



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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November 20, 2012

All Scheduled Commercial Banks

(excluding RRBs) and

Select All India Financial Institutions (AIFIs)

(NHB, NABARD, EXIM Bank and SIDBI).

Dear Sir,

Second Quarter Review of Monetary Policy 2012-13 – Definition of 'Infrastructure Lending'

Please refer to our [circular DBOD.No.BP.BC.52/21.04.048/2007-08 dated November 30, 2007](#) 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 [Annex 1](#) 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

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बैंक ढिन्दी में भी पत्राचार का स्वागत करता है । ढिन्दी आसान है, इसका प्रयोग बढ़ाइये ।

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':

Sl.No.	Category	Infrastructure sub-sectors
1.	Transport	<ul style="list-style-type: none"> i. Roads and bridges ii. Ports iii. Inland Waterways iv. Airport v. Railway Track, tunnels, viaducts, bridges¹ vi. Urban Public Transport (except rolling stock in case of urban road transport)
2.	Energy	<ul style="list-style-type: none"> i. Electricity Generation ii. Electricity Transmission iii. Electricity Distribution iv. Oil pipelines v. Oil/Gas/Liquefied Natural Gas (LNG) storage facility² vi. Gas pipelines³
3.	Water & Sanitation	<ul style="list-style-type: none"> i. Solid Waste Management ii. Water supply pipelines iii. Water treatment plants iv. Sewage collection, treatment and disposal system v. Irrigation (dams, channels, embankments etc) vi. Storm Water Drainage System
4.	Communication	<ul style="list-style-type: none"> i. Telecommunication (Fixed network)⁴ ii. Telecommunication towers
5.	Social and Commercial Infrastructure	<ul style="list-style-type: none"> i. Education Institutions (capital stock) ii. Hospitals (capital stock)⁵ iii. Three-star or higher category classified hotels located 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 Chain⁶

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.