



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

RBI/2025-26/211

DOR.CRE.REC.402/07-01-001/2025-26

February 13, 2026

**Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment  
Directions, 2026**

Please refer to [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Directions, 2025](#) (hereinafter referred to as ‘the **Directions**’).

2. On a review, and in exercise of the powers conferred by the sections 21 and 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify the Directions as under:

**3(1) In paragraph 4(1) of ‘Chapter I - Preliminary’ of the Directions, the following modifications shall be effected:**

3(1)(i) Sub-paragraph (i) shall be renumbered as (ib).

3(1)(ii) Sub-paragraph (vii) shall be substituted with the following:

*(vii) “**Collateral security**” or “**Collateral**” means an asset on which a security charge is created in favour of the lender for securing a credit facility.*

3(1)(iii) The following sub-paragraphs shall be inserted:

*(ia) “**Acquisition Finance**” shall mean a financial facility or assistance provided to an eligible borrower entity for the purpose of acquiring equity shares or compulsorily convertible debentures (CCDs) in a target company or its holding company, resulting in the borrower entity acquiring*



*control over the target company. Such funding may also involve refinancing of existing debt of the target company if the refinancing is integral to the acquisition finance.*

*(iva) “**Bridge Finance**” shall mean financing a borrower for an interim period, not exceeding one year, for a legitimate business purpose where the borrower has a firm plan and capability to repay such loans by raising financial resources either through issuance of equity, debt or hybrid instruments or by divestiture/hive-off of a part of existing business/assets within the interim period.*

*(va) “**Capital Market Intermediaries (CMIs)**” shall mean regulated entities undertaking trade execution and market infrastructure services in capital markets, including broking, clearing, custody, market making or other incidental services.*

*Provided that CMIs shall not include Standalone Primary Dealers and Qualified Central Counterparty (QCCPs).*

*(viiia) “**Control**” shall have the same meaning as defined in Section 2(27) of the Companies Act, 2013.*

*(xivb) “**Eligible Securities**” shall include the following securities:*

*(a) Listed Group-1 equity shares and preference shares;*

*Explanation: Group 1 securities as defined under instructions issued by Securities and Exchange Board of India (SEBI)*

*(b) Government Securities, including Treasury Bills and Sovereign Gold Bonds;*

*(c) Listed Debt Securities, including Convertible Debt Securities, rated BBB or higher;*

*Explanation: Debt securities as defined under Section 2(1)(k) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated August 9, 2021, as updated from time to time.*

*(d) Units of Mutual Fund Schemes which are listed or where repurchase/redemption facility is available for such units through the Asset Management Company, with underlying*



*investments in equity, equity related instruments or debt instruments.*

- (e) *Units of Exchange Traded Funds (excluding gold, silver and any other commodity ETFs)*
- (f) *Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).*

**(xxiia) “Loan to Value (LTV)”** shall mean the ratio of the outstanding loan amount to the value of the securities as on any given day.

**(xxiib) “Margin”** shall mean the contribution of the borrower, either in the form of cash or other liquid assets, for the purpose of purchasing or borrowing a security with bank finance or obtaining a non-fund-based facility from bank.

**(xxiic) “Non-financial company”** shall mean a non-banking institution which is a company but not included in the definition of a ‘financial institution’ or a ‘non-banking financial company’ as per the RBI Act, 1934.

**(xxxa) “Primary Security”** shall mean security created on assets which have been financed out of the credit facility extended to the borrower.



**3(2) In ‘Chapter II - Role of The Board’ of the Directions, the following modifications shall be effected:**

**3(2)(i) Sub-paragraph 5(11) shall be substituted with the following:**

“Loan Against Financial Assets including eligible securities.”

**3(2)(ii) Sub-paragraph 5 (13) shall be substituted with the following:**

“Bridge Finance”

**3(2)(iii) After sub-paragraph 14, the following sub-paragraphs shall be inserted:**

“(15) Acquisition Finance, including financing extended by overseas branches of Indian banks

(16) Credit Facilities to Capital Market Intermediaries (CMIs)”



**3(3) In ‘Chapter IX – Infrastructure Financing’ of the Directions, the following modifications shall be affected:**

**3(3)(i) Paragraph 137 shall be deleted.**

**3(3)(ii) Sub-paragraph 137A (4) shall stand modified as under:**

“Bank finance to InvITs for acquiring equity of other entities shall be subject to the relevant conditions given in Chapter XI – Acquisition Finance.”



**3(4) In 'Chapter XI – Acquisition Finance' of the Directions, the following modifications shall be effected:**

**3(4)(i) Sections A through C, and correspondingly paragraphs 158 through 170, shall be deleted.**

**3(4)(ii) After paragraph 170, the following new Sections and paragraphs shall be inserted:**

170A. Acquisition finance may be extended by a bank to an Indian non-financial company for acquiring equity stakes in domestic or foreign companies as strategic investments, i.e. those investments which are driven by the core objective of creating long-term value for the acquirer through potential synergies, rather than mere financial restructuring for short-term gains.

