भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2015-16/9

DCBR.BPD.(PCB). MC.No.10 /09.18.201/2015-16 July 1, 2015

The Chief Executive Officers
All Primary (Urban) Co-operative Banks

Dear Sir / Madam,

Master Circular- Prudential Norms on Capital Adequacy - UCBs

Please refer to our Master Circular UBD.BPD.(PCB) MC.No. 6/09.18.201/2014-15 dated July 1, 2014 on the captioned subject (available at RBI website www.rbi.org.in). The enclosed Master Circular consolidates and updates all the instructions / guidelines on the subject issued up to June 30, 2015 as listed in the Appendix.

Yours faithfully

(Suma Varma)
Principal Chief General Manager

Encl: As above

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Master Circular
Prudential Norms on Capital Adequacy - UCBs

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Master Circular

Prudential Norms on Capital Adequacy - UCBs

1. Introduction

Capital acts as a buffer in times of crisis or poor performance by a bank. Sufficiency of capital also instills depositors' confidence. As such, adequacy of capital is one of the pre-conditions for licensing of a new bank as well as its continuance in business.

2. Statutory Requirements

In terms of the provisions contained in Section 11 of Banking Regulation Act (AACS), no co-operative bank shall commence or carry on banking business unless the aggregate value of its paid up capital and reserves is not less than one lakh of rupees. In addition, under Section 22(3)(d) of the above Act, the Reserve Bank prescribes the minimum entry point capital (entry point norms) from time to time, for setting-up of a new Primary (Urban) Cooperative Bank.

3. Share linking to Borrowings

Traditionally, Primary (Urban) Co-operative Banks (UCBs) have been augmenting their share capital by linking the same to the borrowings of the members. The Reserve Bank has prescribed the following share linking norms:

(i) 5% of the borrowings, if the borrowings are on unsecured basis.

(ii) 2.5% of the borrowings, in case of secured borrowings.

(iii) In case of secured borrowings by SSIs, 2.5% of the borrowings, of which 1% is to be collected initially and the balance of 1.5% is to be collected in the course of next 2 years.

The above share linking norm may be applicable for member's shareholdings up to the limit of 5% of the total paid up share capital of the bank. Where a member is already holding 5% of the total paid up share capital of an UCB, it would not be necessary for him / her to subscribe to any additional share capital on account of the application of extant share linking norms. In other words, a borrowing member may be required to hold shares for an amount that may be computed as per the extant share linking norms or for an amount that is 5% of the total paid up share capital of the bank, whichever is lower. All the State Governments have been requested to carry out necessary amendments to the respective State Co-operative Societies Acts for dispensing with, wherever applicable, monetary ceilings on individual share holding and restricting the individual shareholding of a member to 5% of the total paid up share capital of a UCB. Pending amendment to the State Cooperative Societies Act, UCBs are required to adhere to the above mentioned share linking to borrowing norms and ceiling on individual share holding

UCBs, which maintain capital to risk-weighted assets ratio (CRAR) of 12 per cent on a continuous basis, are exempted from the extant mandatory share linking norm with effect from November 15, 2010.

4. Capital Adequacy Norms

The traditional approach to sufficiency of capital does not capture the risk elements in various types of assets in the balance sheet as well as in the off-balance sheet business and compare the capital to the level of the assets.

The Basel Committee***** on Banking Supervision had published the first Basel Capital Accord (popularly called as Basel I framework) in July, 1988 prescribing minimum capital adequacy requirements in banks for maintaining the soundness and stability of the International Banking System and to diminish existing source of competitive inequality among international banks. The basic features of the Capital Accord of 1988 are as under:

(i) Minimum Capital Requirement of 8% by end of 1992.

(ii) Tier approach to capital:

- Core Capital: Equity, Disclosed Reserves
- Supplementary Capital: General Loan Loss Reserves, Other Hidden Reserves, Revaluation Reserves, Hybrid Capital Instruments and Subordinate Debts
- 50% of the capital to be reckoned as core capital.

(iii) Risk Weights for different categories of exposure of banks ranging from 0% to 127.5% depending upon the riskiness of the assets as indicated in Annex 1. While commercial loan assets had a risk weight of 100%, inter-bank assets were assigned 20% risk weight; sovereign paper carried 0 % risk weight. In 2002, maintenance of capital funds as a percentage of risk weighted assets was extended to all UCBs. Since 2005, the minimum Capital to Risk Assets Ratio that is expected to be maintained is 9 percent. Further, vide 1996 amendment to the original Basel Accord, capital charge was prescribed for market related exposures.

***** *The Basel Committee is a committee of bank supervisors drawn from 27 member countries (Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong SAR, India, Indonesia, Italy, Japan, Korea, Luxembourg, Mexico, Netherland, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States of America). It was sounded in 1974 to ensure international cooperation among a number of supervisory authorities. It usually meets at the Bank for International Settlements in Basel, Switzerland where its permanent Secretariat is located.*

4.1 Capital Funds

'Capital Funds' for the purpose of capital adequacy standard consist of both Tier I and Tier II Capital as defined in the following paragraphs.

Tier I Capital

Tier I would include the following items:

(i) Paid-up share capital collected from regular members having voting rights.

(ii) Contributions received from associate / nominal members where the bye-laws permit allotment of shares to them and provided there are restrictions on withdrawal of such shares, as applicable to regular members.

(iii) Contribution / non-refundable admission fees collected from the nominal and associate members which is held separately as 'reserves' under an appropriate head since these are not refundable.

(iv) Perpetual Non-Cumulative Preference Shares (PNCPS). (Please refer to Annex 3 for detailed guidelines).

(v) Free Reserves as per the audited accounts. Reserves, if any, created out of revaluation of fixed assets or those created to meet outside liabilities should not be included in the Tier I Capital. Free reserves shall exclude all reserves / provisions which are created to meet anticipated loan losses, losses on account of fraud etc., depreciation in investments and other assets and other outside liabilities. For example, while the amounts held under the head "Building Fund" will be eligible to be treated as part of free reserves, "Bad and Doubtful Reserves" shall be excluded.

(vi) Capital Reserve representing surplus arising out of sale proceeds of assets.

