



भारतीय रिजर्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2019-20/243

DOR.No.BP.BC.70/21.01.003/2019-20

May 23, 2020

All Scheduled Commercial Banks
(Excluding Regional Rural Banks)

Dear Sir/Madam,

Large Exposures Framework – Increase in Exposure to a Group of Connected Counterparties

Please refer to our [circular No.DBR.No.BP.BC.43/21.01.003/2018-19 dated June 03, 2019](#) on the captioned subject. In terms of para 5.2 of the circular, the sum of all the exposure values of a bank to a group of connected counterparties must not be higher than 25 percent of the bank's available eligible capital base at all times.

2. On account of the COVID-19 pandemic, debt markets and other capital market segments are witnessing heightened uncertainty. As a result, many corporates are finding it difficult to raise funds from the capital market and are predominantly dependent on funding from banks. Therefore, with a view to facilitate greater flow of resources to corporates, it has been decided, as a one-time measure, to increase a bank's exposure to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank.

3. The increased limit will be applicable up to June 30, 2021.

Yours faithfully,

(Saurav Sinha)
Chief General Manager-in-Charge

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हिंदी आसान है, इसका प्रयोग बढ़ाइए