All Infrastructure Debt Fund- Non-Banking Financial Companies (IDF-NBFCs)

Madam/ Sir,

**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. In terms of the extant instructions, IDF-NBFCs are allowed to raise resources through issue of bonds of minimum five year maturity. On a review, with a view to facilitate better ALM, it has been decided in consultation with the Government of India, to allow IDF-NBFCs to raise funds through shorter tenor bonds and commercial papers (CPs) from the domestic market to the extent of up to 10 per cent of their total outstanding borrowings.

Yours faithfully

(C. D. Srinivasan)
Chief General Manager