

Computation of Net Worth by UCBs

Sr. No.	Description	Amount (Rs. crore)
1	Paid-up share capital collected from regular members having voting powers	
2	Perpetual Non-Cumulative Preference Shares (PNCPS)	
3	Contributions received from associate/ nominal members where the by-laws permit allotment of shares to them and provided there are restrictions on withdrawals of such shares, as applicable to regular members	
4	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	
5	Free Reserves including "Building Fund", Capital Reserves etc. but excluding Revaluation Reserves. 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.	
6	Investment Fluctuation Reserve (IFR) in excess of stipulated 5% of investment in AFS & HFT categories ⁶	
7	Credit balance in Profit & Loss Account, if any	
Deductions		
8	Debit balance in Profit & Loss Account, if any	

⁶ Please refer to [Master Direction – Reserve Bank of India \(Classification, Valuation and Operation of Investment Portfolio of Primary \(Urban\) Co-operative Banks\) Directions, 2023 dated April 1, 2023](#) for guidelines on creation of Investment Fluctuation Reserve (IFR) by Co-operative banks

9	All Intangible Assets, including, inter alia, Deferred Tax Assets (DTA)	
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Note:

1. Funds raised through Perpetual Debt Instruments included in Tier I capital and debt capital instruments included in Tier II capital should not be reckoned as part of net worth.
2. Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS) and Redeemable Cumulative Preference Shares (RCPS) included in Tier II capital should not be reckoned as part of net worth.
3. No general or specific provisions should be included in computation of net worth.