

Draft Reserve Bank of India (All India Financial Institutions- Resource Raising Norms) Directions, 2025

DRAFT FOR COMMENTS

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Reserve Bank of India (All India Financial Institutions- Resource Raising Norms) Directions, 2025

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In exercise of the powers conferred under Section 45L of the Reserve Bank of India Act, 1934, the Reserve Bank of India (RBI), being satisfied that it is necessary and expedient in the public interest and in the interest of financial sector policy to do so, hereby, issues the Directions hereinafter specified.

Chapter I – Preliminary

A. Short Title and Commencement

1. These Directions shall be called the Reserve Bank of India (All India Financial Institutions- Resource Raising Norms) Directions, 2025
2. These Directions shall become effective on the day these are placed on the official website of the Reserve Bank.

B. Applicability

3. These Directions shall be applicable to the All India Financial Institutions (AIFIs) regulated by the Reserve Bank, viz. the Export-Import Bank of India (EXIM Bank), the National Bank for Agriculture and Rural Development (NABARD), the National Bank for Financing Infrastructure and Development (NaBFID), the National Housing Bank (NHB) and the Small Industries Development Bank of India (SIDBI).

Chapter II – Resource Raising Norms

4. Initially, the RBI had prescribed instrument-wise limits for the mobilisation of resources by an AIFI through the specified instruments. The instrument-wise ceilings were replaced by an 'Umbrella Limit' (UL) linked to the 'Net Owned Funds' (NOF) of the AIFI concerned. This UL formed part of the 'Overall Borrowing Limit' (OBL) also based on NOF. With the introduction of the Leverage Ratio under Basel III Capital Regulations w.e.f., April 1, 2024, the OBL has been dispensed with. However, an AIFI shall continue to adhere to the UL.

A. Umbrella Limit (UL)

5. The aggregate borrowings under the UL shall not at any time exceed 100 per cent of the NOF of an AIFI as per its latest audited balance sheet or as approved by the RBI.
6. The UL shall consist of borrowings through four specified instruments viz., term deposits (TDs), term money borrowings, certificates of deposits (CDs) and commercial papers (CPs). The terms and conditions relating to resource mobilization by the AIFI through the various instruments shall be governed by the norms prescribed in this Chapter.

B. Specified Instruments for Resource Raising

B.1 Term Deposits (TDs)

7. An AIFI shall be permitted to raise TDs for a maturity period of not less than one year and not exceeding five years.

Provided that the TDs shall be of a minimum denomination of ₹10,000.

Provided further that the AIFI shall not pay brokerage exceeding one per cent of the deposits accepted.

8. An AIFI shall not allow premature withdrawal of TDs before completion of one year.

Provided that premature withdrawal of TDs before completion of one year shall be permitted in case of death of the depositor, medical exigencies, educational expenditure, and other such reasons approved by the Board of the AIFI.

9. An AIFI shall have the freedom to fix its own penal rate of interest on premature withdrawal of deposits.

Provided that for deposits where premature withdrawal has been made before completion of six months, no interest shall be payable to the depositor

Provided further that for deposits where premature withdrawal has been made on the date of or after completion of six months and before completion of one year, interest shall be payable at the rate of average of the minimum and maximum saving deposit rates as published in the Weekly Statistical Supplement (WSS) to the monthly RBI Bulletin.

10. An AIFI shall mandatorily have its TDs rated from a SEBI approved Credit Rating Agency.
11. An AIFI shall not be permitted to provide loans against the TDs accepted, unless specifically permitted by the RBI.

B.2 Term Money Borrowings

12. An AIFI shall be permitted to borrow through term money for a maturity period of not less than three months and not exceeding six months.
13. An AIFI shall be free to fix the interest rates payable on the term money borrowings.
14. An AIFI shall be permitted to borrow term money only from scheduled commercial banks and co-operative banks.