#### **D. Board approved policy**

170B. Banks shall put in place a Board approved policy on acquisition finance, suitably incorporating the underwriting benchmarks that address the structural complexities of such transactions, in particular relating to exposure limits, equity contribution, leverage multiples, and cash-flow certainty.

#### **E. Eligible Entities and Conditions**

170C. Acquisition finance can be extended to:

- (1) the acquiring company, being a non-financial company, directly; or
- (2) an existing non-financial subsidiary of the acquiring company; or
- (3) a step-down special purpose vehicle (SPV) set up by the acquiring company specifically for the purpose. This shall be without prejudice to the extant norms relating to Core Investment Companies.

170D. Acquisition finance shall be subject to the following conditions:



**(1) Financial criteria of acquiring company:** The acquiring company (or, where acquisition is through an SPV or subsidiary, the acquiring company controlling such SPV or subsidiary) shall meet the following financial criteria at the time of sanctioning the acquisition finance:

- (i) If listed on a recognized stock exchange in India: (a) Minimum net worth of ₹500 crore; and (b) Net profit after taxes reported in each of the previous three consecutive financial years.
- (ii) If unlisted: (a) Minimum net worth of ₹500 crore; (b) Net profit after taxes reported in each of the previous three consecutive financial years, and (c) an investment grade rating (BBB- or above) from a credit rating agency. If there is no rating available for the acquiring company at the time of sanction, it shall have to be obtained prior to disbursement of acquisition finance.

**(2) Control acquisition requirements:** The acquisition shall result in the acquirer obtaining control of the target company through a single transaction, or a series of inter-connected transactions but completed within 12 months from the date of execution of the acquisition agreement.

*Provided that,* where the acquiring company already holds control over the target company prior to seeking acquisition finance, acquisition finance may be extended only for acquiring additional stake that crosses a substantial threshold of 26 per cent, 51 per cent, 75 per cent, 90 per cent of voting rights, each conferring materially enhanced governance or control rights under applicable law.

*Provided further that,* where control of the target company is acquired indirectly through acquisition of a holding company or intermediate entity that controls the target company, the acquisition finance shall be assessed based on the ultimate acquisition of control over the target company, subject to all conditions of this regulation.



**(3) Related Party Restrictions:** The acquiring company and the target company shall not be related parties, where "related party" means:

- (i) Entities having a relationship as defined under Section 2(76) of the Companies Act, 2013; or
- (ii) Entities under common control, common management, or common promoter group, whether directly or indirectly.

*Provided that* the above restrictions shall not apply for financing acquisition of additional stake as prescribed under proviso to 170D(2) above.

**(4) Refinance of existing acquisition finance transactions** may be done subject to provisions of these Directions and prudential requirements as specified in paragraph 6(12) of [Reserve Bank of India \(Commercial Banks – Resolution of Stressed Assets\) Directions, 2025](#).

## F. Financing Parameters

170E. Credit assessment shall be conducted on a pro-forma consolidated basis, incorporating the financials of both the acquiring and target entities. Total bank financing shall not exceed 75 per cent of the acquisition value, as independently assessed by the bank as under:

- (1) **Listed Company:** Valuation as determined by one independent valuer (to be appointed by the bank) as per para 8 (2) (e) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI SAST Regulations') for valuing shares not frequently traded (using valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies);



- (2) **Unlisted company:** Lower of the valuation determined by two independent valuers (to be appointed by the bank) as per para 8 (2) (e) of SEBI SAST Regulations, 2011 for valuing shares not frequently traded (using valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies).

170F. The acquiring company must contribute the remaining amount from its own funds, such as internal accruals or fresh equity.

170G. A corporate guarantee from the acquiring company, or its parent or the group holding entity, shall be mandatory.

170H. Post-acquisition, Debt to Equity ratio at the acquiring company's consolidated balance sheet level shall not exceed 3:1 on a continuous basis.

170I. While the acquiring company, if listed, may utilize bridge finance to satisfy the minimum own funds requirement of 25 per cent, acquisition finance in such cases shall be subject to the following conditions:

- a. there is a clearly identified repayment source (e.g., an equity issue or asset sale) to replace the bridge finance with equity within a specified period (maximum 12 months).
- b. if the bridge finance is provided by a bank, it shall be on a secured basis.
- c. bridge finance should not result in dilution of security coverage for the acquisition finance as permitted in paragraph 170E.

## G. Security Creation and Valuation

170J. Acquisition finance shall be secured by the acquired equity shares/CCDs of the target company, without prejudice to the provisions of Section 19(2) of the BR Act 1949. Other



unencumbered assets of the acquirer and/or target company, and promoter's personal guarantee may be taken as additional collateral as per the bank's policy.

