

GOVERNMENT OF INDIA  
MINISTRY OF COOPERATION

**RAJYA SABHA**  
**STARRED QUESTION NO. 250**  
TO BE ANSWERED ON 18<sup>th</sup> DECEMBER, 2024

**Umbrella organization of Urban Cooperative Banks**

250 Shri Rameswar Teli:

Will the Minister of Cooperation be pleased to state:

- (a) the manner in which the Umbrella Organization of Urban Cooperative Banks can address the difficulties faced by the sector; and
- (b) the activities that can be undertaken by the Umbrella Organization, the steps taken so far towards establishing of an Umbrella organization, details thereof?

**ANSWER**

THE MINISTER OF COOPERATION  
(SHRI AMIT SHAH)

(a) to (b): A statement is laid on the table of the House.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (b) OF RAJYA SABHA  
STARRED QUESTION NO. 250 DUE FOR ANSWER ON 18<sup>TH</sup> DECEMBER, 2024**

(a) & (b): A need was felt to establish an organization to resolve the difficulties being faced by the Urban Cooperative Banks (UCBs). UCBs are operating in a fragmented and uncoordinated environment, hindering their growth, stability and competitiveness. The lack of regulatory clarity, operational inefficiencies and limited access to resources and expertise left many UCBs vulnerable to financial instability, poor governance and market pressures.

An Umbrella Organization named National Urban Co-operative Finance and Development Corporation (NUCFDC) has been established to address the difficulties of Urban Cooperative Banks (UCBs). NUCFDC is envisaged to provide following types of fund-based support and non fund-based services to urban cooperative banks (UCBs) which are its shareholder-members.

(I) Fund based support:

- Capital support to UCBs as per regulations and guidelines & terms and conditions
- Secured credit lines on merits to UCBs to help tide over temporary liquidity mismatches
- Re-financing UCBs against their loans
- Window for emergency liquidity support to help UCBs in difficult times.
- Deposits and borrowings from UCBs and financial institutions
- Market borrowings
- Investments

(II) Non fund based services:

- A shared IT (Information Technology) platform and support to the sector and an array of IT products and services
- Treasury management services
- Payment and settlement services and credit card services as permitted by the regulator
- Capacity building through training and consultancy services in operational areas
- HR support services to banks in the sphere of search of directors, KMPs (key managerial personnel) and staff.
- Self-Regulatory Organization (SRO) role for the sector as per RBI's guidelines.

NUCFDC has obtained registration from RBI on 8th February 2024 after mobilizing paid up capital of Rs117.95 crore. As per RBI approval the UO shall act as Self-Regulatory Organization whose functions /activities shall be as prescribed by RBI. However, the NUCFDC is required to attain the paid-up capital of Rs. 300 crore within one year from the date of registration by RBI, i.e up to 7<sup>th</sup> February, 2025.

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