

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO 2684
ANSWERED ON 16th DECEMBER, 2025**

Sahkar DigiPay and DigiLoan

2684. Shri K E Prakash:

Will the Minister of COOPERATION (सहकारिता मंत्री) be pleased to state:

- (a) the time by the Government plans to release the operational guidelines for the Sahkar DigiPay and Sahkar DigiLoan platforms, particularly in compliance with the RBI-mandated standards;
- (b) whether the Government is aware that several Urban Cooperative Banks (UCBs) have recently faced frauds and collapses, notably the New India Cooperative Bank incident yet the Government continues to push rapid expansion and if so, the details thereof; and
- (c) the steps taken by the Government to ensure the safety of depositors' money?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a) National Urban Cooperative Finance and Development Corporation (NUCFDC) established as an Umbrella Organization (UO) of Urban Cooperative Banks, has launched the platforms - Sahakar DigiPay (UPI-based digital payments platform for Urban Co-operative Banks) and Sahakar DigiLoan (digital lending enablement platform); during the CoopKumbh held during 10th November, 2025. Platforms have been launched to provide RBI mandated technical, cyber-security, onboarding, and consumer protection standards. It aims at enabling Urban Co-operative Banks (UCB), irrespective of size, to adopt modern, compliant digital payment and lending systems on a cost-effective shared centralized infrastructure. Details of the platform are as under:

- "Sahakar DigiPay- UPI switch" aims to connect UCBs to the UPI network. This system is equipped with advanced fraud prevention and risk control mechanisms. This is to accelerate digital payments and increase competition in service pricing.
- "Sahakar DigiLoan" service, aims to make the loan process for UCBs simpler, more transparent, and faster, enabling banks to achieve greater efficiency in loan disbursement and risk management.

(b) & (c). To protect the interest of the depositors from financial frauds in cooperative banks, the Reserve Bank of India (RBI) has put following measures in place:

- Master Direction on Fraud Management for the Regulated Entities viz. Cooperative Bank have been issued in 2024 & contain comprehensive guidelines related to reporting of fraud following of principles of natural justice, governance mechanism, implementation of early warning mechanism, staff accountability, fixation of responsibility of third parties and role external and internal auditors, among others;
- 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 interests of the depositors;
- RBI has implemented a financial safety net for the account holders of banks (including cooperative banks) in the form of Deposit Insurance through Deposit Insurance and Credit Guarantee Corporation (DICGC). The DICGC ensures all types of deposits (inclusive of principal & interest) up to 5,00,000 per depositor in insured banks, including cooperative banks;
- RBI through "RBI Kehta Hai" has issued awareness material/useful information on aspects such as different types of frauds and their modus-operandi;

Through NUCFDC, several initiatives—such as shared digital payment systems, digital lending platforms, cyber security support, and a centralized cloud infrastructure—are being put in place so that even the smallest UCB can meet modern regulatory and customer requirements without excessive cost. Alongside this, capacity-building programmes are being rolled out across the sector.

Further in order to strengthen the structure and functioning of Cooperative Banks and to bring them at par with other commercial banks, several initiatives have been taken up with the assistance of Department of Financial Services and Reserve Bank of India. Details of which are at **Annexure**.

Initiatives taken up with the assistance of Department of Financial Services and Reserve Bank of India to strengthen the structure and functioning of Cooperative Banks and to bring them at par with other commercial banks:

- 1) Urban Co-operative Banks (UCBs) are now allowed to open new branches to expand their business.
- 2) Cooperative Banks are now able to make one-time settlement of outstanding loans, like Commercial Banks.
- 3) Additional time limit has been given to achieve the Priority Sector Lending (PSL) targets given to UCBs.
- 4) RBI has permitted UCBs to provide door-step banking services to their customers.
- 5) A Nodal Officer designated in RBI for regular interaction with UCBs
- 6) RBI has more than doubled the individual housing loan limit for RCBs and UCBs.
- 7) RCBs will now be able to lend to commercial real estate - residential housing sector, thereby diversifying their business.
- 8) Co-operative Banks have been included as Member Lending Institutions [MLIs] of CGTMSE.
- 9) License fee for onboarding Co-operative Banks to the modern 'Aadhaar Enabled Payment System' (AePS) has been reduced by linking it to the number of transactions.
- 10) Notification of scheduling norms for urban co-operative banks has been published.
- 11) RBI has doubled monetary ceiling for Gold Loan under Bullet Repayment Scheme from 2 Lakh to 4 Lakh for those UCBs who meet the Priority Sector Lending (PSL) targets.
- 12) An Umbrella Organization (UO) for the UCB sector named National Urban Cooperative Finance and Development Corporation Limited (NUCFDC), has been formed which will provide necessary IT infrastructure and operation support to UCBs.
- 13) Limit for Agricultural Cooperative Societies (Dairy) under Priority Sector Lending Guidelines increased from ₹5 crore to ₹10 crore
- 14) To provide technological services to RCBs and for their strengthening, NABARD with the approval of RBI has set up Sahakar Sarathi (Shared Service Entity).
- 15) Relief to Urban Cooperative Institutions by increasing 50% loan limit from ₹ 1 crore to ₹ 3 crore.
- 16) Amendment in the Banking Regulation Act to fix the tenure of the BoD of cooperative Banks as per the Constitution (maximum 10 consecutive years)
- 17) Rural Cooperative banks are included under Ombudsman Scheme of RBI
- 18) PSL target for UCBs reduced from 75% to 60%

- 19) 12% weaker-section sub-limit eased for UCBS and ₹2 lakh target for women has been removed
- 20) RCBs are now allowed to open (max 10) branches through automatic route
- 21) Relaxation in financial norms to UCBs & RCBs for providing modern banking services
- 22) Relaxation from penalty clause under FSWM norms.