(vii) Innovative Perpetual Debt Instruments*

(viii) Any surplus (net) in Profit and Loss Account i.e. balance after appropriation towards dividend payable, education fund, other funds whose utilisation is defined, asset loss, if any, etc.

(ix) Outstanding amount in Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961 if the bank has created Deferred Tax Liability (DTL) on this reserve.

* *Guidelines on issue of Innovative Perpetual Debt Instruments are furnished in [Annex](#) of circular UCB.PCB.Cir.No.39/09.16.900/2008-09 dated January 23, 2009.*

Note :

(i) Amount of intangible assets, losses in current year and those brought forward from previous periods, deficit in NPA provisions, income wrongly recognized on non performing assets, provision required for liability devolved on bank, etc. will be deducted from Tier I Capital.

(ii) For a Fund to be included in the Tier I Capital, the Fund should satisfy two criteria viz., the Fund should be created as an appropriation of net profit and should be a free reserve and not a specific reserve. However, if the same has been created not by appropriation of profit but by a charge on the profit then this Fund is in effect a provision and hence will be eligible for being reckoned only as Tier II capital as defined below and subject to a limit of 1.25% of risk weight assets provided it is not attributed to any identified potential loss or diminution in value of an asset or a known liability.

(iii) In terms of Circular UBD.BPD.(PCB).CIR.No.49/09.14.000/2010-11 dated May 24, 2011 deferred expenditure, if any, due to enhancement in gratuity limits following the amendment to Payment of Gratuity Act 1972 would not be reduced from Tier-I capital of UCBs.

4.2 Tier II Capital

Tier II capital would include the following items:

4.2.1 Undisclosed Reserves

These often have characteristics similar to equity and disclosed reserves. They have the capacity to absorb unexpected losses and can be included in capital, if they represent accumulation of profits and not encumbered by any known liability and should not be routinely used for absorbing normal loss or operating losses.

4.2.2 Revaluation Reserves

These reserves often serve as a cushion against unexpected losses, but they are less permanent in nature and cannot be considered as 'Core Capital'. Revaluation reserves arise from revaluation of assets that are undervalued in the bank's books. The typical example in this regard is bank premises and marketable securities. The extent to which the revaluation reserves can be relied upon as a cushion for unexpected losses depends mainly upon the level of certainty that can be placed on estimates of the market value of the relevant assets, the subsequent deterioration in values under difficult market conditions or in a forced sale, potential for actual liquidation of those values, tax consequences of revaluation, etc. Therefore, it would be prudent to consider revaluation reserves at a discount of 55 % when determining their value for inclusion in Tier II Capital i.e. only 45% of revaluation reserve should be taken for inclusion in Tier II Capital. Such reserves will have to be reflected on the face of the balance sheet as revaluation reserves.

4.2.3 General Provisions and Loss Reserves

These would include such provisions of general nature appearing in the books of the bank which are not attributed to any identified potential loss or a diminution in value of an asset or a known liability. Adequate care must be taken to ensure that sufficient provisions have been made to meet all known losses and foreseeable potential losses before considering any amount of general provision as part of Tier II capital as indicated above. To illustrate : General provision for Standard Assets, excess provision on sale of NPAs etc. could be considered for inclusion under this category. Such provisions which are considered for inclusion in Tier II capital will be admitted up to 1.25% of total weighted risk assets.

As per the extant instructions, provisions made for NPAs as per prudential norms are deducted from the amount of Gross NPAs to arrive at the amount of Net NPAs. The prudential treatment of different type of provisions and its treatment for capital adequacy purposes is given below:

<u>(a) Additional General Provisions (Floating Provisions)</u>

Additional general provisions (floating provisions) for bad debts i.e., provisions not earmarked for any specific loan impairments (NPAs) may be used either for netting off of gross NPAs or for inclusion in Tier II capital but cannot be used on both counts

<u>(b) Additional Provisions for NPAs at higher than prescribed rates</u>

In cases where banks make specific provision for NPAs in excess of what is prescribed under the prudential norms, the total specific provision may be deducted from the amount of Gross NPAs while reporting the amount of Net NPAs. The additional specific provision made by the bank will not be reckoned as Tier II capital.

<u>(c) Excess Provisions on Sale of NPAs</u>

In case of sale of NPAs, if the sale proceeds exceed the book value of asset, net of provisions held, the excess amount of provision should not be written back to Profit and Loss account. For example, for an NPA of ₹1,00,000, the bank holds provision of ₹50,000 (i.e., 50%). If the asset is sold for ₹70,000, there will be a loss of ₹30,000, which will be adjusted against the provision of ₹50,000 leaving an excess provision of ₹20,000 on account of the sale of the NPA. Such excess provisions should continue to be shown under 'provisions' and would be considered as Tier II capital subject to the overall ceiling of 1.25% of risk weighed assets.

(d) Provisions for Diminution in Fair Value

In terms of paragraph 5.1 of circular UBD.PCB.BPD.No.53 dated March 6, 2009, banks were advised that they should hold provisions for restructured advances as per the extant provisioning norms. In addition to such provisions, banks were advised to make provisions to cover the economic loss to the bank due to reduction in the rate of interest or reschedulement of repayment of principal amount of loan restructured. Such additional provisions made for diminution in the fair value of restructured advances, both in respect of standard assets and NPAs, are permitted to be netted from the relative loan asset.

4.2.4 Investment Fluctuation Reserve

It includes balance, if any, in the Investment Fluctuation Reserve Fund of the bank.

4.2.5 Hybrid Debt Capital Instruments

Under this category, there are a number of capital instruments, which combine certain characteristics of equity and certain characteristics of debt. Each has a particular feature which can be considered to affect its qualification as capital. Where these instruments have close similarities to equity, in particular, when they are able to support losses on an ongoing basis without triggering liquidation, they may be included in Tier II capital. The instruments are as follows:

(i) Tier II Preference Shares*:* Primary (Urban) Cooperative Banks are permitted to issue Perpetual Cumulative Preference Shares (PCPS), Redeemable Non Cumulative Preference Shares (RNCPS) and Redeemable Cumulative Preference Shares (RCPS) subject to extant instructions as per Annex 3.

(ii) Long Term (Subordinated) Deposits*:* UCBs are permitted to raise term deposits for a minimum period of not less than 5 years, which will be eligible to be treated as lower Tier II capital. The detailed guidelines are given in Annex 4.

