



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

RBI/2025-26/
DOR.CRE.REC. / 21.01.003/2025-26

DD-MM-YY

All Scheduled Commercial Banks
(excluding RRBs)

Madam/ Dear Sir,

Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism – Repeal Circular – Draft for Comments

Please refer to the [Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism dated August 25, 2016](#) (hereinafter called Guidelines), issued with a view to addressing the concentration risk of the banking system arising from its exposures towards a single counterparty. The Guidelines disincentivised such large and highly leveraged borrowers for their incremental funding from the banking system beyond a threshold as also encouraged them to explore market-based resources for meeting their incremental financing needs.

2. On a review, it is observed that share of credit from the banking system to such large borrowers has reduced significantly since the introduction of the Guidelines and bank balance sheets have become more resilient. Accordingly, it has been decided to withdraw the Guidelines from April 1, 2026.

3. However, banks are advised to continue to monitor the risks emanating to them from their exposures to ultra-large borrowers who are excessively leveraged and have substantial borrowings from the banking system. Banks may put in place suitable monitoring and risk management framework for such counterparties. Further, the Large Exposures Framework as issued *vide* [circular dated June 03, 2019](#) (updated from time to time) shall continue to be adhered to.

4. This directive is being issued under Section 21 and Section 35A of the Banking Regulation Act, 1949.

Yours faithfully,

(Vaibhav Chaturvedi)
Chief General Manager