

FIDC

Finance Industry Development Council

(A Self-Regulatory Organization for Asset and Loan Financing NBFCs)

101/103, Sunflower, 1st Floor, Rajawadi Road No.2, Ghatkopar (East), Mumbai – 400 077 (India)

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05th August, 2019

Smt. Nirmala Sitharaman Ji

Minister of Finance

Government of India

North Block

New Delhi - 110 001.

Hon'ble Finance Minister Madam,

SUB: REQUEST FOR A MEETING AS PART OF YOUR INTERACTION WITH THE IMPORTANT STAKEHOLDERS

Finance Industry Development Council (FIDC) is a Self-Regulatory Organization (SRO) cum Representative Body of the NBFCs registered with the Reserve Bank of India. FIDC was formed 15 years ago and is the recognized face of the NBFC sector. We have been engaged in regular interaction both with Reserve Bank of India and Govt. of India, which include pre-budget meetings and also important policy related meetings with RBI. Almost all the leading NBFCs and a large number of small and medium sized NBFCs are our members.

At the outset we would like to convey our most sincere appreciation and thank you for recognizing the important role being played by NBFCs in India's financial system, especially sustaining consumption demands as well as capital formation in MSMEs, as part of your budget speech this year. Further, we also welcome some of the measures announced for NBFCs in the Union Budget 2019-20 which have sent the right signal and a nudge to banks to lend more to NBFCs without getting risk averse.

It is now important to ensure proper implementation of these measures to achieve the desired results. Further, it is equally important to take steps to minimize the risk of such a liquidity crisis occurring again in the future. For this there is a need to :

- Incentivize banks to lend more to NBFCs
- Develop funding sources outside the banking system
- Create refinance window for NBFCs
- Allow NBFCs to issue secured debentures "On Tap" and
- Create a platform for regular dialogue between Ministry of Finance and the NBFC sector.

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We therefore, request you to kindly convene a meeting with the NBFC sector as part of your current engagement with the important stakeholders to discuss and implement measures to boost the Indian economy.

We look forward to receiving a positive reply and assuring of you of our full cooperation always and thanking in you in anticipation.

Yours Faithfully

For **Finance Industry Development Council**



Raman Aggarwal

Chairman

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