



2.8 Seniority of claim

The claims of the investors of PDI shall be superior to the claims of investors in equity shares and PNCPS but subordinated to the claims of all other creditors and the depositors. Among investors in PDI and outstanding Innovative Perpetual Debt Instruments (IPDI⁵), the claims shall rank pari passu with each other.

2.9 Discount

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

2.10 Other conditions

2.10.1 PDI shall be fully paid-up, unsecured and free of any restrictive clauses.

2.10.2 UCBs shall also comply with the terms and conditions, if any, stipulated by other regulatory authorities in regard to issue of the PDI, provided they are not in conflict with the terms and conditions specified in these guidelines. Any instance of conflict shall be brought to the notice of the DoR of RBI for seeking confirmation of the eligibility of the instrument for inclusion in Tier-I capital.

2.11 Compliance with Reserve Requirements

The total amount raised by a UCB through the issue of 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. However, the amount collected from members / prospective investors and pending issue of PDI, shall be reckoned as liability for the purpose of calculating the net demand and time liabilities and shall, accordingly, attract reserve requirements. Such amounts pending issue of PDI, shall not be reckoned for calculation of capital funds.

2.12 Reporting Requirements

UCBs issuing PDI shall submit a report to the concerned RO of DoS, RBI giving details of the amount raised, including the terms and conditions of issue together with a copy of the Prospectus / Offer Document, soon after the issue is completed.

2.13 Investments in PDI and Advances for Purchase of PDI

UCBs shall not grant any loan or advance to any person for purchasing their PDI or PDI of other banks. UCBs shall not invest in PDI issued by other banks (except when the PDI are

⁵ IPDI issued in terms of [circular no. UBD.PCB. Cir.No. 39/09.16.900/08-09 on 'Financial restructuring of UCBs' dated January 23, 2009](#).