



भारतीय रिज़र्व बैंक  
**RESERVE BANK OF INDIA**

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**Reserve Bank of India (Urban Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026**

Please refer to paragraph 153 of [Reserve Bank of India \(Urban Co-operative Banks - Classification, Valuation, and Operation of Investment Portfolio\) Directions, 2025, dated November 28, 2025](#), on Investment Fluctuation Reserve (IFR). In view of certain operational constraints being faced by banks in the maintenance of IFR, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act), read with Section 56 thereof, and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. (i) These Directions shall be called the Reserve Bank of India (Urban Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.

(ii) These Amendment Directions shall come into effect from the date of issue.

4. The [Reserve Bank of India \(Urban Co-operative Banks - Classification, Valuation, and Operation of Investment Portfolio\) Directions, 2025](#), are amended as provided below.

(i) Paragraph 153.(4) shall be substituted by the following, namely: -

“153.(4) A UCB shall maintain minimum IFR of 5 per cent of the investment portfolio. This minimum requirement shall be assessed annually and shall be computed with reference to the book value of investments in HFT and AFS categories as of the

balance sheet date. A UCB may, at its discretion, build up a higher percentage of IFR depending on the size and composition of its portfolio, with the approval of its Board.”.

(ii) Paragraph 154.(1) shall be substituted by the following, namely: -

“154.(1) A UCB may, at its discretion, draw down the balance available in IFR in excess of 5 per cent of its investment in AFS and HFT for credit to the balance of profit / loss as disclosed in the Profit and Loss Account at the end of any accounting year.”.

(Sunil T S Nair)  
Chief General Manager