

RBI/2010-11/208

DBOD. No. Dir. BC. 41 /13.03.00/2010-11

September 21, 2010

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

Dear Sir,

Items excluded from Capital Market Exposure

Please refer to para 2.3.4(i) of our [Master Circular DBOD. No. Dir.BC14/13.03.00/2010-11 dated July 1, 2010](#) on Exposure Norms in terms of which banks' investments in own subsidiaries, joint ventures, sponsored Regional Rural Banks (RRBs) and investments in shares and convertible debentures, convertible bonds issued by certain institutions forming crucial financial infrastructure have been excluded from the aggregate exposure ceiling of 40 percent of net worth and direct investment exposure ceiling of 20 percent of net worth.

2. On a review, it has been decided to include the National Payments Corporation of India. (NPCI) and United Stock Exchange of India Ltd.(USEIL) as part of institutions forming crucial financial infrastructure. Accordingly, banks' investments in NPCI and USEIL will also be excluded from the aggregate Capital Market Exposure ceiling of 40 percent of net worth and direct investment ceiling of 20 percent of net worth, till they are listed. After listing, the exposure in excess of the original investment (i.e. prior to listing) would form part of the Capital Market Exposure.

Yours faithfully

(P. R. Ravi Mohan)
Chief General Manager