



(d) All instances of invocation of the lock-in clause should be notified by the issuing banks to the Chief General Manager, RRB Division, Department of Banking Regulation, Reserve Bank of India and Department of Supervision, NABARD, Head Office, Mumbai.

vii) *Seniority of Claim:*

The claims of the investors in PDI shall be:

- a) Senior to the claims of investors in equity shares; and
- b) Subordinated to the claims of all other creditors.

viii) *Discount:*

The PDI shall not be subjected to a progressive discount for capital adequacy purposes since these are perpetual.

ix) *Other Conditions:*

- a) PDI should be fully paid-up, unsecured, and free of any restrictive clauses.
- b) RRBs should comply with the terms and conditions, if any, stipulated by SEBI / other regulatory authorities in regard to issue of the instruments.

2. Compliance with Reserve Requirements

The total amount raised by a bank through PDI shall not be reckoned as liability for calculation of net demand and time liabilities for the purpose of reserve requirements and, as such, will not attract CRR / SLR requirements.

3. Reporting Requirements

RRBs issuing PDI shall submit a report to Chief General Manager, Department of Supervision, NABARD, Head Office, Mumbai giving details of the debt raised, including the terms of issue specified at paragraph 1 above, together with a copy of the offer document soon after the issue is completed.