Urban Bank Ltd, Hyderabad • The Youth Development Co-operative Bank Ltd, Kolhapur • Bhagyodaya Friends Urban Co-operative Bank Ltd, Warud, Amravati • Dr. Shivajirao Patil Nilangekar Urban Co-operative Bank Ltd, Nilanga • BidarMahila Urban Co-operative Bank Ltd, Bidar • Hindu Co-operative Bank Ltd,Pathankot, Punjab • The Bhimavaram Urban Co-operative Bank Ltd, Hydrabad • The Mudhol Co-operative Bank Ltd,Mudhol, Karnataka • The Madgaum Urban Co-operative Bank Ltd Goa • Shivajirao Bhosale Sahakari Bank Ltd Pune • Millath Urban Co-operative Bank Ltd, Devangere, Karnataka • Kerala Mercantile Co-operative Bank Ltd Kozhikode • Shri Anand Co-operative Bank Ltd Chinchawad, Pune • KolikataMahila Co-operative Bank Ltd Kolkata, West Bengal • Punjab and Maharashtra Co-operative Bank Ltd., Mumbai
2020	4	<ul style="list-style-type: none"> • Sri GururaghavendraSahakara Bank Niyamitha, Bengaluru, Karnataka • People's Co-operative Bank Ltd, Kanpur • KarnalaNagariSahakariBank Ltd; Panvel • Mantha Urban Co-operative Bank Ltd.Mantha, Jalna
2021 (till August 5, 2021)	4	<ul style="list-style-type: none"> • Sarjeraodada Naik ShiralaSahakariBank Ltd Shirala • Independence Co-operative Bank Ltd, Nashik • Deccan Urban Co-operative Bank Ltd,Vijayapura,Karnataka • Garha Co-operative Bank Ltd,Guna, Madhya Pradesh
