



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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RBI/2024-25/116

DOR.MRG.REC.60/00-00-017/2024-25

February 17, 2025

Madam / Dear Sir,

**Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023 - Amendment**

Please refer to paragraph 34.2 of the [Reserve Bank of India \(Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions\) Directions, 2023 issued on September 21, 2023](#).

2. On a review, it has been decided that investments made by All India Financial Institutions (AIFIs), as per their statutory mandates, in long-term bonds and debentures (i.e., having minimum residual maturity of three years at the time of investment) issued by non-financial entities shall not be accounted for the purpose of the ceiling of 25 per cent applicable to investments included under Held to Maturity (HTM) category, specified under the Directions *ibid*.

3. Accordingly, the relevant instructions have been amended as detailed in [Annex](#).

**Applicability**

4. This circular shall be applicable to the 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).

विनियमन विभाग, केंद्रीय कार्यालय, 12 वीं और 13 वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001  
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हिंदी आसान है इसका प्रयोग बढ़ाइए



5. This circular is issued in exercise of the powers conferred under Section 45L of the Reserve Bank of India Act, 1934.

6. These instructions shall come into force with effect from April 1, 2025.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager-in Charge



## Annex

[Reserve Bank of India \(Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions\) Directions, 2023 issued on September 21, 2023](#)

Sr. No.	Reference Paragraph	Existing text	Amended text (in track- change mode)
1	34.2.3	Investments as specified in sub-sections (ii) and (iii) above, shall not be accounted for the purpose of ceiling of 25 percent specified under section 34.2.1 of these Directions.	<p><del>Investments as specified in sub-sections (ii) and (iii) above, shall not be accounted for the purpose of ceiling of 25 percent specified under section 34.2.1 of these Directions.</del></p> <p><u>The following investments shall not be accounted for the purpose of ceiling of 25 percent specified under section 34.2.1 of these Directions:</u></p> <p><u>(i) investments as specified in sub-sections 34.2.2(ii) and 34.2.2(iii) above; and</u></p> <p><u>(ii) investments made by AIFs, as per their statutory mandates, in long-term bonds and debentures (i.e., having minimum residual maturity of three years at the time of investment) issued by non-financial entities.</u></p>