B.3 Certificates of Deposit (CDs)

15. CDs shall be issued only in dematerialised form and held with a depository registered with SEBI.
16. An AIFI shall be permitted to issue CDs to all persons resident in India.
17. CDs shall be issued in a minimum denomination of ₹5 lakh and in multiples of ₹5 lakh thereafter.
18. The tenor of a CD at issuance shall not be less than one year and shall not exceed three years.

Provided that the AIFI shall not be permitted to buy back its own CDs before maturity.

Provided further that there shall be no grace period for repayment of CDs.

Provided further that no loans shall be sanctioned by an AIFI against its CDs, unless specifically permitted by the Reserve Bank

19. CDs shall be issued on a T+1 basis where T represents the date of closure of the offer period for issuance of the CDs.

20. An AIFI shall be permitted to issue CDs at a discount to face value.

Provided that CDs shall be permitted to be issued on a fixed/floating rate basis

Provided further that the interest rate on the floating rate CDs shall be reset at periodic rests agreed to at the time of issue and shall be linked to a benchmark published by a Financial Benchmark Administrator or approved by the FIMMDA for this purpose.

Provided further that FIMMDA shall ensure that any floating rate approved by them for this purpose is determined transparently, objectively, and in arm's length transactions.

21. In the secondary market, CDs shall be traded either in Over the Counter (OTC) markets, including on Electronic Trading Platforms, or on recognised stock exchanges with approval of the RBI.

Provided that the settlement cycle for OTC trades in CDs shall be T+0 or T+1.

Provided further that all secondary market transactions in CDs shall be settled on a Delivery versus Payment (DvP) basis through the clearing corporation of any recognized stock exchange or any other mechanism approved by the RBI.

22. Reporting requirements

(1) Details of primary issuance of a CD shall be reported by the issuer to the Trade Repository (TR) of the Clearing Corporation of India Ltd. (CCIL) by 5.30 PM on the day of issuance or as decided by the RBI.

(2) All secondary market transactions executed in the OTC market and/or on recognised stock exchanges in CDs shall be reported, with time stamp, within 15 minutes of execution (the time when price is agreed) on the TR by each counterparty to the transaction.

B.4 Commercial Papers (CPs)

23. An AIFI shall be governed by the instructions contained in [Master Direction – Reserve Bank of India \(Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year\) Directions, 2024.](#)

B.5 Bonds

24. An AIFI shall be permitted to raise resources by way of issue of bonds, either by public issue or through private placement, without the prior approval of the RBI

Provided that the minimum maturity of the bond at issuance shall be 3 years.

Provided further that the interest/coupon payable to the investors shall be permitted to be either at a fixed rate or at a floating rate referenced to a market determined benchmark rate.

Provided further that no call or put or exit options (by whatever name called) on the bonds shall be exercisable before the expiry of one year from the date of issue of the bonds

25. An AIFI shall ensure to comply with the provisions of any directions, regulations or guidelines issued by any regulator or any other authority that may be applicable, in respect of issue of all the above-mentioned instruments.

Chapter III – Repeal and Other Provisions

A. Repeal and Saving

26. With the issue of these Directions, the existing instructions/guidelines relating to Resource Raising Norms as applicable to All India Financial Institutions stand repealed, as communicated vide notification dated XX, 2025. The Directions, instructions and guidelines repealed prior to the issuance of these Directions shall continue to remain repealed.
27. Notwithstanding such repeal, any action taken or purported to have been taken, or initiated under the repealed instructions/guidelines shall continue to be governed by the provisions thereof. All approvals or acknowledgments granted under these repealed lists shall be deemed as governed by these Directions.

B. Application of other laws not barred

28. The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other laws, rules, regulations, or directions, for the time being in force.

C. Interpretations

29. For the purpose of giving effect to the provisions of these Directions or in order to remove any difficulties in the application or interpretation of the provisions of these Directions, the RBI may, if it considers necessary, issue necessary clarifications in respect of any matter covered herein and the interpretation of any provision of these Directions given by the RBI shall be final and binding.