

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1518  
ANSWERED ON:03.03.2006  
GUIDELINES FOR RAISING CAPITAL FUNDS  
Nayak Shri Ananta

**Will the Minister of FINANCE be pleased to state:**

- (a) whether RBI has issued guidelines to banks for raising capital funds;
- (b) if so, the details in this regard; and
- (c) the extent to which additional revenues are likely to be generated by banks by such guidelines?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAW AN KUMAR BANSAL)

(a) to (c) : Reserve Bank of India has issued guidelines on `Enhancement of bank's capital raising options for capital adequacy purposes` on 25th January, 2006 for raising capital by issue of Innovative Perpetual Debt Instruments (IPDI) eligible for inclusion as Tier 1 capital and Debt capital instruments eligible for inclusion as Upper Tier 2 capital. The guidelines are available on the RBI website [www.rbi.org.in](http://www.rbi.org.in). No bank has reported raising of capital through issue of these instruments so far.