

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:516
ANSWERED ON:25.11.2005
SCHEDULE STATUS FOR URBAN CO OPERATIVE BANKS
Vijay Krishna Shri

Will the Minister of FINANCE be pleased to state:

- (a) the details of Urban Co-operative Banks which have requested for their conversion into Scheduled Banks ;
- (b) whether any of the said banks has been declared as Scheduled Bank, so far ;
- (c) if so, the number thereof; and
- (d) if not, the reasons for not including any of the said bank on the category of Scheduled Bank ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a)to(c) : 55 Urban Cooperative Banks(UCBs) have been included in the Second Schedule to the Reserve Bank of India Act 1934 so far. Applications received from 34 UCBs have not been favourably considered by RBI.

(d): The said 34 UCBs have not been included in Second Schedule mainly because their financial position as reflected in the level of non-performing assets (NPAs) was not considered satisfactory enough. Further, as per the Annual Monetary and Credit Policy for the year 2004-05, the Reserve Bank of India has decided to consider issuance of fresh licences only after a comprehensive policy on UCBs including an appropriate legal and regulatory framework for the sector is put in place and a policy for improving the financial health of the urban cooperative banking sector is formulated.