170K. Equity shares or CCDs acquired by the acquiring company shall be free from any encumbrance.

#### **H. Other Conditions**

170L. Acquisition finance undertaken by overseas branches of Indian banks as part of syndication arrangements, shall not be subject to the Directions given in this chapter *provided that*, the funding contribution of a bank under such a syndication arrangement for a particular deal, across all overseas branches, shall not exceed 20 per cent of total funding under the deal.

170M. Banks shall fix limits for their aggregate exposures towards acquisition finance within the regulatory limit as specified in Chapter V of the [Reserve Bank of India \(Commercial Banks - Concentration Risk Management\) Directions, 2025.](#)"



**3(5) In ‘Chapter XIII - Loans Against Financial Assets’ of the Directions, the following amendments shall be effected:**

**3(5) (i) All Sections and Paragraphs – except Section M and Section O, and Paragraphs 215, 216 and 218 - shall be deleted.**

**3(5) (ii) A new Section ‘Q. Loans Against Eligible Securities’ shall be inserted after paragraph 219 as given below:**

## **“Q. Loans against Eligible Securities**

### **Q.1 General Conditions**

219A. Banks may extend credit facilities against the collateral of eligible securities, as permitted in this chapter, as per their approved policy (hereinafter called the policy). The policy shall, at the minimum, specify the criteria for selecting securities as collateral; determining portfolio-level as well as single borrower/group borrower limits; concentration limits for exposure to single securities; LTV/margins and haircuts for different securities; and rules for ongoing valuation and margin calls.

219B. Notwithstanding the above, following loans by a bank shall not be permitted:

(1) Loans against its own securities;

*Provided that*, a bank may extend loans to individuals against Long-Term Bonds issued by it for infrastructure financing under the provisions of the [Reserve Bank of India \(Commercial Banks – Resource Raising Norms\) Directions, 2025](#). The Board of the bank shall frame a policy in this regard, prescribing suitable margins, purpose of the loan, and other necessary safeguards. Such loans shall be subject to a ceiling, say, ₹10 lakh per borrower; and tenure of the loan shall not exceed the maturity period of the underlying bonds. It is also clarified that a bank shall not extend loans against such bonds issued by other banks.

*Provided further that*, a bank may lend against CDs and buy back their own CDs where such CDs are held by mutual funds,



subject to the provisions of paragraph 42 (1) of the SEBI (Mutual Funds) Regulations, 2026. Further, such finance if extended to equity-oriented mutual funds shall form part of banks' capital market exposure, as hitherto.

- (2) loans against partly paid shares;
- (3) loans against securities which are under any lock-in requirements;
- (4) loans against collateral of Indian Depository Receipts (IDRs);
- (5) loans against securities of such entities to which banks are not allowed to grant loans and advances;
- (6) loans to companies for buy-back of shares/ securities as specified in paragraph 23 of [Reserve Bank of India \(Commercial Banks – Credit Risk Management\) Directions, 2025](#);
- (7) loans against Commercial Papers and Non-Convertible Debentures of original or initial maturity upto one year;

219C. While undertaking lending activities under the provisions of this chapter, a bank shall:

- (1) put in place robust mechanisms to monitor end use of the funds.
- (2) stipulate suitable risk limits taking into account *inter alia* the liquidity, volatility, and potential stress period corrections in the price of securities.
- (3) ensure that the residual maturity of the securities initially taken as collateral, or subsequently substituted for the original collateral securities, is equal to or longer than the tenor of the loan.

*Explanation:* Condition of residual maturity is applicable in cases of non-perpetual securities.

- (4) ensure that provision of Section 19(2) of Banking Regulation Act, 1949 on holding of shares are adhered to.
- (5) ensure that the prudential limits prescribed under these Directions are adhered to even when loans are extended to any of the joint holders of securities.
- (6) undertake the creation and invocation of pledge/hypothecation/lien against Government securities in terms of Section 28 of the



Government Securities Act, 2006, Chapter VII of Government Securities Regulations, 2007; any other specific requirements as issued by the Government for such securities; and relevant guidelines issued by the Reserve Bank from time to time.

(7) ensure that loans taken against Sovereign Gold Bond (SGB) are in terms of the instructions specified in SGB notification issued by Government of India and the operational instructions relating to creation and invocation of pledge/hypothecation/lien as per paragraph 11 of circular on [‘Sovereign Gold Bond Scheme of the Government of India \(GoI\) - Procedural Guidelines – Consolidated’ dated October 22, 2021](#), as amended from time to time.

219D. All exposures arising out of loans against eligible securities under this Chapter shall be included as CME, as specified in [Reserve Bank \(Concentration Risk Management\) Directions, 2025](#), except wherever specifically exempted.

