

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1832

ANSWERED ON TUESDAY, 16 DECEMBER, 2025/ 25 AGRAHAYANA, 1947 (SAKA)

COOPERATIVE BANKS

1832 # SHRI MAHENDRA BHATT:

Will the Minister of *Finance* be pleased to state:

(a) the number of cooperative banks in the country that are on the verge of closure and the total number of urban and rural banks among them;

(b) whether any scheme is being formulated by Government to save these banks from closure; and

(c) if so, the details thereof ?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c): As reported by Reserve Bank of India (RBI) & National Bank for Agriculture and Rural Development (NABARD), a total of 47 Urban Cooperative Banks and 16 Rural Cooperative Banks (01 State Cooperative Bank and 15 District Central Cooperative Banks) are under stress.

The Government has taken various initiatives to strengthen cooperative banks, which inter-alia include:

- Urban Cooperative Banks (UCBs) have been allowed to open new branches to expand their business.
- Relief for UCBs by reducing Priority Sector Lending (PSL) target from 75% to 60%.
- The National Urban Co-operative Finance and Development Corporation Limited (NUCFDC), which is a non-deposit taking Non-Banking Financial Company (NBFC), has been set up as an Umbrella Organization for Urban Cooperative Banks to provide Information Technology (IT) infrastructure and operational support.
- Cooperative banks have been allowed to make one-time settlement of outstanding loans, like Commercial Banks.
- In order to ensure transparency and protect depositors' interests, the Banking Regulation Act has been amended by the Government to make the term of Board of Directors of Cooperative Banks (excluding Chairperson and Whole time directors) as maximum 10 consecutive years.
