



भारतीय रिज़र्व बैंक  
**RESERVE BANK OF INDIA**

[www.rbi.org.in](http://www.rbi.org.in)

RBI No. 20012-13/392

DBOD.BP.BC. No.72/21.01.002/2012-13

January 24, 2013

The Chairman and Managing Directors/  
Chief Executive Officers of  
All Commercial Banks  
(excluding RRBs)

Dear Sir

**Retail issue of Subordinated Debt for raising Tier II capital**

Please refer to our [circular DBOD.BP.BC.No.69/21.01.002/2009-10 dated January 13, 2010](#) on the above subject, advising banks to adhere to certain conditions, while issuing subordinated debt to retail investors, for raising Tier II regulatory capital.

2. With a view to deepening the corporate bond market in India through enhanced retail participation, banks, while issuing subordinated debt for raising Tier II capital, are encouraged to consider the option of raising such funds through public issue to retail investors. However, while doing so banks are advised to adhere to the conditions prescribed in our circular dated January 13, 2010 referred to above so as to ensure that the investor is aware of the risk characteristics of regulatory capital instruments.

Yours faithfully

Sd/  
(Deepak Singhal)  
Chief General Manager-in-Charge