## Q.2 Lending to Individuals

### Q.2.1 Scope

219E. Loans to individuals, including Hindu Undivided Families (HUFs) which are not commercial entities, shall be covered under this section.

219F. Banks may lend to individuals against eligible securities, subject to the LTVs and prudential ceilings specified hereunder.

### Q.2.2 LTV Requirements

219G. Banks shall lay down the LTV for loans against eligible securities to individuals as per their credit policy, subject to the following ceilings:

Eligible Securities	LTV Ceiling
Government Securities (including T-Bills)	As per bank’s policy
Sovereign Gold Bonds (SGBs)	As applicable in case of loans against Gold and Silver Collateral
Listed shares and listed convertible debt securities	60 per cent



Mutual Funds (excluding Debt MFs), Units of ETF and Units of REITs/InvITs	75 per cent
Debt Mutual Funds	85 per cent
Listed Debt Securities with rating: AAA	85 per cent
AA – BBB	75 per cent

219H. LTV shall be monitored on an ongoing basis and a bank shall take steps to rectify the breaches immediately, but in no case later than seven working days from the day of occurrence of such a breach.

219I. Valuation of securities taken as collateral, for the purpose of LTV shall be as per the following norms:

- (1) Valuation of debt securities shall be in terms of [Reserve Bank of India \(Commercial Banks – Classification, Valuation, and Operation of Investment Portfolio\) Directions, 2025](#), as updated from time to time.
- (2) Listed shares and units of mutual funds/ETFs/REIT/InvITs shall be valued at lower of the average daily closing prices/NAVs for the last six months or the closing price/NAV of the previous trading day.

### Q.2.3 Prudential Ceilings

219J. Banks may fix their own prudential limits in terms of their approved policy for loans to individuals against collateral of Government securities (including T-Bills), listed debt securities and units of debt mutual fund schemes.

*Provided that*, during the tenor of the loan, if the credit rating of the particular debt security is downgraded below BBB(-), banks shall ensure that those securities are replaced with any other eligible security within a period of thirty working days, or proportionate portion of the exposure is repaid.

219K. The amount of loan that can be granted to individuals against eligible securities other than those mentioned in paragraph 219J above shall be capped at ₹1 crore per individual.



219L. Within the above limits as prescribed in paragraphs 219J and 219K above, loan up to ₹25 lakh per individual may be granted for the purpose of acquisition of securities in secondary markets.

#### **Q.2.4 IPO/FPO/ESOP Financing**

219M. Banks may grant loans to individuals after ensuring due diligence for subscribing to shares under initial public offer (IPO), follow-on public offer (FPO), or under employee stock option plan (ESOP) upto ₹25 lakh per individual.

*Provided that* the loan amount shall not exceed 75 per cent of the subscription value, i.e., borrowers shall contribute a minimum cash margin of 25 per cent.

*Provided further that* no loan, whether secured or unsecured, shall be granted by a bank to its own employees or Employees' Trust set up by the bank for purchasing its own Securities under IPOs/FPOs/ESOPs or from the secondary market.

219N. It shall be ensured that a lien is created on the shares to be allotted under the IPOs/FPOs/ESOPs, and such shares shall be pledged to the lender upon allotment.

### **Q.3 Lending to non-individuals (other than CMIs)**

#### **Q.3.1 Loans for General Business Purposes**

219O. A bank may provide finance, as per its approved policy, to non-financial entities against eligible securities, in addition to other collateral, for financing their working capital or for other productive purposes.

#### **Q.3.2 Bridge Finance for Financing Promoter's stake in New Companies**

219P. Banks may put in a Board approved policy, to provide bridge finance to non-financial corporates against the collateral of eligible securities held by them or immovable properties for financing promoters' stake for setting up new companies.



219Q. Such lending under paragraph 219O and 219P against eligible securities shall be subject to the LTV ceiling as specified in paragraph 219G of these Directions. Banks shall ensure the end use of funds in all such cases is not used for speculative purposes.

### **Q.3.3. Issue of Irrevocable Payment Commitments**

219R. A custodian bank may issue **Irrevocable Payment Commitments (IPCs)** on behalf of their clients, in favour of a Clearing Corporation of a Stock Exchange, subject to meeting any one of the following conditions:

- (1) The IPC issuer bank has an agreement with its client which allows the bank an inalienable right over the securities to be received as pay out in any settlement; or,
- (2) Such transactions are fully pre-funded i.e., either clear INR funds are available in the customer's account or, in case of FX deals involving FPIs, the bank's nostro account has been credited before the issuance of the IPC."



**3(6) A new Chapter ‘XIII A – Credit Facilities to Capital Market Intermediaries (CMIs)’ shall be inserted as given below:**

**“Chapter XIII A – Credit Facilities to Capital Market Intermediaries (CMIs)**

**A. Scope**

219S. Provisions of this Chapter are applicable to lending to CMIs, as defined under these Directions.

