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RBI/2008-09/510 DBOD.No.Dir.BC. 139 /13.03.00/2008-2009 June 25, 2009

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir

Banks' Exposure to Capital Market – Loans extended by banks to Mutual Funds and Issue of Irrevocable Payment Commitments (IPCs)

Please refer to our <u>circular No.DBOD.Dir.BC.119/13.03.00/2008-2009</u> dated March 30, 2009 in terms of which the transition period allowed to banks to comply with the requirements contained in our <u>circular No.DBOD.Dir.BC.57/13.03.00/2007-2008</u> dated December 14, 2007, was extended up to June 30, 2009. On a review, it has been decided to further extend the transition period up to **December 31, 2009**.

Yours faithfully

(P Vijaya Bhaskar) Chief General Manager-in-Charge