



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI sets up Committee on Licensing of Urban Co-operative Banks

The Reserve Bank of India has constituted an Expert Committee under the Chairmanship of Shri Y.H. Malegam for studying the advisability of granting new urban co-operative banking licences under Section 22 of the Banking Regulation Act, 1949 [As Applicable to Co-operative Societies (AACS)].

The terms of reference of the Committee are as under:

- i) To review the role and performance of UCBs over the last decade and especially since the adoption of VISION document in 2004,
- ii) To review the need for organization of new UCBs in the context of the existing legal framework for UCBs, the thrust on financial inclusion in the economic policy and proposed entry of new commercial banks into the banking space,
- iii) To review the extant regulatory policy on setting up of new UCBs and lay down entry point norms for new UCBs,
- iv) To examine whether licensing could be restricted only to financially sound and well managed cooperative credit societies through conversion route,
- v) To make recommendations relating to the legal and regulatory structure to facilitate the growth of sound UCBs especially in the matter of raising capital consistent with cooperative principles.
- vi) To examine other issues incidental to licensing of UCBs and make appropriate recommendations.

It was announced in the Annual Policy Statement 2010-11 to set up a Committee comprising all stakeholders for studying the advisability of granting new urban co-operative banking licences under Section 22 of the Banking Regulation Act, 1949 [as applicable to co-operative societies (AACS)]. Accordingly, this committee has been constituted with the following members:

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| 1. Shri Y.H. Malegam | Chairman |
| 2. Shri U. C. Sarangi (Chairman, National Bank of Agriculture and Rural Development) | Member |
| 3. Dr. S. K. Goel (Principal Secretary - Co-operation Government of Maharashtra) | Member |
| 4. Sri K. Elumalai (Director, Indira Gandhi National Open University) | Member |
| 5. Shri H. K. Patil (President, National Federation of Co-operative Urban Banks) | Member |
| 6. Dr. M. L. Abhyankar | Member |
| 7. Shri A. Udgate, CGM-in-charge, UBD, | Member Secretary |

Besides, professionals with expertise and experience in co-operative sector will also be drafted in the Committee as special invitees.

Ajit Prasad
Assistant General Manager