**B. General Conditions**

219T. Credit facilities may be extended only to CMIs which are registered and regulated by a financial sector regulator and are in compliance with the prudential norms prescribed by such regulator.

219U. All exposures to CMIs shall be included as CME, except wherever specifically exempted.

219V. Banks shall put in place counterparty as well as aggregate exposure limits for CMIs, within the overall prudential limits for CME, and relevant limits prescribed under the Large Exposures Framework (LEF) and Intra-group transactions and exposures (ITE) in terms of [Reserve Bank of India \(Commercial Banks – Concentration Risk Management\) Directions, 2025](#).

**C. Permissible and Prohibited Credit Facilities**

219W. A bank may provide need-based credit facilities to CMIs to fund their day-to-day operations, including general working capital facilities and specific facilities such as financing for margin trading undertaken by stockbrokers; overdraft/credit line facility to stockbrokers/commodity brokers/clearing members to meet settlement related timing mismatches; and market making (for equity as well as debt securities, including State and Central Government securities).

219X. A bank may also issue guarantees on behalf of brokers or professional clearing members and in favour of exchanges or clearing houses, as applicable, in lieu of:



- (1) security deposit to the extent it is acceptable in the form of bank guarantee as laid down by stock exchanges;
- (2) margin requirements as per exchange regulations.

219Y. Such guarantees shall be secured by a minimum collateral of 50 per cent, out of which 25 percent shall be in cash.

219Z. Banks shall not provide finance to a CMI for acquisition of securities on its own account, including for proprietary trading or investments.

*Provided that:*

- (1) a bank may extend finance to a CMI for market making in equity and debt securities, subject to ensuring that those securities in which the market making operations are undertaken by the borrower market maker are not accepted as collateral.
- (2) a bank may provide working capital finance to a CMI for warehousing of debt securities upto a maximum period of 45 days for fulfilling firm demand/request from its clients.
- (3) a bank may extend guarantees in terms of paragraph 219X for proprietary trading by CMIs subject to the facility being fully secured by collateral of cash, cash equivalents and Government Securities, out of which a minimum 50 per cent shall be cash.

#### **D. Security Coverage**

219AA. In general, all credit facilities to CMIs shall be provided on a fully secured basis (i.e. 100 per cent collateral). Credit facilities to CMIs can be secured by eligible securities or other collaterals such as cash, other permissible financial assets (except Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year), immovable properties, receivables, bank guarantees and standby letter of credit (SBLC).

*Provided that:*

- (1) Intra-day limits to CMIs to meet any shortfall arising on account of settlement timing difference in centrally cleared trades placed on behalf



- of clients may be extended against a minimum collateral of 50 per cent subject to the condition that receivables to the bank are from a QCCP;
- (2) In respect of financing to brokers for margin trading facility (MTF) provided by them to their clients in terms of SEBI Regulations, the facility shall be fully secured by collateral of cash, cash-equivalents and Government securities out of which a minimum 50 per cent shall be cash.
- (3) A bank shall apply suitable haircuts to various eligible securities accepted as collateral as per its policy, subject to a minimum haircut of 40 per cent in case of equity shares.

219AB. In terms of para 414 of '*Chapter XVI - Non-Fund Based (NFB) Credit Facilities*' of these Directions, banks cannot issue guarantee favouring another RE to enable it to provide any fund-based credit facility to an obligor. Notwithstanding this provision, counter-guarantees issued by other Indian banks and SBLCs issued by foreign banks of repute, including foreign parent bank of a CMI, may also be considered as eligible non-cash collateral wherever allowed for the purpose of this Chapter. Provided that this shall be without prejudice to the extant FEMA regulations.

219AC. The collateral cover, as applicable, shall be maintained on an ongoing basis and the facility agreements shall have explicit provisions for margin calls in the event of shortfalls.

219AD. A bank shall ensure that the collaterals placed for such financing generally belong to the borrower CMI. Collateral belonging to a group entity/promoter of the CMI may also be accepted, provided it is unencumbered, exclusively charged for this facility and legally enforceable."

4. The above amendments shall come into force from April 1, 2026, or an earlier date when adopted by a bank in entirety. Any outstanding loan/ guarantee up to this date shall be permitted to continue until their respective maturity; however,



fresh loans/ guarantees or existing loans / guarantees renewed from the date of adoption/coming into force of these Directions shall comply with these Directions.

