



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001
फोन/Phone: 022- 22660502

December 30, 2019

RBI releases draft circular on Limits on Exposure to Single and Group Borrowers/Parties and Large Exposures and Revision in Priority Sector Lending Targets for UCBs

The Reserve Bank of India today released [draft circular](#) on limits on exposure to single and group borrowers/parties, large exposures and revision in priority sector lending targets for primary (urban) co-operative banks (UCBs) for feedback/suggestions. The circular stipulates that the prudential exposure limits for UCBs for a single borrower/party and a group of connected borrowers/parties shall be 10% and 25%, respectively, of their Tier I capital and that at least 50% of their loan portfolio shall comprise loans not more than ₹25 lakh per borrower/party. It further stipulates that the target for loans and advances to priority sector for UCBs shall stand increased to 75% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher, by March 31, 2023. An appropriate glide path is proposed to be provided to UCBs for compliance with the aforesaid norms/limits/targets.

The above measures are expected to reduce credit concentration risk of the UCBs and promote financial inclusion.

Comments on the draft circular may be forwarded by January 20, 2020 to:

The Chief General Manager
Department of Regulation
Reserve Bank of India
C-7, 1st & 2nd Floor
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

Or by [email](#) with subject line “Limits on exposure to single and group borrowers/parties and large exposures and Revision in priority sector lending targets - UCBs”.

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(Yogesh Dayal)
Chief General Manager