UCBs may issue preference shares and Long Term (Subordinated) Deposits subject to compliance with their bye-laws / provisions of the Co-operative Societies Act under which they are registered and with the approval of the concerned Registrar of Co-operative Societies / Central Registrar of Cooperative Societies concerned.

4.2.6 Subordinated Debt

To be eligible for inclusion in Tier II capital, the instrument should be fully paid-up, unsecured, subordinated to the claims of other creditors, free of restrictive clauses and should not be redeemable at the initiative of the holder or without the consent of the banks' supervisory authorities. They often carry a fixed maturity and as they approach maturity, they should be subjected to progressive discount for inclusion in Tier II capital. Instruments with an initial maturity of less than 5 years or with a remaining maturity of one year should not be included as part of Tier II capital. Subordinated debt instruments will be limited to 50 percent of Tier I capital.

4.3 Other Conditions

It may be noted that the total of Tier II elements will be limited to a maximum of 100 percent of total Tier I elements for the purpose of compliance with the norms.

5. Capital for Market Risk

5.1 Market risk is defined as the risk of losses in on-balance sheet and off-balance sheet positions arising from movements in market prices. The market risk positions, which are subject to capital charge are as under:

- The risks pertaining to interest rate related instruments and equities in the trading book; and
- Foreign exchange risk (including open position in precious metals) throughout the bank (both banking and trading books).

5.2 As an initial step towards prescribing capital requirement for market risks, UCBs were advised to assign an additional risk weight of 2.5 per cent on investments. These additional risk weights are clubbed with the risk weights prescribed for credit risk in respect of investment portfolio of UCBs and banks are not required to provide for the same separately. Further, UCBs were advised to assign a risk weight of 100% on the open position limits on foreign exchange and gold and to build up investment fluctuation reserve up to a minimum of 5% of the investments held in HTM and AFS categories in the investment portfolio.

5.3 UCBs having AD Category I licence are required to provide capital for market risk with effect from April 1, 2010. Detailed guidelines on capital charge for market risks are given vide circular UBD.BPD(PCB)Cir.No.42/09.11.600/2009-10 dated February 8, 2010.

6. Returns

Banks should furnish to the respective Regional Offices annual return indicating (i) capital funds, (ii) conversion of off-balance sheet / non-funded exposures, (iii) calculation of risk weighted assets, and (iv) calculation of capital funds and risk assets ratio. The format of the return is given in the Annex 2. The returns should be signed by two officials who are authorized to sign the statutory returns submitted to Reserve Bank.

Annex - 1

Prudential Norms - Risk Weights for Computation of CRAR

(Vide Para No. 4(iii))

I. Domestic Operations

A. Funded Risk Assets

Assets Items			Risk Weight
I.	**Balances**		
	i.	Cash (including foreign currency notes) Balances with RBI	0
	ii.	Balances in current account with UCBs	20
	iii.	Balances in current account with other banks	20
II.	**Investments**		
	i.	Investment in Government Securities	2.5
	ii.	Investment in other Approved Securities guaranteed by Central Government / State Government	2.5
	iii.	Investment in Other Securities where payment of interest and repayment of principal are guaranteed by Central Govt. (include investment in Indira / Kisan Vikas Patras and investments in bonds & debentures where payment of interest and repayment of principal is guaranteed by Central Govt. / State Government)	2.5
	iv.	Investment in other securities where payment of interest and repayment of principal are guaranteed by State Govt.	2.5
		Note : Investment in securities where payment of interest or repayment of principal is guaranteed by State Government and which has become a non-performing investment, will attract 102.5 percentage risk weight (w.e.f. March 31, 2006)	
	v.	Investment in other Approved Securities where payment of interest and repayment of principal is not guaranteed by Central / State Govt.	22.5
		Investment in Govt. guaranteed securities of government undertakings which do not form part of the approved market borrowing Program	22.5
	vi.	(a) Claims on commercial banks, District Central Co-operative Banks, and State Co-operative Banks such as fixed deposits, certificates of deposits, etc.	20
		(b) Claims on other Urban Co-operative banks such as term / fixed deposits	
	vii.	Investments in bonds issued by All India Public financial Institutions.	102.5

	viii.	Investments in bonds issued by Public Financial Institutions for their Tier-II Capital		102.5
	ix	Investment in bonds/ debentures/Security Receipts issued by Securitisation Company/ Reconstruction Company		102.5
	x.	All Other Investments ***Note :*** *Intangible assets and losses deducted from Tier I capital should be assigned zero weight*		102.5
	xi.	The off balance sheet (net) position in 'WI' securities, scrip-wise.		2.5
III.	**Loans and Advances**			
	i.	Loans and advances including bills purchased and discounted and other credit facilities guaranteed by GOI		0
	ii.	Loans guaranteed by State Govt		0
	iii.	A State Government guaranteed advance which has become a non performing advance (w.e.f 31.03.06)		100
	iv.	Loans granted to PSUs of GOI		100
	v.	Real Estate Exposure		
		(a)	Mortgaged residential housing loan to individuals	
			- upto ₹30.00 lakh (LTV* ratio =or<75 %)	50
			- above ₹30.00 (LTV ratio =or<75 %).	75
			- Irrespective of the loan amount (LTV ratio >75 %).	100
		(b)	Commercial Real Estate	100
		(c)	Co-op / group housing societies and Housing Board and for any other purpose.	100
		(d)	Commercial Real Estate – Residential Housing	75
	* *LTV ratio should be computed as a percentage of total outstanding in the account (viz. "principal + accrued interest + other charges pertaining to the loan" without any netting) in the numerator and the realizable value of the residential property mortgaged to the bank in the denominator*			
	vi.	Retail Loans and Advances		
		(a)	consumer credit including personal loan	125
		(b)	loans up to ₹1 lakh against gold and silver ornaments	50
		(c)	all other loans and advances including educational loan.	100
		(d)	Loans extended against primary / collateral security of shares / debentures	127.5
	vii.	Leased Assets		
		(a)	Loans and advances for eligible activities to NBFCs engaged in hire purchase / leasing activities now classified as Asset Finance Companies	100
		(b)	loans and advances for eligible activities to	125