5. Consequent to the above amendments, other amendment directions viz., [Reserve Bank of India \(Commercial Banks - Prudential Norms on Capital Adequacy\) Second Amendment Directions, 2026](#); [Reserve Bank of India \(Commercial Banks – Concentration Risk Management\) Amendment Directions, 2026](#); [Reserve Bank of India \(Commercial Banks – Financial Statements: Presentation and Disclosures\) – Third Amendment Directions, 2026](#); and [Reserve Bank of India \(Commercial Banks – Undertaking of Financial Services\) – Amendment Directions, 2026](#) have been separately issued.

(Vaibhav Chaturvedi)  
Chief General Manager



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February 13, 2026

**Reserve Bank of India (Commercial Banks – Undertaking of Financial Services)  
– Amendment Directions, 2026**

Please refer to the [Reserve Bank of India \(Commercial Banks – Undertaking of Financial Services\) Directions, 2025](#) (hereinafter referred to as ‘the **Directions**’).

2. On a review, consequent to the issuance of the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Amendment Directions, 2026](#), and in exercise of the powers conferred by the section 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify paragraph 18(4) of ‘Chapter-III ‘General Guidelines’ of the Directions as under:

3 (1) The sub-paragraph (ii)(a)iii shall be substituted with the following:

“Acquisition finance and bridge finance for financing of promoter’s stake in new companies”

3(2) The sub-paragraph (ii)(b) shall be substituted with the following:

“Lending to individuals against eligible securities”

विनियमन विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, 12वीं/ 13वीं मंज़िल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400001

टेलीफोन/ Tel No: 22661602, 22601000 फैक्स/ Fax No: 022-2270 5691

Department of Regulation, Central Office, Central Office Building, 12th/ 13th Floor, Shahid Bhagat Singh Marg, Fort, Mumbai – 400001

हिंदी आसान हैं, इसका प्रयोग बड़ाइए

4. The above amendments shall come into force from the date a bank decides to implement the provisions of the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Amendment Directions, 2026](#) or from April 1, 2026, whichever is earlier.

Vaibhav Chaturvedi  
(Chief General Manager)



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February 13, 2026

**Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026**

Please refer to [Reserve Bank of India \(Commercial Banks - Prudential Norms on Capital Adequacy\) Directions, 2025](#) (hereinafter referred to as 'the **Directions**').

2. On a review, consequent to the issuance of the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Amendment Directions, 2026](#), and in exercise of the powers conferred by the section 21 and 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify paragraph 84(6) in 'Chapter IV - Risk weighted assets (RWAs)' of the Directions as under:

“Issue of irrevocable payment commitment by a bank to clearing corporations of stock exchanges on behalf of its client is a financial guarantee with a CCF of 100 per cent. However, capital shall be maintained only on the exposure reckoned as capital market exposure (CME) in terms of the [Reserve Bank of India \(Commercial Banks - Concentration Risk Management\) Directions, 2025](#). Thus, capital is to be maintained on the amount taken for CME and the risk weight shall be 125 per cent thereon.”

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टेलीफोन/ Tel No: 22661602, 22601000 फैक्स/ Fax No: 022-2270 5691

Department of Regulation, Central Office, Central Office Building, 12th/ 13th Floor, Shahid Bhagat Singh Marg, Fort, Mumbai – 400001

हिंदी आसान हैं, इसका प्रयोग बड़ाइए

4. The above amendment shall come into force from the date a bank decides to implement the provisions of the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Amendment Directions, 2026](#) or from April 1, 2026, whichever is earlier.

(Vaibhav Chaturvedi)

Chief General Manager



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February 13, 2026

**Reserve Bank of India (Commercial Banks - Concentration Risk Management)  
Amendment Directions, 2026**

Please refer to the [Reserve Bank of India \(Commercial Banks - Concentration Risk Management\) Directions, 2025](#) (hereinafter referred to as 'the **Directions**').

2. On a review, consequent to the issuance of the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Amendment Directions, 2026](#), and in exercise of the powers conferred by the sections 21 and 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify the Directions as under:

3(1)(i) In paragraph 4 of 'Chapter I - Preliminary' of the Directions, the following sub-paragraphs shall be inserted:

(2A) “**Acquisition Finance**” shall have the same meaning as defined in the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Directions, 2025](#).

(2B) “**Bridge Finance**” shall have the same meaning as defined in the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Directions, 2025](#).

(2C) “**Capital Market Intermediaries (CMI)s**” shall have the same meaning as defined in the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Directions, 2025](#).

(2D) “**Collateral Security**” or “**Collateral**” shall have the same meaning as defined in the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Directions, 2025](#).

विनियमन विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, 12वीं/ 13वीं मंज़िल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400001

टेलीफोन/ Tel No: 22661602, 22601000 फैक्स/ Fax No: 022-2270 5691

Department of Regulation, Central Office, Central Office Building, 12th/ 13th Floor, Shahid Bhagat Singh Marg, Fort, Mumbai – 400001

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(9A) “**Non-debt Mutual Funds**” shall mean mutual fund schemes corpus of which are not exclusively invested in debt securities.

