

# FIDC

## Finance Industry Development Council

*(A Representative Body of Assets and Loan Financing NBFCs)*

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

Tel: 022 21029898/9820035553 • E-mail: [directorgeneral@fidcindia.org](mailto:directorgeneral@fidcindia.org); Website: [www.fidcindia.org](http://www.fidcindia.org)

October 23, 2020

**Shri Shaktikanta Das**

Governor

Reserve Bank of India,

Central Office Building,

Shahid Bhagat Singh Marg, Fort,

Mumbai – 400 001

Respected Sir,

### **SUB: ON TAP TLTRO SCHEME**

We are indeed grateful to you and to the Reserve Bank of India for having taken several innovative and bold steps to bring the economy back on track as it emerges from the effects of the pandemic. We also sincerely appreciate your approach of taking the concerns of the various stakeholders and addressing those, including the suggestions put forth by FIDC as a representative of NBFCs providing loans to various underserved segments of the economy.

Sir, the on tap TLTRO scheme announced by RBI as part of the Monetary Policy announcement is indeed one such innovative scheme for easing liquidity with specific target to reach credit out to deserving sections of the economy. We note that while sections including agriculture, MSME and retail are covered, **NBFCs have not been included as a sector which could avail of the facility.**

NBFCs are well recognised conduits for reaching out last mile credit to the aforementioned crucial sectors – NBFCs borrow only for the purpose of on-lending and hence can act as a force-multiplier and join hands with the banking system in expanding the credit reach to various sectors. Allowing banks to permit NBFCs to access these funds for the targeted lending to the desired segments of the economy would significantly facilitate achievement of the RBI's objective of launching this truly remarkable scheme. It may not be out of place to add here that RBI has allowed commercial banks for co-lending alongside NBFCs to enhance availability of credit to the eligible borrowers. Allowing Banks to lend to NBFCs under this Scheme may be extended to all NBFCs including Small NBFCs for wider reach to the target beneficiaries.



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***Sir, we sincerely appeal to kindly consider our request to carve out a part of the On-Tap TLTRO funds for the NBFCs including small NBFCs to avail of loans from banks under the aforesaid scheme for the purposes of on-lending to the desired sectors only.***

We thank you once again for the support extended to NBFCs during this period of crisis.

Thanking you,

Yours sincerely,

**FOR FINANCE INDUSTRY DEVELOPMENT COUNCIL**

**MAHESH THAKKAR  
DIRECTOR GENERAL  
9820035553**



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