



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

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RBI/2015-16/18

DNBR (PD) CC. No. 046 / 03.10.119 / 2015-16

July 01, 2015

To

All NBFCs,

Dear Sir/Madam,

Master Circular – "Infrastructure Debt Fund-Non-Banking Financial Companies (Reserve Bank) Directions, 2011"

As you are aware, in order to have all current instructions on the subject at one place, the Reserve Bank of India issues updated circulars / notifications. The instructions related to the captioned subject contained in various circulars issued by RBI updated as on June 30, 2015 are reproduced below. The updated circular has also been placed on the RBI web-site (<https://www.rbi.org.in>).

Yours faithfully,

(C.D.Srinivasan)
Chief General Manager

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

Notification No. DNBS.233 / CGM (US)-2011 dated November 21, 2011

The Reserve Bank of India having considered it necessary in the 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 give the Directions set out below, hereby, in exercise of the powers conferred by sections 45JA, 45K, 45L and 45M of the Reserve Bank of India Act, 1934 (2 of 1934), and of all the powers enabling it in this behalf, hereby gives the Directions hereinafter specified.

Short title and Commencement of the Directions

1. These Directions shall be known as the Infrastructure Debt Fund-Non-Banking Financial Companies (Reserve Bank) Directions, 2011 and shall come into force with immediate effect.

Applicability of Directions

2. These Directions shall apply to every Infrastructure Debt Fund-Non-Banking Financial Company (IDF-NBFC).

Definitions

3. For the purpose of these directions, unless the context otherwise requires,-

(a) "Concessionaire" means a party which has entered into an agreement called 'Concession Agreement' with a Project Authority, for developing infrastructure.

(b) "Infrastructure Debt Fund-Non-Banking Financial Company" or "IDF-NBFC" means a non-deposit taking NBFC that has Net Owned Fund of Rs. 300 crores or more and which invests only in Public Private Partnerships (PPP) and post commencement operations date (COD) infrastructure projects which have

completed at least one year of satisfactory commercial operation and becomes a party to a Tripartite Agreement.

(c) "Project Authority" means an authority constituted by a statute for the development of infrastructure in the country.

(d) "Tripartite Agreement" means an agreement between three parties, namely, the Concessionaire, the Project Authority and IDF-NBFC that also binds all the parties thereto to the terms and conditions of the other Agreements referred to therein.

4. Words and expressions used but not defined herein and defined in Reserve Bank of India Act, 1934 or the Directions issued under Chapter III thereof shall, unless the context otherwise requires, have the meaning assigned to them thereunder.

Credit Rating

5. IDF-NBFC shall have at the minimum, a credit rating grade of 'A' of CRISIL or equivalent rating issued by other accredited rating agencies such as FITCH, CARE and ICRA.

Capital Adequacy

6. The IDF-NBFC shall have at the minimum CRAR of 15 percent and Tier II Capital of IDF-NBFC shall not exceed Tier I.

Investment

7. ¹[IDF-NBFCs can invest in post COD infrastructure projects which have completed at least one year of satisfactory commercial operation that are

i. PPP projects and are a party to a Tripartite Agreement with the Concessionaire and the Project Authority for ensuring a compulsory buyout with termination payment.

ii. non-PPP projects and PPP projects without a Project Authority, in sectors where there is no Project Authority.

¹ Substituted vide [Notification No. DNBR.020/CGM\(CDS\)-2015 dated May 14, 2015](#)

Credit Concentration Norms

8. i. For PPP and post COD infrastructure projects which have completed at least one year of satisfactory commercial operation and are a party to a Tripartite Agreement with the Concessionaire and the Project Authority for ensuring a compulsory buyout with termination payment.

a) The maximum exposure that an IDF-NBFC can take on individual projects will be at 50 per cent of its total Capital Funds [Tier I plus Tier II as defined in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015].

b) An additional exposure up to 10 per cent could be taken at the discretion of the Board of the IDF-NBFC.

c) RBI may, upon receipt of an application from an IDF-NBFC and on being satisfied that the financial position of the IDF-NBFC is satisfactory, permit additional exposure up to 15 per cent (over 60 per cent) subject to such conditions as it may deem fit to impose regarding additional prudential safeguards.

ii. Exposure to other assets shall be governed by the extant regulations applicable to Infrastructure Finance Companies as given in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

Risk Weights for the Purpose of Capital Adequacy

9. For the purpose of computing capital adequacy of the IDF-NBFC,

i. all assets covering PPP and post COD infrastructure projects in existence over a year of commercial operation shall be assigned a risk weight of 50 per cent.

ii. All other assets shall be risk weighted as per the extant regulations as given in the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

Other Prudential Norms

10. All other prudential norms as specified in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 including income recognition, asset classification and provisioning norms will be applicable for IDF-NBFCs.]

(Uma Subramaniam)

Chief General Manager In-Charge

Appendix

List of Circulars

Sr No	Circular No	Date
1	DNBS.233 / CGM (US)-2011	November 21, 2011
2	DNBR.020/CGM(CDS)-2015	May 14, 2015