(9B) “**Primary Security**” shall have the same meaning as defined in the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Directions, 2025](#).

3(1)(ii) Paragraph 4(8) shall be deleted.

3(2) In 'Chapter II – Role of the Board' of the Directions, sub-subparagraph 6(1)(v) shall be substituted with the following:

“Policy for fixing intra-day exposure limits to the capital markets within the prudential limits prescribed in these Directions for a bank’s aggregate capital market exposures (CME).”

3(3) In 'Chapter V – Exposure Norms' of the Directions, the following modifications shall be effected:

3(3)(i) Paragraph 95 shall be deleted.

3(3)(ii) After paragraph 95, a new paragraph 95A shall be inserted as under:

“95A. CME of a bank shall include both its direct exposures and indirect exposures (both fund based and non-fund based), including the following:

(1) **Investment Exposures:** direct investment in equity and preference shares; convertible bonds; convertible debentures; units of non-debt mutual fund schemes; units of REITs and InvITs and units of Alternative Investment Funds (AIFs).

(2) **Credit Exposures:**

- (i) Advances to individuals for investment in shares (including IPOs / FPOs / ESOPs), convertible bonds, convertible debentures, and units of non-debt mutual fund schemes;
- (ii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of non-debt mutual fund schemes are taken as primary security;
- (iii) advances for any other purposes to the extent secured by collateral of shares, convertible bonds, convertible debentures or units of non-debt mutual fund schemes where the advances are extended on the principal strength of such collateral;
- (iv) all credit facilities to CMLs in terms of [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Directions, 2025](#);
- (v) acquisition finance, including acquisition by overseas branches/ subsidiaries of Indian banks;
- (vi) financing to non-debt mutual fund schemes;
- (vii) bridge finance to companies for meeting upfront contribution to the equity of new companies being set up as permitted in terms of

[Reserve Bank of India \(Commercial Banks – Credit Facilities\) Directions, 2025;](#)

- (viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or bonds where end use is acquisition finance or units of non-debt mutual fund schemes;
- (ix) Irrevocable Payment Commitments (IPCs) issued by custodian banks on behalf of its clients in favour of clearing corporations of stock exchanges;
- (x) trade exposures of a bank, which is acting as a clearing member in equity derivative and commodity derivative transactions, to its client, including funded initial margins placed on behalf of clients, where permissible.

3(3)(iii) Sub-section titles A.1.4.2.2.1 and A.1.4.2.2.2 and paragraphs 97 and 98 shall be deleted.

3(3)(iv) After paragraph 98, a new paragraph 98A shall be inserted, as under:

“98A. Aggregate CME of a bank shall be subject to the following prudential ceilings (**‘CME ceilings’**), subject to the exclusions and qualifications as specified in subsequent paragraphs, to be maintained on an ongoing basis:

- (1) The aggregate CME of a bank, on both solo and consolidated basis, shall not exceed 40 per cent of its eligible capital base.
- (2) A bank’s direct capital market exposure, consisting of investment exposures as per paragraph 95A, shall not exceed 20 per cent of eligible capital base on both solo and consolidated basis.
- (3) A bank’s aggregate exposure to acquisition finance shall not exceed 20 per cent of its eligible capital base, within the aggregate CME ceiling of 40 per cent, both on a solo and consolidated basis.

(4) Within its aggregate CME limit, a bank shall have a separate sub-limit for intra-day exposure to a single counterparty, as well as an aggregate limit for all intra-day exposures.”

3(3)(v) Paragraph 99 shall be partially modified as under:

“99. The above-mentioned ceilings (as prescribed in paragraphs ~~97 and 98~~ 98A) are the maximum permissible and a bank is free to adopt a lower ceiling, keeping in view its overall risk profile and corporate strategy. A bank shall adhere to the ceilings on an ongoing basis.”

3(3)(vi) Paragraph 100 shall be partially modified as under:

“100. The acquisition of shares due to conversion of debt into equity during a restructuring process in terms of the [Reserve Bank of India \(Commercial Banks – Resolution of Stressed Assets\) Directions, 2025](#), or as part of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, will be exempted from regulatory ceilings / restrictions on Capital Market Exposures.....Nonetheless, banks shall comply with the provisions of Section 19(2) of the Banking Regulation Act, 1949.”

3(3)(vii) Paragraph 101 shall be deleted.

3(3)(viii) After paragraph 101, a new paragraph 101A shall be inserted as under:

“101A. The following exposures of a bank shall be excluded from the CME computation:

- (1) Investment in own subsidiaries, joint ventures, and sponsored Regional Rural Banks (RRBs);
- (2) investments in shares, convertible debentures and convertible bonds issued by institutions forming critical financial infrastructure as enumerated in **Annex II**;

*Provided that* after listing, any additional exposures taken in the entities covered in (1) and (2) shall form part of the CME.

