

RBI/2021-22/177

DOR.REC.MRG.90/16.20.000/2021-22

March 3, 2022

Madam / Dear Sir,

**Investment in Umbrella Organization (UO) by Primary (Urban) Co-operative Banks**

Please refer to [circular UBD.\(PCB\).BPD.Cir.No.46/16.20.000/2008-09 dated January 30, 2009](#) on Investments in Non-SLR securities by Primary (Urban) Co-operative Banks. Paragraph 2(i) of the circular states that the non-SLR investments shall be limited to ten per cent of a bank's total deposits as on March 31 of the previous year. Further, paragraph 2(iii)(b) states that investments in unlisted securities shall not exceed ten per cent of the total non-SLR investments at any time.

2. RBI has accorded regulatory approval to National Federation of Urban Co-operative Banks and Credit Societies Ltd. (NAFCUB) in June 2019 for formation of Umbrella Organization (UO) for the UCB Sector. The approval *inter-alia* permits UCBs to subscribe to capital of the UO on voluntary basis.

3. It is advised that the investment made for subscribing to the capital of the UO, for acquiring its membership, shall be exempt from the limits prescribed in Paragraphs 2(i) and 2(iii)(b) of the circular *ibid*.

**Applicability**

4. This circular is applicable to all Primary (Urban) Co-operative Banks.

5. These instructions come into effect from the date of the circular.

Yours faithfully

(Usha Janakiraman)  
Chief General Manager