

Government of India
Ministry of Finance
Department of Financial Services

Rajya Sabha

Unstarred Question No. 697

Answered on Tuesday, February 8, 2022/ 19 Magha, 1943 (Saka)

Corruption in cooperative banks in Kerala

697. SHRI K.J. ALPHONS:

Will the Minister of Finance be pleased to state:

- (a) whether it has come to the notice of Government that there is large scale misappropriation of funds by the management in cooperative banks in Kerala; and
- (b) the action taken by Government against the persons responsible for these incidents?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) & (b): Cooperative Societies are constituted and registered under the respective State Cooperative Societies Act and Registrar of Co-operative Societies (RCS) in each state is primarily responsible for the functioning and governance of the cooperative societies. As regards the banking activities carried out by the cooperative societies, Reserve Bank of India (RBI) is the regulator as per the Banking Regulation Act, 1949.

As informed by RBI, the Regional office of RBI, Thiruvananthapuram had received a complaint against the Chairman of Kaduthuruthy Urban Cooperative Bank. The complaint was referred by RBI to the RCS, Kerala. The RCS has reported that they had conducted an investigation into the matter and a report by investigating officer has been submitted under Section 66 (1) of the Kerala Co-operative Societies Act, 1969. The RCS has informed to RBI that as per the report, the Chairman and the members of the Board of Directors have abused their powers.
