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54k farm credit units to be computerised

THE CENTRE HAS received proposals from States/UTs for the computerisation of 54,752 Primary Agricultural Credit Societies (PACS), cooperation minister Amit Shah told Rajya Sabha.

PTI

Co-op Bill: JPC rejects RBI's call to add overarching proviso

ADEQUATE SAFEGUARDS. Committee says Bill already provides for dual regulation

Shishir Sinha
New Delhi

A Joint Parliamentary Committee has turned down a 'request' by the Reserve Bank of India to include overarching proviso in the Multi-State Co-operative Societies (Amendment) Bill.

The committee, under the chairmanship of Lok Sabha MP Chandra Prakash Joshi, tabled its report in Parliament on Wednesday. Now, the re-worked Bill be taken up by both the Houses. The Bill aims to amend the Multi-State Co-operative Societies (MSCS) Act, 2002 to accommodate changes brought on by the 97th Constitutional Amendment Act and also the changes in the co-operative sector over the period.

PROPOSED CHANGES

During a meeting of the Joint Committee, the RBI submit-



ROPING IN CHANGE. The Bill aims to amend the Multi-State Co-operative Societies Act, 2002 to accommodate changes brought on by the 97th Constitutional Amendment Act

ted that the proposed amendments to the MSCS Act will have bearing on some provisions of the Banking Regulation (BR) Act. The committee noted that as per the RBI, it might not be possible to foresee all possible conflicts that could arise in future. Hence, the RBI requested that an overarching proviso be inserted after clause (b) of Section 2 in the proposed Bill.

The Co-operatives Min-

istry, on its part, underlined that earlier the financial services department had said that the Bill is largely aligned with BR Act and thus it agrees and supports the amendment Bill. Further, suitable amendments will be made by the financial services department in the BR Act so that its provisions are in consonance with the Constitution.

The Committee observed that as per the prevailing prac-

tice, banking licence by the RBI is given to entities incorporated under different laws such as Indian Companies Act or various Co-operative Societies Acts. All such entities are governed by the respective Acts under which they are incorporated as well as under BR Act. As such, dual regulation exists for all such entities.

NEW PROVISIONS

"To bring clarity, the amendment Bill proposes in Section 120 B (new insertion) that the provisions of MSCS Act 2002 are applicable to a Multi-State Co-operative bank in respect of matters relating to incorporation, regulation and winding up, provided that in case of a multi-State co-operative society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949, shall also apply," it said while deciding that there was no need to insert an overarching proviso.
