

RBI/2010-11/270

IDMD. PCD.No. 1652 / 14.03.05/2010-11

November 11, 2010

All Standalone Primary Dealers

Dear Sir,

**Exposure Norms: Applicability of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 to standalone Primary Dealers**

Please refer to our circular [IDMD.PDRD.No. 19 / 03.64.00 / 2010-11 RBI/2010 -11/142 dated July 27,2010](#) wherein standalone Primary Dealers (PDs) were advised to adhere to the exposure limits prescribed in [paragraph 18](#) of the Notification DNBS.193 DG(VL)-2007 dated February 22 , 2007 updated till June 30, 2010 and issued vide the circular [RBI/2010-11/18 DNBS \(PD\) CC No.178/03.02.001/2010-11 dated July 1, 2010](#) on Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

2. The matter has since been reviewed in the context of the need to further facilitate market making activities of the standalone PDs in corporate bonds. Accordingly, it has been decided to enhance the exposure limits of the standalone PDs from 15 per cent to 25 per cent of their NOF to single borrower and from 25 per cent to 40 per cent of their NOF to group borrowers.

3. The above guidelines are effective from the date of the circular.

Yours faithfully

(K.K. Vohra)  
Chief General Manager