

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1958
ANSWERED ON:03.08.2001
REGULATORY BODY FOR COOPERATIVE BANKS
GADDE RAMAMOCHAN;HARIBHAU MAHALE

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government are considering to appoint a regulatory body for smooth functioning of the cooperative banks in the country;
- (b) if so, the details in this regard alongwith the reasons therefore; and
- (c) the time by which a final decision is likely to be taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH):

(a) to (c) At present three authorities are involved in regulatory and promotional aspects concerning urban co-operative banks – Central Government, State Government and the Reserve Bank of India (RBI). At times this results in overlapping jurisdictions and difficulties in carrying out administrative/prudential measures with required speed and stringency. Concerned about the potential consequence of the present multiplicity of authorities involved in supervising and regulating the urban co-operative banks, RBI has proposed for setting up of a separate apex supervisory body which can take over the inspection/supervisory function in relation to urban co-operative banks. This proposal of RBI is under examination of the Government.