



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA



RBI/2024-25/54  
DOR.CRE.REC.29/07.10.002/2024-25

July 25, 2024

All Primary (Urban) Co-operative Banks

Madam / Dear Sir,

**Bank Finance against Shares and Debentures**

Please refer to the [circular UBD.No.DS.PCB.CIR.16/13.05.00/2001-02 dated October 22, 2001](#) and para 6.6.5 of [Master Circular - Exposure Norms and Statutory / Other Restrictions – UCBs dated January 16, 2024](#), in terms of which Primary (Urban) Co-operative Banks (UCBs) were advised that the aggregate of their all loans against the security of shares and debentures should be within the overall ceiling of 20 per cent of their owned funds.

2. On a review, it has been decided that the aforementioned overall ceiling of 20 per cent shall be linked to Tier I capital of the bank as on 31<sup>st</sup> March of the previous financial year, as defined in [Master Circular - Prudential Norms on Capital Adequacy - Primary \(Urban\) Co-operative Banks \(UCBs\) dated April 1, 2024](#), as amended from time to time.

3. The change stipulated at paragraph 2 above shall be effective from January 01, 2025. All other related provisions of the aforesaid circulars remain unchanged.

Yours faithfully,

(Vaibhav Chaturvedi)  
Chief General Manager