

Sahakar Bharati team meets Nirmala, seeks UCB Cell in Ministry

Meeting aimed at restoring glory of UCB sector post PMC fraud: Marathe

by **Ajay Jha** - October 16, 2019 in **Banks, Featured**



Sahakar Bharati leaders comprising of Satish Marathe, Jyotindra Mehta, Ramesh Vaidya and Laxmi Narayan Gupta met Union Finance Minister Nirmala Sitharaman in her office and placed before her the cooperative side of the story arising in the wake of the PMC Bank fraud.

The meeting provided much needed succour to the UCB sector which is reeling under demoralization and media ridicule ever since the PMC fraud broke. The leaders made a sharp distinction and tried to make the minister see it as a case of fraud and not a general collapse of the urban cooperative banking system. They batted for the normal running of the bank and the process of investigation running parallel to it.

The meeting which was extensive and lasted 35 minutes was very satisfying for the leaders as Marathe, who is also on the board of RBI said to Indian Cooperative” She heard us out very patiently despite her tight schedule. It bears recall that the pace of slow growth of the Indian economy is keeping her on toes these days.

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Most of all, they were happy to note a resolve in the Minister to help the victims of PMC. “The attachment of properties of the fraudsters and specially the recent attachment of about 2000 acres of HDIL land in Thane district would give enough liquidity to govt to help out the victims”, said Marathe about the progress in the case.

The team also congratulated Nirmala Sitharaman and through her the govt for the swift action shown in the PMC Bank case. “While law enforcing agencies are working overtime to recover the money, RBI has raised the limit of withdrawal to Rs 40K”, Marathe stated with satisfaction.

The Sahakar Bharati team discussed five major points connected with urban cooperative banks with the minister, Marathe disclosed.

“Among them we placed two special requests before her. First, we tried to impress upon her the fact that UCBs are as much part of the Indian financial system as any other. But there is no desk or dept in the Ministry to oversee the sector which has a huge potential. Thus a Cell or a Desk be created for Cooperative Financial Institutions in the Departments of Banking and Finance Services, Ministry of Finance”, said Marathe on phone.

The second request put up before the minister pertained to inclusion of at least one person from the co-op sector in the Committee recently announced by the minister for suggesting the amendment in the regulatory provisions of the UCB sector. The amendments are to be put up in the winter session of Parliament and will have massive ramifications for the sector, Marathe sounded concerned.

The other issues related to amendment in the BR Act to provide full regulatory powers to RBI to regulate all Cooperative Banks. Simply amending Multi State Cooperative Societies Act will not be enough, they argued before the Minister.

The team also advocated a Vision Document and a Roadmap for Cooperative Banking Sector as the need of the hour.

On PMC Bank they said to the Minister that about 130 UCBs, about 1500 Credit Co-ops and over 15000 Housing Cooperatives besides individual depositors have been affected by the Fraud in Punjab Maharashtra Cooperative Bank Ltd. Hence, out of the box Solution is necessary

Lastly, they wanted that Urban Cooperative Bank be given sufficient time to make provisions depending upon their profitability for the last 3 years.