



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2014-15/475

DNBR (PD) CC No.021/03.10.001/2014-15

February 20, 2015

All NBFCs (excluding PDs)

Dear Sirs,

**Raising Money through Private Placement of Non-Convertible Debentures  
(NCDs) by NBFCs**

Please refer to the circulars [DNBS\(PD\)CC.No.330/03.10.001/2012-13 dated June 27, 2013](#) and the [DNBS \(PD\)CC.No.349/03.10.001/2013-14 dated July 02, 2013](#) on the subject.

2. In supersession of circulars [DNBS\(PD\)CC.No.330/03.10.001/2012-13 dated June 27, 2013](#) and the [DNBS \(PD\)CC.No.349/03.10.001/2013-14 dated July 02, 2013](#), the guidelines on private placement of NCDs for NBFCs have been reviewed in the light of the provisions of Companies Act 2013 and the Rules issued thereunder. The [notification DNBS \(PD\) 257/ PCGM \(NSV\)-2013 dated June 27, 2013](#) shall continue to be in force.

3. The revised guidelines are enclosed in the **Annex**. It may be noted that the provisions of Companies Act, 2013 and Rules issued thereunder shall be applicable wherever not contradictory.

4. Notification amending the NBFCs Acceptance of Public Deposits (Reserve Bank) Directions, 1998 is enclosed.

Yours faithfully,

(M. S. Gharde)

General Manager-in-Charge

गैर बैंकिंग विनियमन विभाग, केंद्रीय कार्यालय, 2री मंजिल, सेन्टर I, वर्ल्ड ट्रेड सेंटर, कफ परेड, मुंबई-400 005  
फोन:22182526, फैक्स:22162768 ई-मेल:cgmicdnbsco@rbi.org.in

Department of Non-Banking Regulation, Central Office, 2<sup>nd</sup> Floor, Centre I, WTC, Cuffe Parade, Mumbai – 400 005  
Tel No:22182526, Fax No:22162768 Email :cgmicdnbsco@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाएँ

**A. Guidelines on Private Placement of NCDs (maturity more than 1 year) by NBFCs:**

1. NBFCs shall put in place a Board approved policy for resource planning which, inter-alia, should cover the planning horizon and the periodicity of private placement.
2. The issues shall be governed by the following instructions:
  - (i) The minimum subscription per investor shall be Rs. 20,000 (Rupees Twenty thousand);
  - (ii) The issuance of private placement of NCDs shall be in two separate categories, those with a maximum subscription of less than Rs. 1 crore and those with a minimum subscription of Rs. 1 crore and above per investor;
  - (iii) There shall be a limit of 200 subscribers for every financial year, for issuance of NCDs with a maximum subscription of less than Rs. 1 crore, and such subscription shall be fully secured;
  - (iv) There shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of Rs. 1 crore and above; the option to create security in favour of subscribers will be with the issuers. Such unsecured debentures shall not be treated as public deposits as defined in NBFCs Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
  - (v) An NBFC (excluding Core Investment Companies) shall issue debentures only for deployment of funds on its own balance sheet and not to facilitate resource requests of group entities / parent company / associates.
  - (vi) An NBFC shall not extend loans against the security of its own debentures (issued either by way of private placement or public issue).
3. Tax exempt bonds offered by NBFCs are exempted from the applicability of the circular.
4. For NCDs of maturity upto one year, guidelines on Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, dated June 23, 2010, by Internal Debt Management Department, RBI shall be applicable.

\*\*\*\*\*

**RESERVE BANK OF INDIA  
DEPARTMENT OF NON-BANKING REGULATION  
CENTRAL OFFICE, CENTRE I, WORLD TRADE CENTRE,  
CUFFE PARADE, COLABA, MUMBAI, 400 005.**

**Notification No. DNBR.(PD) 006 /GM(MSG)-2015 dated February 20, 2015**

The Reserve Bank of India, having considered it necessary in public interest and being satisfied that, for the purpose of enabling the Bank to regulate the credit system to the advantage of the country, it is necessary to amend the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions (Notification No. DFC. 118/DG(SPT)-98 dated January 31, 1998) (hereinafter referred to as the 'said Directions') , in exercise of the powers conferred by section 45J, 45K, 45L and 45 MA of the Reserve Bank of India Act, 1934 (2 of 1934) and of all the powers enabling it in this behalf, hereby directs that the said Directions shall be amended with immediate effect as follows, namely-

1. Insertion of new clause (fa): In paragraph 2, of the said Directions, in sub. paragraph (1), after clause (xii)(f), the following new clause shall be inserted, namely:-

“(fa) any amount raised by issuance of non-convertible debentures with a maturity more than one year and having the minimum subscription per investor at Rs.1 crore and above, provided that such debentures have been issued in accordance with the guidelines issued by the Reserve Bank as in force from time to time in respect of such non-convertible debentures.”

(M. S. Gharde)  
General Manager-in-Charge