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प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक
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November 3, 2009

RBI places the draft guidelines on issuance of Non-Convertible Debentures (NCDs) of maturity less than one year for comments

The Reserve Bank of India has, today, placed the [draft guidelines on the issuance of Non-Convertible Debentures \(NCDs\) of maturity less than one year \(annex\)](#) for comments.

It may be noted that presently, issuance of the NCDs with original maturity of less than one year is not regulated either by the SEBI or the Govt. of India. Often, these instruments are issued with call/put options embedded in it, which impart a demand-liability like character to these instruments. The High Level Co-ordination Committee on Financial Markets (HLCCFM) had taken the view that these instruments need to be regulated as they have systemic implications and such instruments, being money market instruments in terms of the provisions of the Reserve Bank of India Act, 1934, should be regulated by the Reserve Bank. Accordingly, an internal Working Group with representation from the SEBI and the RBI was constituted to examine the legal issues in regulating the issuance of the NCDs with maturity of less than one year, which were discussed by the Technical Advisory Committee (TAC) on Money, Foreign Exchange and Government Securities Market at its meeting held on September 23, 2009.

Comments on the draft guidelines may be forwarded to the Chief General Manager, Internal Debt Management Department, Reserve Bank of India, Central Office Building, 23rd floor, Shahid Bhagat Singh Road, Fort, Mumbai - 400001 or [emailed](#) to by November 20, 2009.

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