- (3) portion of acquisition finance which is used for refinancing the debt of the target company as a part of acquisition;
- (4) investment in Additional Tier I and Tier II debt instruments issued by other banks and All India Financial Institutions regulated by RBI;
- (5) investment in Certificate of Deposits (CDs) of other banks;
- (6) investment in, and loan against, preference shares without voting rights;
- (7) a bank's own and their subsidiaries' underwriting commitments in respect of issuance of shares or convertible bonds or convertible debentures or units of non-debt equity mutual fund schemes, through the book running process up to 70 per cent of the credit equivalent amount;
- (8) promoters shares in the SPV of an infrastructure project on which security charge is created in favour of the lending bank for infrastructure project lending;
- (9) exposure to brokers other than in the commodity and equity segments;
- (10) exposure to CMI for market making predominantly in debt instruments."

3(3)(ix) Sections A1.4.5 and A.1.4.6 and paragraphs 102 through 107 shall stand deleted.

3(3)(x) After paragraph 107, new paragraphs 107A and 107B shall be inserted as under:

"107A. For the purpose of CME, the value of various exposures shall be computed as under:

- (1) Direct investment shall be calculated at its cost price.
- (2) Credit exposures, both fund-based and non-fund-based, shall be reckoned for CME with reference to sanctioned limits or outstanding, whichever is higher. However, in the case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, banks may reckon the outstanding as the exposure.

*Provided that* a bank's exposures arising from intraday limits for timing mismatches in settlement of client trades cleared and settled through a

central counterparty, and where the receivables are from a Qualified Central Counterparty (QCCP) shall be calculated at 30 per cent of the sanctioned limit for the purpose of CME. However, outstanding, if any, at the end of day shall be fully reckoned as CME.

- (3) Exposure in respect of equity and commodity derivatives shall be calculated as per the [Reserve Bank of India \(Commercial Banks - Prudential Norms on Capital Adequacy\) Directions, 2025](#).
- (4) Exposures in respect of IPCs issued shall be included for the purpose of CME as under:
- (i) Intraday exposures under T+1 settlement cycle - 30 per cent of the net settlement obligation;
  - (ii) overnight IPC exposure under T+2 settlement cycle - 50 per cent of the net settlement obligation;

*Explanation 1:* Net settlement obligation shall be calculated as the sum of all purchase obligations (pay-in of funds) less the sum of all sale obligations (pay-out of funds) for a specific client within the same settlement cycle.

*Explanation 2:* The above netting treatment shall be only permitted where both the buy and sell transactions are cleared through the same Clearing Corporation; and the bank maintains an absolute and irrevocable lien over the payout securities resulting from the buy-side of the netting set until the client has fulfilled its funding obligations.

107B. The exposure computed as per paragraph 107A above may be offset by cash and Governments securities, subject to haircuts as prescribed in paragraph 163 of the [Reserve Bank of India \(Commercial Banks - Prudential Norms on Capital Adequacy\) Directions, 2025](#), for arriving at the CME.”

3(3)(xi) Section B and paragraph 109 shall be deleted.

3(3)(xii) Annex II shall be substituted with the following:

**“List of Critical Financial Infrastructure Exempted from CME**

1. IFCI Ltd.,
2. Tourism Finance Corporation of India Ltd. (TFCI),
3. IFCI Venture Capital Funds Ltd. (IFCI Venture),
4. Technology Development and Information Company of India Ltd. (TDICI),
5. National Housing Bank (NHB),
6. Small Industries Development Bank of India (SIDBI),
7. National Bank for Agriculture and Rural Development (NABARD),
8. Export Import Bank of India (EXIM Bank),
9. Life Insurance Corporation of India (LIC),
10. General Insurance Corporation of India (GIC),
11. National Securities Depository Ltd. (NSDL),
12. Central Depository Services (India) Ltd. (CDSL),
13. NSE Clearing Limited (National Clearing),
14. National Stock Exchange (NSE),
15. Clearing Corporation of India Ltd., (CCIL),
16. A credit information company which has obtained Certificate of Registration from RBI and of which the bank is a member,
17. Multi Commodity Exchange of India Ltd. (MCX),
18. National Commodity and Derivatives Exchange Ltd. (NCDEX),
19. Indian Commodity Exchange Limited (ICEX),
20. National Commodities Management Services Ltd. (NCML),
21. National Payments Corporation of India (NPCI), and
22. Bombay Stock Exchange (BSE).”

4. The above amendments shall come into force from the date a bank decides to implement the provisions of the [Reserve Bank of India \(Commercial Banks – Credit Facilities\) Amendment Directions, 2026](#) or from April 1, 2026, whichever is earlier.

(Vaibhav Chaturvedi)  
Chief General Manager