



Union Finance Minister Nirmala Sitharaman addressing a press conference in Mumbai on Thursday. •PTI

Co-operative sector reforms on anvil: FM

'May also revisit deposit insurance bill'

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Finance Minister Nirmala Sitharaman promised legislative and regulatory reforms for the country's co-operative sector in the winter session of Parliament to protect depositors in entities like Punjab and Maharashtra Co-operative Bank that have jeopardised the life savings of several lakh customers.

Ms. Sitharaman has tasked an official committee that includes the Banking Secretary and Department of Economic Affairs Secretary in the Finance Ministry, as well as a Reserve Bank of India Deputy Governor, to review the legal framework governing co-operative banks and revert with recommendations to bolster their governance and supervision.

Framework for NBFCs

The Finance Ministry is also in the midst of discussions to work out a resolution framework for financial institutions, including non-banking financial companies and banks, on the lines of the Insolvency and Bankruptcy Code for businesses.

All options, including a fresh look at the Financial Resolution and Deposit In-

urance (FRDI) Bill, are under consideration, the Minister said.

Ms. Sitharaman, who was in Mumbai to endorse CM Devendra Fadnavis's re-election campaign, was greeted by protesting PMC depositors at her arrival at the BJP's State headquarters and agreed to meet them to understand their concerns.

She added she had assured them that she will have a fresh word with the RBI Governor to try to expedite the lifting of withdrawal restrictions of ₹25,000 currently applicable on customers. The committee may also look at the ₹1 lakh insurance cover for bank depositors that has not been revised since 1993, she said.

In response to a query from *The Hindu* on whether the FRDI Bill, shelved in 2017, could also be revived, Ms. Sitharaman said there is some discussion on the matter in the Ministry.

"On this particular bill, that was in consideration some time ago and was for some reasons put on the backburner... We are conscious that for financial institutions, something similar to the IBC doesn't exist. So we want to see what is the best way to resolve this," she explained.