			Non-Deposit Taking Systemically Important Non-Banking Finance Companies (NBFC-ND-SI) engaged in hire purchase / leasing activities	
	viii.	Advances covered by DICGC / ECGC		50
	ix.	Portion of housing loan guaranteed by Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH). The balance outstanding excess of guaranteed portion will attract appropriate risk-weight		0
	Note : *The risk weight of 50% should be limited to the amount guaranteed and not the entire outstanding balance in the accounts. In other words, the outstanding in excess of the amount guaranteed, will carry 100% risk weight.*			
	x.	Advances for term deposits, Life policies, NSCs, IVPs and KVPs where adequate margin is available		0
	xi.	Loans to staff of banks, which are fully covered by superannuation benefits and mortgage of flat / house		20
	Notes : While calculating the aggregate of funded and non-funded exposure of a borrower for the purpose of assignment of risk weight, banks may 'net-off' against the total outstanding exposure of the borrower -			
	(a)	advances Collateralised by cash margins or deposits,		
	(b)	credit balances in current or other accounts of the borrower which are not earmarked for specific purposes and free from any lien,		
	(c)	in respect of any assets where provisions for depreciation or for bad debts have been made,		
	(d)	claims recd. from DICGC / ECGC and kept in a separate a/c pending adjustment in case these are not adjusted against the dues outstanding in the respective a/cs.		
IV.	**Other Assets**			
	1.	Premises, furniture and fixtures		100
	2.	Other assets		
		(i)	Interest due on Government securities	0
		(ii)	Accrued interest on CRR balances maintained with RBI	0
		(iii)	Interest receivable on staff loans	20
		(iv)	Interest receivable from banks	20
		(v)	All other assets	100
V.	**Market Risk on Open Position**			
	1.	Market risk on foreign exchange open position (Applicable to Authorised Dealers only)		100
	2.	Market risk on open gold position		100

B. **Off-Balance Sheet Items**

The credit risk exposure attached to off-Balance Sheet items has to be first calculated by multiplying the face amount of each of the off-Balance Sheet items by 'credit conversion factors' as indicated in the table below. This will then have to be again multiplied by the weights attributable to the relevant counter-party as specified above.

Sl. No.	Instruments	Credit Conversion Factor (%)
1	Financial Guarantees/ Direct credit substitutes e.g. general guarantees of indebtedness (including stand L/Cs serving as financial guarantees for loans and securities) and acceptances (including endorsements with character of acceptance)	100
2	Performance Guarantees/ Related contingent items (e.g. warranties and standby L/Cs related to particular transactions)	50
3	Short-term self-liquidating trade-related contingencies (such as documentary credits collateralised by the underlying shipments)	20
4	Sale and repurchase agreement and asset sales with recourse, where the credit risk remains with the bank.	100
5	Forward asset purchase, forward deposit and partly paid shams and securities, which represent commitments with certain draw down	100
6	Note issuance facilities and revolving underwriting facilities	50
7	Other commitments (e.g., formal standby facilities and credit lines) with an original maturity of over one year.	50
8	Similar commitments with an original maturity upto one year, or which can be unconditionally cancelled at any time.	0
9	(i) Guarantees issued by banks against the counter guarantees of other banks	20
	(ii) Rediscounting of documentary bills accepted by banks. Bills discounted by banks which have been accepted by another bank will be treated as a funded claim on a bank.	20
	Note : *In these cases, banks should be fully satisfied that the risk exposure is, in fact, on the other bank. Bills purchased / discounted / negotiated under LC (where the payment to the beneficiary is not made 'under reserve') will be treated as an exposure on the LC issuing bank and not on the borrower. All clean negotiations as indicated above , will be assigned the risk weight is normally applicable to inter-bank exposures, for capital adequacy purposes. In the case of negotiations 'under reserve' the exposure should be treated as on the borrower and risk weight assigned accordingly.*	
10	Aggregate outstanding foreign exchange contracts of original maturity -	
	Less than 14 calendar days	0

	more than 14 days but less than one year	2
	for each additional year or part thereof	3
	Notes :	
	While calculating the aggregate of funded and non-funded exposure of a borrower for the purpose of assignment of risk weight, bank may 'net-off' against the total outstanding exposure of the borrower credit balances in current or other accounts which are not earmarked for specific purposes and free from any lien.	
	After applying the conversion factor as indicated above, the adjusted off-Balance Sheet value shall again be multiplied by the weight attributable to the relevant counter-party as specified.	

Note : *At present, Primary Urban Cooperative Banks may not be undertaking most of the off balance sheet transactions. However, keeping in view their potential for expansion, risk-weights are indicated against various off balance sheet items, which, perhaps Primary Urban Cooperative Banks may undertake in future.*

II. Additional Risk Weights in respect of Overseas Operations of Banks

(Applicable to Authorised Dealers only)

1. Foreign Exchange and Interest Rate related Contracts

(i) Foreign exchange contracts include the following:

- (a) Cross currency interest rate swaps
- (b) Forward foreign exchange contracts
- (c) Currency futures
- (d) Currency options purchased
- (e) Other contracts of a similar nature

(ii) As in the case of other off-Balance Sheet items, a two stage calculation prescribed below shall be applied :

(a) Step 1 - The notional principal amount of each instrument is multiplied by the conversion factor given below :

Original Maturity	Conversion Factor
Less than one year	2%
One year and less than two years	5% (i.e. 2% + 3%)
For each additional year	3%

(b) Step 2 - The adjusted value thus obtained shall be multiplied by the risk weight allotted to the relevant counter-party as given in I-A above.

2. **Interest Rate Contracts**

(iii) Interest rate contracts include the following :

(a) Single currency interest rate swaps
(b) Basic swaps
(c) Forward rate agreements
(d) Interest rate futures
(e) Interest rate options purchased
(f) Other contracts of a similar nature

(iv) As in the case of other off-Balance Sheet items, a two stage calculation prescribed below shall be applied:

(a) Step 1 - The notional principal amount of each instrument is multiplied by the percentage given below :

Original Maturity	Conversion Factor
Less than one year	0.5%
One year and less than two years	1.0%
For each additional year	1.0%

(b) Step 2 - The adjusted value thus obtained shall be multiplied by the risk weightage allotted to the relevant counter-party as given in I-A above.

