

GOVERNMENT OF INDIA  
MINISTRY OF COOPERATION

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 3589**  
TO BE ANSWERED ON 02<sup>nd</sup> APRIL, 2025

**Umbrella organization for urban co-operative banks**

3589. Shri Neeraj Shekhar:

Will the Minister of COOPERATION be pleased to state:

- (a) the objectives of forming an 'umbrella organization' for urban co-operative banks;
- (b) the manner in which umbrella organization can address the difficulties being faced by this sector;
- (c) whether the 'umbrella organization' has commenced its financial activities; and
- (d) if so, the details thereof?

**ANSWER**

THE MINISTER OF COOPERATION  
(SHRI AMIT SHAH)

(a) 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 (UO) named National Urban Co-operative Finance and Development Corporation (NUCFDC) has been established as a long-term solution to transform India's UCB sector to make them financially resilient, enhance their depositor's confidence and establish them as a major player in the country's financial system.

(b) The UO will provide various fund-based as well as non-fund-based services to UCBs. The fund-based services include extending Capital support, Loans and advances, Refinance facilities, Liquidity support against excess SLR securities through Repo, and Accepting deposits from UCBs.

The non-fund-based services include Setting up IT Infrastructure for use of member banks; Fund Management/ Treasury Management Services; Consultancy services in various operational areas; Capacity building services such as training, seminars, and conferences; and Research & Development

(c) & (d) Within a short period of time, the UO has commenced business and has started rolling out certain services to meet the urgent needs of UCBs.

The UO has launched the following services:

- i. **Legal Advisory**: UO's legal resource is providing free templates & free vetting for few basic agreements required by Banks. Preparation of large/ complicated agreements is chargeable but much below market rates.
- ii. **Sahakar Compliance Monitoring Service**: Automation of all the Regulatory Compliances for Banks, by integrating with Core-Banking System (CBS) of Banks on one side and with Daksh portal of RBI on other side.
- iii. **Technology Consulting**: UO's resources are providing technology related advisory to Banks on all aspects like CBS, Cybersecurity, IT Compliance etc.

The UO has also published Expression of Interest (EOI) for setting up and implementation of;

- i. **Sahakar Cloud**: to create Cloud/ Data Centre for the sector and reduce overall cost by achieving economies of scale.
- ii. **Sahakar CBS**: for providing industry-best, standardized Core Banking Solution for all UCBs, specially the Tier1, Tier2 and Unit Banks.
- iii. **SahakarBox**: innovative offering by UO to ensure that even small UCBs can achieve cybersecurity, resiliency, disaster recovery and backup services at quite affordable cost.
- iv. **Sahakar Council – Expert Panel**: UCBs need advice of various external experts in areas like Direct/ Indirect Tax, Audit, Treasury, Compliance and Business Development etc.

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