भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2015-16/380 Vaishakha 01, 1938

DCBR.CO.BPD. (PCB). No.15/13.05.000/2015-16 April 21, 2016

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

Dear Sir/Madam,

Unsecured Exposure Norms for UCBs – Relaxation

Please refer to our circulars UBD.BPD. (PCB) Cir No.45/13.05.000/2012-13 dated April 03, 2013 and UBD. CO. BPD. (PCB) Cir. No.29/13.05.000/2013-14 dated October 10, 2013 on the captioned subject permitting UCBs fulfilling certain conditions to grant unsecured loans and advances beyond the extant ceiling of 10% of total assets as per audited balance sheet as on March 31 of the previous financial year.

2. In order to provide further impetus to Urban Cooperative Banks (UCBs) engaged in financial inclusion the instructions have been reviewed and it has been decided as under:

(i) UCBs whose priority sector loan portfolio is not less than 90% of the gross loans may be allowed to grant unsecured advances to the extent of 35 % of their total assets as per the audited balance sheet at the end of the preceding financial year, subject to the following conditions:

(a) The entire unsecured loan portfolio in excess of the normally permitted 10%, shall comprise of priority sector loans and the exposure to any individual borrower shall not exceed ₹ 40,000/-.

(b) The bank complies with the eligibility criteria prescribed in para 3.

सहकारी बैंक विनियमन विभाग,केंद्रीय कार्यालय, सी-7 बांद्रा कुर्ला कॉम्प्लेक्स ,पहली और दूसरी मंज़िल, बांद्रा (पूर्व), मुंबई- 400051 भारत .फोन: 022 -26578100/8300/8500/8700; ई मेल: cgmdcbrco@rbi.org.in

Department of Co-operative Bank Regulation, Central Office, C-7 Bandra Kurla Complex, 1st and 2nd Floor, Bandra (East), Mumbai - 400051, India. Phone: 022 –26578100/8300/8500/8700; Email: cgmdcbrco@rbi.org.in

बैंक हिन्दी में पत्राचार का स्वागत करता है।

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिये कोई भी व्यक्तिगत जानकारी जैसे बैंक खाते का ब्यौरा, पासवर्ड आदि नहीं माँगा जाता है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी प्रकार से जवाब मत दीजिए।
Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

(ii) The dispensation for banks whose priority sector lending portfolio is less than 90 % will continue to be the same as mentioned in our circular UBD CO BPD (PCB) Cir. No.29/13.05.000/2013-14 dated October 10, 2013.

3. For being eligible for the dispensation either under para 2(i) or 2 (ii), the UCB should have met the following criteria as per the latest Inspection Report and audited financial statements:

(i) CRAR of not less than 9%

(ii) Gross NPAs of not more than 7%

Eligible banks may apply to the Regional Office of the RBI under whose jurisdiction its head office is situated.

Yours faithfully

(Suma Varma)
Principal Chief General Manager