Note: *At present, most of the Primary (Urban) Cooperative Banks are not carrying out forex transactions. However, those who have been given A.D's licence may undertake transactions mentioned above. In the event of any uncertainly in assigning risk weight against a specific transaction, RBI clarification may be sought for.*

3. **Repo in Corporate Bonds**

UCBs which are lenders of funds in the repo transaction are required to provide counter-party credit risk corresponding to the risk weight for such exposure as applicable to the loan / investment exposure.

Annex - 2

(Proforma for Returns)

(Vide Para No. 6)

Statement of Capital Funds, Risk Assets / Exposures and Risk Asset Ratio

1. Part A - Capital Fund and Risk Assets Ratio

(₹ in lakh)

I	**Capital Funds**		
A	Tier I Capital elements		
	(a) Paid-up Capital		
	Less : Intangible assets and losses		
	Net Paid-up Capital		
	(b) Reserves & Surplus		
	1. Statutory reserves :		
	2. Capital reserves (see note below)		
	3. Other reserves		
	4. Surplus in Profit & Loss Account*		
	Total Reserves & Surplus		
	Total Capital Funds (a + b)		
Notes : Capital reserves representing surplus on sales of assets and held in a separate account will be included			
Revaluation reserves, general/floating provisions and specific provisions made for loan losses and other asset losses or diminution in the value of any assets will not be reckoned as Tier I capital funds.			
* In case of surplus in P & L Account [not allocated and yet to be approved by AGM] the following assumption may be made : (a) The current year's surplus may be nationally arrived at to the extent recommended by the BOD to be allocated among various reserves/funds and retained in business. (b) Where the BOD have not decided the distribution of the surplus, it may be notionally arrived at on the basis of last 3 years average.			
B	**Tier II capital elements**		
(i)	Undisclosed reserves		
(ii)	Revaluation reserves		
(iii)	General provisions and loss reserves #		
(iv)	Investment Fluctuation Reserves / Funds		
(v)	Hybrid debt capital instruments		
(vi)	Subordinated debts		
	Total		
	Total of I (A + B)		
# Includes General Provision on standard assets (subject to restrictions)			
II	**Risk Assets**		
(a)	Adjusted value of funded risk assets i.e. on Balance Sheet items (to tally with Part `B')		
(b)	Adjusted value of non-funded and off-Balance		

	Sheet items (to tally with Part `C')		
(c)	Total risk-weighted assets (a+b)		
III	**Percentage of capital funds to risk-weighted assets I / II x 100**		

2. Part B - Weighted Assets i.e. On-Balance Sheet Items

(₹ in lakh)

	Book Value	**Risk weight**	**Risk adjusted value**
1	**2**	**3**	**4**
I.CASH & BANK BALANCES			
a) Cash in hand (including foreign currency notes)			
b) Balance with banks in India			
i) Balance with RBI			
ii) Balances with banks			
1. Current account (in India and outside India)			
2. Other accounts (in India and outside India)			
3. Current Account balances with other primary co-operative banks			
II. Money at Call and Short Notice			
III. INVESTMENTS			
a) Government and other approved Securities*			
b) Other (net of depreciation provided)			
IV. ADVANCES**			
Loans and advances, bills purchased and discounted and other credit facilities			
a) Claim guaranteed by Govt of India			
b) Claims guaranteed by State Govt			
c) Claims on public sector undertakings of Government of India			
d) Claims on PSUs of State Governments			
e) Others			
Notes: 1. Netting may be done only for advances collateralised by cash margins in deposits and in respect of assets where provisions for depreciation for bad and doubtful debts have been made. *2. Equity investments in subsidiaries, intangible assets and losses deducted from Tier I capital should*			

be assigned zero weight.			
V. Premises (net of depreciation provided)			
VI. Furniture and fixtures (net of depreciation provided)			
VII. Other assets (including branch adjustments, non-banking assets, etc.)			
Total			
** Provision, if any, made for depreciation in investments in Government and other approved securities may be indicated by way of a footnote.* *** Provisions held, either general or specific, for bad and doubtful debts and standard assets may be indicated by way of footnote.*			

Part C - Weighed Non-funded Exposures / Off-Balance Sheet Items Each off-Balance Sheet item may be submitted in the format indicated below:

(₹ in Lakh)

Nature of Item	Book Value	Conversion Factor	Equivalent Value	Risk Weight	Adjusted Value

Note : *Netting may be done only for advances collateralised by cash margins or deposits and in respect of assets where provisions for depreciation or for bad and doubtful debts.*

Annex - 3
{Para 4.1 (iv) & 4.2.5 (i)}

Guidelines to Primary (Urban) Cooperative Banks (UCBs) on Issue of Preference Shares

A. Perpetual Non-Cumulative Preference Shares (PNCPS)

UCBs may issue Perpetual Non-Cumulative Preference Shares (PNCPS) with the prior permission of the respective Registrar / Central Registrar of Cooperative Societies (RCS / CRCS) granted in consultation with the Reserve Bank. PNCPS should be issued at par. The amounts raised through PNCPS which comply with the following terms and conditions will be eligible to be treated as Tier I capital.

2. Terms of Issue

2.1 Limits

The outstanding amount of PNCPS would be eligible for inclusion in Tier I capital and should not exceed 20 % of total Tier I capital excluding PNCPS at any point of time. The above limit will be based on the amount of Tier I capital after deduction of goodwill and other intangible assets but before the deduction of investments.

2.2 Amount

The amount of PNCPS to be raised may be decided by the Board of Directors of banks.

2.3 *Maturity*

The PNCPS shall be perpetual.

2.4 *Options*

(i) PNCPS shall not be issued with a 'put option' or 'step up option'.

(ii) However, banks may issue PNCPS with a call option at a particular date subject to following conditions :

(a) The call option on the instrument is permissible after the instrument has run for at least ten years; and

(b) Call option shall be exercised only with the prior approval of Reserve Bank of India (Urban Banks Department). While considering the proposals received from banks for exercising the call option, the Reserve Bank would, among other things, take into consideration the bank's CRAR position both at the time of exercise of the call option and after exercise of the call option.

2.5 Classification in the Balance Sheet

These instruments will be classified as 'capital' and shown separately in the Balance Sheet.

