

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 ⁵	
7	Credit balance in Profit & Loss Account, if any	
Deductions		
8	Debit balance in Profit & Loss Account, if any	

⁵ 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 1 capital and debt capital instruments included in Tier 2 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 2 capital should not be reckoned as part of net worth.
3. No general or specific provisions should be included in computation of net worth.