



RBI/2014-15/600

DNBR (PD) CC.No.035/03.10.001/2014-15

May 14, 2015

All NBFCs (excluding Primary Dealers)

Dear Sirs,

**Infrastructure Debt Funds (IDFs)**

Please refer to the Infrastructure Debt Fund-Non-Banking Financial Companies (Reserve Bank) Directions, 2011 issued vide [Notification No. DNBS.233/CGM\(US\)-2011 dated November 21, 2011](#) (the Directions) prescribing detailed guidelines on the regulatory framework for NBFCs to sponsor IDFs which are to be set up as NBFCs.

2. On a review in consultation with the Government of India, it has been decided to amend the Directions so as to allow entry of IDF-NBFCs into sectors where there is no presence of a Project Authority. Accordingly, the Directions have been amended as given in the subsequent paragraphs:

**3. Investments**

3.1 In terms of para 7 of the Directions, IDF-NBFCs shall invest only in PPP and post commercial operations date (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.

3.2 In addition to the above, it has been decided to allow IDF-NBFCs to undertake investments in non-PPP projects and PPP projects without a Project Authority, in sectors where there is no Project Authority, provided these are post COD infrastructure projects which have completed at least one year of satisfactory commercial operation.

#### **4. Risk Weights for the Purpose of Capital Adequacy**

4.1 As per the extant instructions, for the purpose of computing capital adequacy, bonds of IDF-NBFCs and all assets of Infrastructure Finance Companies (IFCs), covering PPP and post COD projects in existence over a year of commercial operation shall be assigned a risk weight of 50 per cent.

4.2 To bring in uniformity, it has been decided to extend the same to all NBFCs i.e. all assets, including bonds and loans, 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.

4.3 Investments in non-PPP projects 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.

#### **5. Credit Concentration Norms**

5.1 In terms of para 8 of the Directions, the maximum exposure that an IDF-NBFC can take on individual projects will be at 50 per cent of its total Capital Funds. An additional exposure up to 10 per cent could be taken at the discretion of the Board of the IDF-NBFC. 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.

5.2 The directions of para 8 shall continue to be in force for all assets covering PPP and post COD infrastructure projects in existence over a year of commercial operation and party to a Tripartite Agreement with the Concessionaire and the Project Authority for ensuring a compulsory buyout with termination payment. However, investment in non-PPP projects and PPP projects without a project authority, in sectors where there is no Project Authority, shall be governed by the

credit concentration norms as applicable to Infrastructure Finance Companies as defined in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

6. Notifications of date amending the Infrastructure Debt Fund-Non-Banking Financial Companies (Reserve Bank) Directions, 2011, Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 are enclosed.

Yours faithfully

(C D Srinivasan)  
Chief General Manager

**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.020/CGM(CDS) - 2015 dated May 14, 2015**

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 amend the Infrastructure Debt Fund-Non-Banking Financial Companies (Reserve Bank) Directions, 2011 set out in [Notification No. DNBS.233/CGM\(US\)-2011 dated November 21, 2011](#) 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 directs that the said Directions shall be amended with immediate effect as follows –

**1. Para 7 shall be read as follows:**

7. 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.

**2. Para 8 shall be read as**

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.

**3. Paragraph 9 shall be read as**

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.

**4. Paragraph 10 shall be read as**

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.

(C.D.Srinivasan)  
Chief General Manager

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DEPARTMENT OF NON-BANKING REGULATION  
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**Notification No.DNBR.021/CGM (CDS) - 2015 dated May 14, 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 (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ([Notification No.DNBS.192/DG\(VL\)-2007 dated February 22, 2007](#)) (hereinafter referred to as the said Directions), in exercise of the powers conferred by section 45JA 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 –

- 1. In paragraph 16, after sub-paragraph (2) in the table in the Explanations (1) On balance Sheet assets after (ii) (d) the following shall be inserted**

(e) All assets covering PPP and post commercial operations date (COD) infrastructure projects in existence over a year of commercial operation.	50
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(C.D.Srinivasan)  
Chief General Manager

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DEPARTMENT OF NON-BANKING REGULATION  
CENTRAL OFFICE, CENTRE I, WORLD TRADE CENTRE  
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**Notification No.DNBR.022/CGM (CDS) - 2015 dated May 14, 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 Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ([Notification No.DNBR.009/CGM\(CDS\) 2015 dated March 27, 2015](#)) (hereinafter referred to as the said Directions), in exercise of the powers conferred by section 45JA 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 –

- 1. In paragraph 16, after sub-paragraph (4) in the table in the Explanations (1) On balance Sheet assets after (ii) (d) the following shall be inserted**

(e) All assets covering PPP and post commercial operations date (COD) infrastructure projects in existence over a year of commercial operation.	50
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(C.D.Srinivasan)  
Chief General Manager

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

**Notification No.DNBR.023/CGM (CDS) - 2015 dated May 14, 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-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ([Notification No.DNBR.008/CGM\(CDS\) - 2015 dated March 27, 2015](#)) (hereinafter referred to as the said Directions), in exercise of the powers conferred by section 45JA 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 –

- 1. In paragraph 16, after sub-paragraph (3) in the table in the Explanations (1) On balance Sheet assets after (ii) (d) the following shall be inserted**

(e) All assets covering PPP and post commercial operations date (COD) infrastructure projects in existence over a year of commercial operation.	50
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(C.D.Srinivasan)  
Chief General Manager