

CIRCULAR

To All Insurers.

REF: IRDAI/F&I/INV/CIR/003/01/2024

5th January, 2024

Sub: Investments in Infrastructure Debt Funds-NBFC.

1. Reference is drawn to Note 2 of Regulation 9 of IRDAI(Investment) Regulations 2016 which stipulates that "Investment in Infrastructure Debt Fund(IDF), backed by Central Government as approved by the Authority, on a case to case basis shall be reckoned for "investments in infrastructure. Accordingly, the Authority had allowed insurers' investments in certain IDFs on case to case basis.
2. In the recent review of regulatory framework for IDF-NBFCs, RBI enabled IDF-NBFCs to play a greater role in financing of the infrastructure sector.
3. To encourage further investments by insurers in the infrastructure sector and to enhance ease of doing business, the requirement of case to case approval for an investment in an IDF is done away with. Insurers are allowed to make investments in IDF-NBFCs which will be reckoned as infrastructure investments, subject to the following conditions:
 - a) IDF-NBFC is registered with RBI.
 - b) Debt securities shall have residual tenure of not less than 5 years.
 - c) Minimum Credit Rating of AA or its equivalent by a Credit Rating Agency registered with SEBI to be eligible for approved investments.
 - d) Exposure norms as per Note 3 of Regulation 9 of IRDAI (investment) Regulations, 2016 shall be applicable.

This circular is issued with the approval of Competent Authority.

(Ammu Venkataramana)
General Manager