



RBI/2015-16/388

DNBR.CO.PD.No.080/03.10.01/ 2015-16

April 28, 2016

All Standalone Primary Dealers

Madam/ Sir,

**Risk Weight in respect of investments in Corporate Bonds  
by Standalone Primary Dealers (SPDs)**

In terms of the Capital Adequacy Standards and Risk Management Guidelines for SPDs, risk weight of 100% has been stipulated in respect of investments in corporate bonds, for the purpose of calculating capital adequacy.

2. On a review, in order to bring parity with risk weights assigned to investment in corporate bonds by SPDs and banks, it has been decided to link the risk weights, assigned by SPDs to their investments in corporate bonds, to the rating of the bonds as under:

**A. Short term instruments (bonds ≤ 1 year maturity)**

CARE	CRISIL	India Rating	ICRA	Brickwork	SMERA	Risk weight (%)
CARE A1+	CRISIL A1+	IND A1+	ICRA A1+	Brickwork A1+	SMERA A1+	20
CARE A1	CRISIL A1	IND A1	ICRA A1	Brickwork A1	SMERA A1	30
CARE A2	CRISIL A2	IND A2	ICRA A2	Brickwork A2	SMERA A2	50
CARE A3	CRISIL A3	IND A3	ICRA A3	Brickwork A3	SMERA A3	100
CARE A4&D	CRISIL A4&D	IND A4&D	ICRA A4&D	Brickwork A4&D	SMERA A4&D	150
Unrated	Unrated	Unrated	Unrated	Unrated	Unrated	100

**B. Long term instruments (bonds > 1 year maturity)**

Rating	AAA	AA	A	BBB	≤ BB	Unrated
Risk Weight	20	30	50	100	150	100

3. The above shall be applicable with immediate effect.

Yours faithfully

(C.D.Srinivasan)  
Chief General Manager