

RBI/2007-08/359
DBOD.No.Dir.BC. 92/13.03.00/2007-2008

June 9, 2008

**All Scheduled Commercial Banks
(excluding RRBs)**

Dear Sir

**Banks' Exposure to Capital Market –
Loans extended by banks to Mutual Funds and
Issue of Irrevocable Payment Commitments (IPCs)**

Please refer to paragraph 4 of our circular No.DBOD.Dir.BC.57/13.03.00/2007-2008 dated December 14, 2007, in terms of which a transition period of six months from the date of the circular was provided to enable banks to comply with the requirements contained in the above circular. On a review of the matter, it has been decided to extend the transition period to comply with the requirements contained in the above circular by another three months, i.e., up to September 13, 2008.

Yours faithfully

(P.Vijaya Bhaskar)
Chief General Manager