GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. †1384

ANSWERED ON MONDAY, 09 FEBRUARY, 2026/ 20 MAGHA, 1947 (SAKA)

Umbrella Organisation of Urban Co-operative Banks

†1384. DR. BHOLA SINGH:

 Will the Minister of FINANCE be pleased to state:

(a) the manner in which the umbrella organisation of Urban Co-operative Banks address the difficulties being faced by the sector

(b) the activities that can be undertaken by the umbrella organisation in this regard; and

(c) the steps taken for the establishment of the umbrella organisation so far?

ANSWER

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

(a) and (b): The Umbrella Organisation (UO) for Urban Co-operative Banks (UCBs), namely the National Urban Co-operative Finance and Development Corporation Limited (NUCFDC) has been set up to address the structural and operational challenges faced by UCBs through provision of both fund and non-fund-based services. By centralising high-cost and compliance-intensive functions such as IT infrastructure, cybersecurity, compliance monitoring, training, risk management, etc., the UO helps its member UCBs to reduce their capital investments and achieve economies of scale. Major services provided by the UO *inter-alia* include capital / liquidity support, loans and advances, refinance facility, IT infrastructure, fund management, consultancy services, capacity building, research & development, etc.

(c): As informed by Reserve Bank of India (RBI), the UO (NUCFDC) was granted a Certificate of Registration as a Non-Banking Financial Company (NBFC) by Reserve Bank of India on February 8, 2024 and NUCFDC has successfully mobilised the minimum regulatory capital of ₹300 crore from UCBs. NUCFDC has set up its registered office in New Delhi and its corporate office in Mumbai. The UO has started providing certain non-fund-based services such as cyber insurance, legal advisory, risk based internal audit services, etc. to its member UCBs.

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