2.6 Dividend

The rate of dividend payable to the investors will be a fixed rate or a floating rate referenced to a market determined rupee interest benchmark rate

2.7 *Payment of Dividend*

(a) The issuing bank shall pay dividend subject to availability of distributable surplus out of current year's earnings, and if -

(i) The bank's CRAR is above the minimum regulatory requirement prescribed by the Reserve Bank;

(ii) The impact of such payment does not result in bank's capital to risk weighted assets ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by the Reserve Bank; and

(iii) While paying dividends, it may be ensured that the current year balance sheet does not show any accumulated losses

(b) The dividend shall not be cumulative. i.e., dividend missed in a year will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum. When dividend is paid at a rate less than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.

(c) All instances of non-payment of dividend / payment of a dividend at a lesser rate than prescribed in consequence of conditions as at (a) above should be reported by the issuing banks to the Chief General Manager-in-Charge of Urban Banks Department, Central Office of the Reserve Bank of India, Mumbai.

2.8 Seniority of Claim

The claims of the investors in PNCPS shall be senior to the claims of investors in equity shares and subordinated to the claims of all other creditors and the depositors.

2.9 Voting Rights

The investors in PNCPS will not be eligible for any voting rights.

2.10 *Other Conditions*

(a) PNCPS should be fully paid-up, unsecured, and free of any restrictive clauses.

(b) The PNCPS may be rated at the discretion of the issuer.

(c) Banks should comply with the terms and conditions, if any, stipulated by other regulatory authorities in regard to issue of the PNCPS, provided they do not result in violation of any of the terms and conditions specified in these guidelines. Any instance of conflict, shall be brought to the notice of the RBI for seeking confirmation of the eligibility of the instrument for inclusion in Tier I capital.

3. Compliance with Reserve Requirements

(a) The funds collected for the issue and held by the bank pending finalization of allotment of the Tier I preference shares will have to be taken into account for the purpose of calculating reserve requirements.

(b) However, the total amount raised by the bank by issue of PNCPS shall not be reckoned as liability for calculation of net demand and time liabilities for the purpose of reserve requirements and, as such, will not attract CRR / SLR requirements.

4. Reporting Requirements

Banks issuing PNCPS shall submit a report to the Chief General Manager-in-charge, Urban Banks Department , Reserve Bank of India, Mumbai giving details of the capital raised, including the terms and conditions of issue as specified above together with a copy of the offer document soon after the issue is completed.

5. Investment by Commercial Banks in perpetual Non-cumulative Preference Shares issued by UCBs

(a) Commercial banks can invest in PNCPS issued by the UCBs within the 10 % ceiling for unlisted securities or as prescribed by Department of Banking Operations and Development (DBOD), Central Office, Reserve Bank of India, provided they are rated.

(b) The investments in PNCPS issued by UCBs will attract such risk weight for capital adequacy purposes, as may be prescribed by DBOD.

6. Investment in / Grant of Advances Against Tier I Preference Shares

UCBs should not invest in PNCPS of other banks; nor they should grant advances against the security of the PNCPS issued by them or other banks.

7. Share Linkage Norms

PNCPs held may be treated as shares for the purpose of compliance with extant share linking norms.

B. Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)

1. Terms of Issue

UCBs may issue Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS) with the prior permission of the respective Registrar / Central Registrar of Cooperative Societies (RCS / CRCS) granted in consultation with the Reserve Bank. These three instruments will be collectively referred to as Tier II preference shares. These Tier II preference shares should be issued at par. The amounts raised through the Tier II preference shares, which comply with the following terms and conditions, will be eligible to be treated as upper Tier II capital

2.1 Characteristics of the Instruments

The Tier II preference shares could be either perpetual (PCPS) or dated (RNCPS and RCPS) instruments with a fixed maturity of minimum 15 years.

2.2 Limits

The outstanding amount of these instruments along with other components of Tier II capital shall not exceed 100% of Tier I capital at any point of time. The above limit will be based on the amount of Tier I capital after deduction of goodwill and other intangible assets but before the deduction of investments.

2.3 Amount

The amount to be raised may be decided by the Board of Directors of banks.

2.4 Options

(i) These instruments shall not be issued with a 'put option'.

(ii) However, banks may issue the instruments with a call option at a particular date subject to strict compliance with each of the following conditions:

(a) The call option on the instrument is permissible after the instrument has run for at least ten years; and

(b) Call option shall be exercised only with the prior approval of Reserve Bank of India (Urban Banks Department). While considering the proposals received from banks for exercising the call option, the Reserve Bank would, among other things, take into consideration the bank's CRAR position both at the time of exercise of the call option and after exercise of the call option.

2.5 Step-up Option

The issuing bank may have a step-up option, which may be exercised only once during the whole life of the instrument, in conjunction with the call option, after the lapse of ten years from the date of issue. The step-up shall not be more than 100 bps. The limits on step-up apply to the all-in cost of the debt to the issuing banks.

2.6 Classification in the Balance Sheet

These instruments will be classified as 'borrowings' and shown separately in the Balance sheet.

2.7 Coupon

The coupon payable to the investors may be either at a fixed rate or at a floating rate referenced to a market determined rupee interest benchmark rate

2.8 *Payment of Coupon*

2.8.1 The coupon will be payable only if -

(a) The bank's CRAR is above the minimum regulatory requirement prescribed by the Reserve Bank.

(b) The impact of such payment does not result in bank's CRAR falling below or remaining below the minimum regulatory requirement prescribed by the Reserve Bank.

(c) The bank does not have a net loss. For this purpose, the Net Loss is defined as either (i) the accumulated loss at the end of the previous financial year or (ii) the loss incurred during the current financial year.

(d) In the case of PCPS and RCPS the unpaid / partly unpaid coupon will be treated as a liability. The interest amount due and remaining unpaid may be allowed to be paid in later years subject to the bank complying with the above requirements.

(e) In the case of RNCPS, deferred coupon will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum. The bank can however pay a coupon at a rate lesser than the prescribed rate, if adequate profit is available and the level of CRAR conforms to the regulatory minimum.

2.8.2 All instances of non-payment of interest / payment of interest at a lesser rate than prescribed rate should be notified by the issuing banks to the Chief General Manager-in-Charge of Urban Banks Department, Central Office of the Reserve Bank of India, Mumbai.

