



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2014-15/320

DBR.BP.BC.No.50 / 08.12.014 / 2014-15

November 27, 2014

All Scheduled Commercial Banks  
(excluding RRBs)

Dear Sir,

**Issue of Long Term Bonds by Banks – Financing of Infrastructure and Affordable Housing**

Please refer to our [circular DBOD.BP.BC.No.25/08.12.014/2014-15 dated July 15, 2014](#) on the captioned subject. In continuation of the same, banks are advised as under:

2. In order to provide liquidity to retail investors in such bonds, it has been decided that banks can extend loans to individuals against long-term bonds issued by them under the provisions of the above-mentioned circular. Boards of the banks should lay down a policy in this regard prescribing suitable margins, purpose of the loan and other safeguards. Further, such loans should be subject to a ceiling, say, Rs.10 lakh per borrower, and tenure of loan should be within the maturity period of the bonds. It is also clarified that banks are not permitted to lend against such bonds issued by other banks.

3. Further, in the formula for 'Eligible Credit (EC)' as given in paragraph 7 of the above-mentioned circular dated July 15, 2014, 'B' (one of the two factors of EC) has been explained as Outstanding 'standard' loans to Infrastructure sector (project loans) and affordable housing on the date of issuance of the bonds. On a review, it has been decided that 'B' should be read as Outstanding 'standard' loans to the Infrastructure sector (project loans) and affordable housing on the date of reporting to RBI (reporting Fridays for reserve requirements and March 31 of a year for computing priority sector obligation). Other instructions in this regard remain unchanged.

Yours faithfully,

(Sudarshan Sen)  
Chief General Manager-in-Charge

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बैंक हिन्दी में भी पत्राचार का स्वागत करता है। हिन्दी आसान है, इसका प्रयोग बढ़ाइए।