



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

बेटी बचाओ
बेटी पढ़ाओ

www.rbi.org.in

RBI/2025-26/86

DOR.CAP.REC.No.54/21.01.002/2025-26

September 29, 2025

All Small Finance Banks

Reserve Bank of India (Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas) Directions, 2025

The Reserve Bank had issued a [circular DOR.CAP.REC.No.56/21.06.201/2021-22 dated October 4, 2021](#) on “Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas” (hereinafter referred to as “the circular”). On a review, it has been decided to revise the existing eligible limit applicable to PDIs denominated in foreign currency/rupee denominated bonds overseas.

2. Accordingly, in exercise of the powers conferred by section 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the Directions hereinafter specified.

3. (i) These Directions shall be called the “Reserve Bank of India (Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas) Directions, 2025”.

(ii) These Directions shall come into force from October 01, 2025.

4. In supersession of the circular *ibid*, the revised limits applicable to PDIs denominated in foreign currency/rupee denominated bonds overseas shall be as under:

विनियमन विभाग, केंद्रीय कार्यालय, 12 वीं और 13 वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001
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“Perpetual Debt Instruments (PDIs) issued in foreign currency/ rupee denominated bonds overseas shall be eligible for inclusion in Additional Tier 1 (AT1) capital up to a maximum amount of 1.5 per cent of Risk Weighted Assets (RWAs) as per the latest available financial statements (audited or subjected to limited review).”

5. The [circular DOR.CAP.REC.No.56/21.06.201/2021-22 dated October 4, 2021](#) on “Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas” shall stand repealed.

(Usha Janakiraman)

Chief General Manager-in-Charge