2.9 Redemption / Repayment of Redeemable Preference Shares included in Upper Tier II

Redemption of these instruments at maturity shall be made only with the prior approval of the Reserve Bank of India (Urban Banks Department) subject inter alia to the following conditions :

(a) The bank's CRAR is above the minimum regulatory requirement prescribed by the Reserve Bank.

(b) The impact of such payment does not result in bank's CRAR falling below or remaining below the minimum regulatory requirement prescribed by the Reserve Bank.

2.10 Seniority of Claim

The claims of the investors in these instruments shall be senior to the claims of investors in instruments eligible for inclusion in Tier I capital and subordinate to the claims of all other creditors including those in lower Tier II and the depositors.

Amongst the investors of various instruments included in upper Tier II, the claims shall rank pari-passu with each other.

2.11 Voting Rights

The investors in Tier II preference shares shall not be eligible for any voting rights.

2.12 Amortization for the purpose of computing CRAR

The Redeemable Preference Shares (both cumulative and non-cumulative) shall be subjected to a progressive discount for capital adequacy purposes over the last five years of their tenor, as they approach maturity as indicated in the table below for being eligible for inclusion in Tier II capital.

Remaining Maturity of Instruments	**Rate of Discount (%)**
Less than one year	100
One year and more but less than two years	80
Two years and more but less than three years	60
Three years and more but less than four years	40
Four years and more but less than five years	20

2.13 *Other Conditions*

(a) The Tier II preference shares should be fully paid-up, unsecured, and free of any restrictive clauses.

(b) The Tier II preference shares may be rated at the discretion of the issuer.

(c) Banks should comply with the terms and conditions, if any, stipulated by other regulatory authorities in regard to issue of the Tier II Preference Shares, provided they do not result in violation of any of the terms and conditions specified in these guidelines. Any instance of conflict shall be brought to the notice of the RBI for seeking confirmation of the eligibility of the instrument for inclusion in Tier II capital.

3. Compliance with Reserve Requirements

(a) The funds collected by the bank and held pending finalization of allotment of these instruments will have to be taken into account for the purpose of calculating reserve requirements.

(b) The total amount raised by a bank through the issue of these instruments shall be reckoned as liability for the calculation of net demand and time liabilities for the purpose of reserve requirements and, as such, will attract CRR / SLR requirements.

4. Reporting Requirements

UCBs issuing these instruments shall submit a report to the Chief General Manager-in-charge, Urban Banks Department, Reserve Bank of India, Mumbai giving details of the debt raised, including the terms and conditions of issue specified above together with a copy of the offer document soon after the issue is completed.

5. Commercial Bank's Investment in Tier II Preference Shares issued by UCBs

(a) Commercial Banks may invest in Tier II preference shares issued by the UCBs within the 10% ceiling for unlisted securities or as prescribed by Department of Banking Operations and Development (DBOD), Central Office, Reserve Bank of India, provided they are rated

(b) Investments in Tier II preference shares will attract such risk weight for capital adequacy purposes, as may be prescribed by DBOD.

6. Investment in / Grant of Advances against these Instruments

UCBs should not invest in Tier II preference shares issued by other banks; nor they should grant advances against the security of Tier II preference shares issued by them or other banks.

Annex - 4
{Para 4.2.5 (ii)}

Guidelines to Primary (Urban) Co-operative Banks (UCBs) on Issuance of Long Term (Subordinated) Deposits

1. Term of Issue

UCBs may issue Long Term (Subordinated) Deposits (LTD) subject to compliance with their bye-laws/ provisions of the Co-operative Societies Acts under which they are registered and with the approval of Reserve Bank of India and the concerned Registrar of Cooperative Societies/ Central Registrar of Cooperative Societies, whichever is applicable. LTDs may be issued to members and non-members, including those outside the area of operations of the UCB concerned. There is no prohibition on existing shareholders subscribing to LTDs. The amounts raised through LTD, which comply with the following terms and conditions will be eligible to be treated as lower Tier II capital

2.1 Maturity

LTD should have a minimum maturity of not less than 5 years.

2.2 Limits

The outstanding amount of LTD, which is eligible to be reckoned as Tier II capital, will be limited to 50 percent of Tier I capital. The above limit will be based on the amount of Tier I capital after deduction of goodwill and other intangible assets but before the deduction of equity investments in subsidiaries, if any.

2.3 Amount

The amount to be raised may be decided by the Board of Directors of banks.

2.4 Seniority of Claims

LTD will be subordinated to the claims of depositors and other creditors but would rank senior to the claims of shareholders, including holders of preference shares (both Tier I & Tier II). Among investors of instruments included in lower Tier II, the claims shall rank pari passu with each other.

2.5 Options

(a) LTD shall not be issued with a 'put option' or a 'step up' option.

(b) The 'call option' will be permissible and may be exercised after 5 years with prior permission of the Reserve Bank. While considering the proposals received from banks for exercising the call option the Reserve Bank would, among other things, take into consideration the bank's CRAR position both at the time of exercise of the call option and after exercise of the call option.

2.6 Redemption / Prepayment

Repayment of LTD at maturity shall be made only with the prior approval of the Reserve Bank of India (Urban Banks Department, Central Office) subject inter alia to the following conditions :

(i) The bank's CRAR is above the minimum regulatory requirement prescribed by the Reserve Bank.

(ii) The impact of such repayment does not result in bank's CRAR falling below or remaining below the minimum regulatory requirement prescribed by the Reserve Bank.

2.7 Interest Rate

LTD may bear a fixed rate of interest or a floating rate of interest referenced to a market determined rupee interest benchmark rate.

2.8 DICGC Cover

LTD will not be eligible for DICGC cover

2.9 Progressive Discount

These deposits will be subjected to a progressive discount for capital adequacy purposes as under :

Remaining Period of Maturity	Rate of Discount
Less than one year	100%
More than one year and Less than two years	80%
More than two years and less than three years	60%
More than three years and less than four years	40%
More than four years and less than five years	20%

2.10 Classification in the Balance Sheet

These instruments will be classified as 'borrowings' and shown separately in the Balance Sheet.

2.11 Reserve Requirement

Total amount raised by a bank through the issue of LTD will be reckoned as a liability for the computation of net demand and time liabilities for the purpose of reserve requirements (CRR and SLR).

