

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No. 2398
To be answered on Friday, March 09, 2018/Phalguna 18, 1939 (Saka)

Recapitalisation of UCBs

2398. SHRIMATI DARSHANA VIKRAM JARDOSH:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken note that there is no proper policy for recapitalisation/infusion of Urban Cooperative Banks (UCBs) similar to the one formulated for public sector banks; and

(b) if so, the details thereof along with the action proposed to be taken in this regard including issuing the funds for recapitalisation of UCBs?

Answer

The Minister of State in the Ministry of Finance
(Shri Shiv Pratap Shukla)

(a) & (b): As reported by Reserve Bank of India (RBI), Urban Cooperative Banks (UCBs) are member owned institutions and hence the onus lies on the shareholders of the UCBs to take all steps to strengthen the capital base of the bank. RBI has further informed that keeping in view the legal and structural issues that make raising of capital difficult, UCBs have been permitted by RBI to raise capital funds through financial restructuring and alternative instruments.