



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

RBI/2012-13/189

IDMD. PCD.No.718/14.03.05/2012-13

September 3, 2012

All Standalone Primary Dealers

Dear Sir/Madam,

**Applicability of credit exposure norms for bonds guaranteed by the Government of India**

Please refer to [circulares IDMD.PDRD.No.19 /03.64.00 / 2010-11 dated July 27, 2010](#) and [IDMD.PCD.No.1652/14.03.05/2010-11 dated November 11, 2010](#) wherein standalone Primary Dealers (PDs) were advised to adhere to the credit exposure limits of 25 per cent of their net owned funds (NOF) to single borrower and 40 per cent of their NOF to group borrowers.

2. The matter has since been reviewed and it has been decided that the ceilings on single /group exposure limit would not be applicable where principal and interest are fully guaranteed by the Government of India.
3. Further, it is clarified that PDs should include credit risk exposures to all other categories of non-Government securities investment including investments in mutual funds, commercial papers, certificate of deposits, positions in IRS etc. to compute extent of credit exposure to adhere to the prescribed single borrower limit of 25 per cent of NOF and group borrower limit of 40 per cent of NOF.
4. Latest audited NOF should be taken into account while calculating the above mentioned ceilings.
5. The above guidelines are effective from the date of the circular.

Yours faithfully

(K.K. Vohra)  
Chief General Manager