3. Reporting Requirements

Banks issuing such long LTDs shall submit a report to the Chief General Manager-in-charge, Urban Banks Department, Reserve Bank of India, Mumbai giving details of the deposit raised, including the terms of issue specified as above.

4. Investment in / Grant of Advances against LTD

UCBs should not invest in LTD of other UCBs; nor they should grant advances against the security of LTD issued by them or by other banks

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Appendix

List of Circulars consolidated in the Master Circular

No.	Circular	Date	Subject
1	UBD.CO.BPD.PCB.Cir.No.67/09.50.001/2013-14	30.05.2014	Deferred Tax Liability on Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961 - UCBs
2	UBD.BPD.(PCB).Cir. No. 53/13.05.000/2013-14	28.03.2014	Guidelines on Sale of Financial Assets to Securitisation Company/ Reconstruction Company (SC/RC) by Multi State Urban Cooperative Banks
3	UBD. BPD. (PCB). Cir. No. 51/09.18.201/2013-14	25.03.2014	Instrument for Augmenting Capital Funds –UCBs-Modification
4	UBD BPD(PCB) Cir No. 45/13.05.000/2013-14	28.01.2014	Housing Sector: New Sub-Sector CRE-Residential Housing (CRE-RH) Segment within CRE Sector & Rationalisation of Provisioning and Risk Weight
5	UBD. BPD PCB Cir No. 37/09.22.010/2013-14	14.11.2013	Advances guaranteed by Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) – Risk Weights and Provisioning
6	UBD CO BPD (PCB) Cir.No.25/09.18.200/2013-14	01.10.2013	Share Linking to Borrowing Norm in Urban Co-operative Banks
7	UBP BPD (SCB) Cir. No.4/16.20.000/2012-13	June 10, 2013	Ready Forward Contracts in Corporate Debt Securities
8	UBD.BPD.(PCB)Cir.No.49/09.14.000/2010-11	24.05.2011	Enhancement in Gratuity Limits - Prudential Regulatory Treatment
9	UBD.BPD.(PCB)Cir.No.22/09.18.201/2010-11	15.11.2010	Share linking to borrowing norm in Urban Co-operative Banks
10	UBD.BPD.(PCB)Cir.No.42/09.11.600/2009-10	08.02.2010	Prudential guidelines on capital charge for market risks
11	UBD.PCB.Cir.No.30/09.14.000/2008-09	16.12.2009	Prudential treatment of different types of provisions in respect of loan portfolios
12	UBD.PCB.Cir.No.24/09.18.201/2009-10	27.11.2009	Renaming of Long Term Deposits
13	UBD.PCB.Cir.No.73/09.14.000/2008-09	29.06.2009	Prudential treatment of different types of provisions in respect of loan portfolios
14	UBD.PCB.Cir.No.61/09.18.201/2008-09	21.04.2009	Instruments for augmenting capital funds

15	UBD.PCB.Cir.No.32/09.18.201/2008-09	13.01.2009	Instruments for augmenting capital funds
16	UBD.PCB.Cir.No.29/09.11.600/2008-09	01.12.2008	Review of Prudential Norms-Provision for Standard Assets & Risk weights for exposures to commercial real estate and NBFCs
17	UBD.PCB.Cir.No.4/09.18.201/2008-09	15.07.2008	Instruments for augmenting capital funds
18	UBD.PCB.Cir.No.53/13.05.000/07-08	16.06.08	Claims secured by residential property - change in limits for risk weights.
19	UBD.PCB.Cir.No.31/09.11.600/07-08	29.01.08	Prudential Norms for Capital Adequacy - Risk Weight for Educational Loans
20	UBD.PCB.CirNo.40/13.05.000/2006-07	04.05.07	Annual Policy Statement for the Year 2007-08 - residential housing loans-reduction of risk weight
21	UBD(PCB).Cir.No.39/13.05.000	30.04.07	Annual Policy Statement for 2007-08-Loans against Gold / silver ornaments-reduction of risk weight
22	UBD(PCB).Cir.No.30/09.11.600/06-07	19.02.07	Third Quarter Review of the Annual Statement on Monetary Policy for the year 2006-07 - Provisioning requirement for Standard Assets
23	UBD.BPD.Cir.No:7/09.29.000/2006-07	18.08.06	'When Issued' Transactions in Central Government Securities - Accounting and Related Aspects
24	UBD.PCB.Cir.No.55/09.11.600/05-06	01.06.06	Annual Policy Statement for the Year 2006-07 - Risk weight on exposure to commercial real estate
25	UBD.PCB).BPD.Cir.No.46/13.05.000/2005-06	19.04.06	Bills Discounted under LC - Risk Weight and Exposure Norms
26	UBD.PCB.Cir.No.9/13.05.00/05-06	09.08.05	Risk Weight for Capital Market Exposure -
27	UBD.PCB.Cir.No.8/09.116.00/05-06	09.08.05	Prudential Norms on Capital Adequacy - Risk Weight on Housing Finance / commercial real estate exposures
28	UBD.DS.Cir/No.44/13.05.00/04-05	15.04.05	Maximum Limit on Advances - Exposures to individuals / group of borrowers
29	UBD.PCB.Cir.33/09.116.00/2004	05.01.05	Risk Weight on Housing Finance and Consumer Credit
30	UBD.PCB.Cir.26/09.140.00/2004-05	01.11.04	Prudential Norms - State Government Guaranteed Exposures

31	UBD.No.BPD.PCB.Cir.52/09.116.00/2003-04	15.06.04	Risk Weight for Exposure to Public Financial Institutions (PFIs)
32	UBD.No.BPD.PCB.Cir.37/13.05.00/03-04	16.03.04	Discounting / Rediscounting of Bills by Banks
33	UBD.No.BPD.PCB.Cir.34/13.05.00/2003-04	11.02.04	Maximum Limit on Advances - Limits on Credit Exposure to Individual / Group of borrowers computation of capital funds
34	UBD.No.POT.PCB.CIR.18/09.22.01/2002- 03	30.09.02	Risk Weight on Housing Finance
35	UBD.No.POT.PCB.Cir.No.45/09.116.00/ 2000	25.04.01	Application of Capital Adequacy Norms to Urban (Primary) Co-operative Banks