

RBI/2010-11/110
DNBS.PD/ CC.No.190 /03.02.002 /2010-11

July 9, 2010

All non-deposit taking NBFCs with asset size of Rs. 100 crore and above

Dear Sir,

NBFCs-ND-SI issuing guarantees - Applicability of exemption from Concentration norms

In terms of the third proviso of para 18 of the Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, any systemically important non-deposit taking non-banking financial company not accessing public funds, either directly or indirectly, may make an application to the Bank for modifications in the prescribed ceilings with regard to Concentration of credit / investment norms.

2. NBFCs-ND-SI may also be issuing guarantees and devolvement of these guarantees might require access to public funds. Accordingly it is advised that any systemically important non-deposit taking NBFC not accessing public funds either directly or indirectly or not issuing guarantees may approach the Regional Office of the Department of Non-Banking Supervision, Reserve Bank of India in whose jurisdiction the Registered Office of the Company is located, for appropriate dispensation.

3. A copy of the amending Notification No. DNBS(PD)No. 214/ CGM(US)-2010 dated July 09, 2010 is enclosed for compliance.

Yours sincerely,

(Uma Subramaniam)
Chief General Manager-in-Charge

**RESERVE BANK OF INDIA
DEPARTMENT OF NON-BANKING SUPERVISION
CENTRAL OFFICE
CENTRE I, WORLD TRADE CENTRE,
CUFFE PARADE, COLABA,
MUMBAI 400 005.**

Notification No. DNBS(PD).214/ CGM(US)-2010 dated July 09, 2010

In exercise of the powers conferred by Sections 45JA of the Reserve Bank of India Act, 1934 and of all the powers enabling it in this behalf, and in partial modification of Notification No. DNBS. 193 dated DG (VL)-2007 dated February 22, 2007, the Reserve Bank hereby notifies as follows, namely-

The third proviso of para 18 may be amended to read as below:

"**Provided** further that any systemically important non-deposit taking non-banking financial company not accessing public funds, either directly or indirectly, or not issuing guarantees may make an application to the Bank for an appropriate dispensation consistent with the spirit of the exposure limits".

(Uma Subramaniam)
Chief General Manager-in-Charge