(vi) In case of unlisted issues of SD, the disclosure requirements as prescribed by the SEBI for listed companies in terms of the above guidelines should be complied with.

(vii) Necessary permission from the Foreign Exchange Department of the RBI should be obtained for issuing the instruments to Non-Resident Indians/Foreign Institutional Investors (FIIs). PDs should comply with the terms and conditions, if any, prescribed by SEBI / other regulatory authorities with regard to issue of the instruments.

(viii) Investments by PDs in SD of other PDs/banks will be assigned 100% risk weight for capital adequacy purpose. Further, the PD’s aggregate investments in Tier-II bonds issued by other PDs, banks and financial institutions should be restricted to 10 percent of the investing PD's total capital funds. The capital funds for this purpose will be the same as those reckoned for the purpose of capital adequacy.

(ix) The PDs should submit a report to the Chief General Manager, Department of Non-Banking Regulation (DNBR), RBI, , giving details of the capital raised, such as, amount raised, maturity of the instrument, rate of interest together with a copy of the offer document, soon after the issue is completed.

2.5 Minimum CRAR ratio

PDs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 percent on an ongoing basis.

3 Measurement of Risk Weighted Assets

The details of credit risk weights for various on-balance sheet and off-balance sheet items and methodology of computing the risk weighted assets for the credit risk are listed in **Annex A**. The procedure for calculating capital charge for market risk is detailed in **Annex B.**

4. Capital Adequacy requirements

4.1 The capital charge for credit risk and market risk as indicated in **Annex A** and **Annex B,** need to be maintained at all times.

4.2 In calculating eligible capital, it will be necessary first to calculate the PD’s minimum capital requirement for credit risk, and thereafter its market risk requirement, to establish how much Tier-I and Tier-II capital is available to support market risk. Of the 15% capital charge for credit risk, at least 50% should be met by Tier-I capital, that is, the total of Tier-II