

RBI/2005-06/291

UBD.PCB.Cir.No.29/13.05.000/2005-06

January 30, 2006

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

Dear Sir /Madam,

**Maximum limit on Advances – Limits on credit exposure to Individuals/  
Group of borrowers - UCBs**

Please refer to paragraph 2 (a) of our circular UBD.DS.cir No:44/13.05.00/2004-05 dated April 15, 2005 on the captioned subject in terms of which the sanctioned limit or outstanding whichever is higher shall be reckoned for arriving at credit exposure limit.

2. The matter has been reviewed and it has been decided that in case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, banks may reckon the outstanding for arriving at credit exposure limit.
3. All other terms and conditions prescribed in the circular under reference remains unchanged.
4. Please acknowledge receipt to the concerned Regional Office of Reserve Bank of India.

Yours faithfully,

(N.S.Vishwanathan)  
Chief General Manger in-Charge