GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 2506

ANSWERED ON MONDAY, AUGUST 3, 2026/ SHRAVANA 12, 1948 (SAKA)

Urban Cooperative Banks under RBI Regulatory Action

2506. SHRI PUSHPENDRA SAROJ:
Will the Minister of FINANCE be pleased to state:

(a) the number of Urban Cooperative Banks placed under restrictions or regulatory action by the Reserve Bank of India (RBI) since 2021, State-wise, particularly for Uttar Pradesh;

(b) the number of cooperative banks found violating capital adequacy, lending or governance norms, along with the action taken thereon, State-wise;

(c) whether the Government has received complaints regarding fraud, cyber security breaches, or irregular transactions in Urban Cooperative Banks, if so, the details thereof and the action taken, State-wise, particularly for Uttar Pradesh;

(d) the amount of deposits locked in liquidated or financially distressed cooperative banks and the status of payments made to depositors, State-wise; and

(e) the measures taken by the Government to strengthen supervision, prevent financial irregularities and protect the interests of depositors in cooperative banks?

ANSWER

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

(a) As reported by Reserve Bank of India (RBI), State-wise details of Urban Cooperative Banks (UCBs) placed under All Inclusive Directions (AID) since 2021 is given at Annexure-I.

(b) RBI has informed that as on 31.03.2026, three UCBs of Tier-3 category have been found to be violating capital adequacy norms. RBI in exercise of its powers conferred under Banking Regulation Act, 1949 have taken various actions including removal of directors and imposition of monetary penalties to prevent such violations. The State-wise details related to imposition of monetary penalty on Urban Cooperative Banks (UCBs) for violations related to capital adequacy, lending, or governance norms since 2021 is given at Annexure-II.

(c) As informed by RBI, as on 30.06.2026, a total of 3.53 lakh domestic payment frauds have been reported amounting to Rs. 489 crore across all banks including UCBs.

In order to prevent these frauds various measures have been undertaken which, inter-alia, includes strengthening fraud risk management in banks, including issuing caution advises, advising banks for rotation and mandatory leave of staff, compliance monitoring, cyber security advisories, etc.

(d) As per the information received from RBI, details of claim settled by Deposit Insurance and Credit Guarantee Corporation (DICGC) is as under: -

Scheme	Banks	Amount ₹crore (as on March 31, 2026)
Banks under Liquidation/ Amalgamation (Section 17 & 18 of DICGC Act, 1961)	440	11,778.89
Banks under restriction/ All-inclusive Direction (Section 18A)	80	7,152.51
Total	488 (32 common)	18,931.40

State wise details of claims settled by DICGC as on 31.03.2026 is given at Annexure-III.

(e) In order to protect the interests of Depositors of Cooperative Banks and prevent financial irregularities, Government has taken various measures to strengthen its supervisory mechanism. These measures, inter-alia, includes:

- Reserve Bank of India (RBI) supervises Urban Co-operative Banks (UCBs) under various provisions of the Banking Regulation Act, 1949 and other applicable statutes. The Supervisory framework has been reworked to have more focus on addressing the root causes of risk build-up in the UCBs, especially in areas such as Governance and Assurance Functions, and appropriate policy guidelines have been issued for implementation by the UCBs.
- Further, Reserve Bank's on-site supervisory examinations have also been strengthened significantly in recent years through a unified and harmonised supervisory approach for UCBs.
- The Prompt Corrective Action (PCA) Framework requires the identified UCBs to initiate and implement remedial measures in a timely manner, to restore their financial health and protect the interest of depositors.
- RBI has also implemented a financial safety net for the account holders of banks (including cooperative banks) in the form of Deposit Insurance through DICGC.
- RBI has launched awareness campaign "RBI Kehta Hai" to bring awareness about different types of frauds and their modus-operandi.

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Annexure referred to in part (a) of Lok Sabha Un-Starred Question No. 2506 on "Urban Cooperative Banks under RBI Regulatory Action" answered on 03.08.2026

S.No.	Name of the State	Number of banks placed under AID	Number of banks under AID as on July 27, 2026
1	Andhra Pradesh	2	0
2	Assam	3	2
3	Bihar	1	0
4	Gujarat	4	2
5	Himachal Pradesh	1	1
6	Karnataka	12	4
7	Kerala	2	1
8	Madhya Pradesh	2	1
9	Maharashtra	41	10
10	New Delhi	2	2
11	Punjab	1	0
12	Rajasthan	1	0
13	Tamil Nadu	1	0
14	Uttar Pradesh	12	2
15	Uttarakhand	1	1
16	West Bengal	1	1
	Grand Total	**87**	**27***

*Source: RBI

Annexure-II

Annexure referred to in part (b) of Lok Sabha Un-Starred Question No. 2506 on "Urban Cooperative Banks under RBI Regulatory Action" answered on 03.08.2026

Sr. No.	State	Number of UCBs
1	Andhra Pradesh	6
2	Chhattisgarh	4
3	Goa	1
4	Gujarat	81
5	Haryana	1
6	Himachal Pradesh	4
7	Jammu & Kashmir	2
8	Jharkhand	1
9	Karnataka	16
10	Kerala	9
11	Madhya Pradesh	8
12	Maharashtra	108
13	Meghalaya	1
14	Mizoram	1
15	New Delhi	2
16	Odisha	3
17	Puducherry	1
18	Punjab	3
19	Rajasthan	2
20	Tamil Nadu	35
21	Telangana	11
22	Uttar Pradesh	21
23	West Bengal	6
Total		**327**

Source: RBI

Annexure-III

Annexure referred to in part (d) of Lok Sabha Un-Starred Question No. 2506 on "Urban Cooperative Banks under RBI Regulatory Action" answered on 03.08.2026

S.No.	Name of State	Sum of Claims Settled (In Crore)
1	Andhra Pradesh	346.55
2	Assam	100.64
3	Bihar	76.04
4	Chhattisgarh	34.62
5	Delhi	27.06
6	Goa	397.71
7	Gujarat	2,509.21
8	Hariyana	3
9	Himachal Pradesh	139.71
10	Jharkhand	9.39
11	Karnataka	1,718.32
12	Kerala	574.2
13	Madhya Pradesh	118.69
14	Maharashtra	12,160.52
15	Manipur	0.03
16	Odisha	27.33
17	Punjab	5.43
18	Rajasthan	144.29
19	Sikkim	17.3
20	Tamil Nadu	51.42
21	Telangana	13.71
22	Uttar Pradesh	376.91
23	Uttarakhand	1.65
24	West Bengal	77.68
	Grand Total	**18931.40**

Source: RBI