

Allow co-ops to exchange banned notes: unions

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Want Nabard to approach govt in this regard

Thiruvananthapuram, November 15:

The All-India Nabard Employees Association has requested Nabard to prevail on the Centre and the RBI to allow cooperatives to accept and exchange demonetised notes.

As the supervisory and regulatory institution for cooperatives, Nabard (National Bank for Agriculture and Rural Development) has an important responsibility at this crucial juncture, Jose T Abraham, President of AINEA, said in a letter to the Nabard chairman. Cooperatives are the closest banking institution for rural folk, especially farmers, to deposit and exchange demonetised currencies.

The total deposit of primary agricultural cooperatives (PACs) was ₹ 81,895 crore (2014-end) and that of District Central Cooperative Banks (DCCBs) ₹ 2.57 lakh crore (2105-end).

Together, they account for more than ₹ 3.5-lakh crore in deposits. The respective account holders may now be faced with some element of uncertainty.

Similarly, a risk of failure looms large over Nabard's pilot programme in which non-deposit-mobilising PACs were made deposit-mobilising agents for both DCCBs and state cooperative banks (StCBs).

The intention was to help customers undertake basic banking through micro-ATMs. Nabard had incentivised the cooperatives to install them.

Meanwhile, the National Federation of State Cooperative Banks (Nafscob) has requested Finance Minister Arun Jaitley to allow DCCBs to accept and exchange demonetised notes.

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