

## भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2012-13/297 DBOD.BP.BC.No. 58 / 08.12.014 /2012-13

November 20, 2012

All Scheduled Commercial Banks
(excluding RRBs) and
Select All India Financial Institutions (AIFIs)
(NHB, NABARD, EXIM Bank and SIDBI).

Dear Sir,

<u>Second Quarter Review of Monetary Policy 2012-13 – Definition of Infrastructure Lending'</u>

Please refer to our <u>circular DBOD.No.BP.BC.52/21.04.048/2007-08 dated November 30, 2007</u> on 'Financing of Infrastructure by the Banks and Financial Institutions - Definition of Infrastructure Lending'. The latest list of the items included under infrastructure sector is furnished in <u>Annex 1</u> of our Master Circular DBOD.No.Dir.BC. 3/13.03.00/2012-13 dated July 2, 2012 on 'Exposure Norms'.

- 2. As indicated in the Second Quarter Review of Monetary Policy 2012-13 under paragraphs 110 and 111 (extract enclosed) announced on October 30, 2012 on 'Definition of Infrastructure Lending', it has been decided to harmonise the definition of 'infrastructure lending for the purpose of financing of infrastructure by the banks and Financial Institutions' with that of the Master List of Infrastructure sub-sectors' notified by the Government of India on March 27, 2012. Accordingly, the revised definition of 'infrastructure lending' is given in the Annex to this circular.
- 3. The revised definition of 'infrastructure lending' will be effective from the date of this circular. The exposure of banks to projects under sub-sectors which were

ब्बिकेंग परिचालन और विकास विभाग, केन्द्रीय कार्यालय, 12वी मंजिल, केन्द्रीय कार्यालय भवन, शडीद भगतसिंड मार्ग, मुंबई-400001 फैक्स सं. / FAX NO.22705691 टेलीफोन सं./ TELEPHONE No. 22661602 2

included under our previous definition of infrastructure, but not included under the revised definition, will continue to get the benefits under 'infrastructure lending' for such exposures till the completion of the projects. However, any fresh lending to those sub-sectors from the date of this circular will not qualify as 'infrastructure lending'.

Yours faithfully,

### (Deepak Singhal)

Chief General Manager-in-Charge

#### Annex

#### List of sub-sectors for 'Infrastructure Lending'

A credit facility extended by lenders (i.e. banks and select AIFIs) to a borrower for exposure in the following infrastructure sub-sectors will qualify as 'infrastructure lending':

SI.No.	Category	Infrastructure sub-sectors
1.	Transport	i. Roads and bridges
	'	ii. Ports
		iii. Inland Waterways
		iv. Airport
		v. Railway Track, tunnels, viaducts, bridges <sup>1</sup>
		vi. Urban Public Transport (except rolling stock in case of
		urban road transport)
2.	Energy	i. Electricity Generation
		ii. Electricity Transmission
		iii. Electricity Distribution
		iv. Oil pipelines
		v. Oil/Gas/Liquefied Natural Gas (LNG) storage facility <sup>2</sup>
		vi. Gas pipelines <sup>3</sup>
3.	Water &	i. Solid Waste Management
	Sanitation	ii. Water supply pipelines
		iii. Water treatment plants
		iv. Sewage collection, treatment and disposal system
		v. Irrigation (dams, channels, embankments etc)
4	Communication	vi. Storm Water Drainage System
4.	Communication	i. Telecommunication (Fixed network) <sup>4</sup>
F	Coolel and	ii. Telecommunication towers
5.	Social and	i. Education Institutions (capital stock)
	Commercial	ii. Hospitals (capital stock) <sup>5</sup> iii. Three-star or higher category classified hotels located
	Infrastructure	outside cities with population of more than 1 million
		iv. Common infrastructure for industrial parks, SEZ, tourism
		facilities and agriculture markets
		v. Fertilizer (Capital investment)
		vi. Post harvest storage infrastructure for agriculture and
		horticultural produce including cold storage
		vii. Terminal markets
		viii. Soil-testing laboratories
		ix. Cold Chain <sup>6</sup>

- 1. Includes supporting terminal infrastructure such as loading/unloading terminals, stations and buildings
- 2. Includes strategic storage of crude oil
- 3. Includes city gas distribution network
- 4. Includes optic fibre/cable networks which provide broadband / internet
- 5. Includes Medical Colleges, Para Medical Training Institutes and Diagnostics Centres
- 6. Includes cold room facility for farm level pre-cooling, for preservation or storage of agriculture and allied produce, marine products and meat.

# Extract from Second Quarter Review of Monetary Policy 2012-13 announced on October 30, 2012.

#### V. Regulatory and Supervisory Measures

#### **Definition of Infrastructure Lending**

- 110. Banks' lending to the infrastructure sector has grown significantly. As a multiplicity of definitions among various regulators gives rise to confusion and difficulties, the Government of India has notified a master list of infrastructure sectors/sub-sectors in March 2012. Accordingly, it is proposed:
  - to harmonise the definition of infrastructure for the purpose of banks' lending with the master list notified by the Government of India.
- 111. Detailed guidelines in this regard are being issued separately.