

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3204
ANSWERED ON:19.08.2011
ISSUE OF BONDS BY NBFCs
Das Shri Khagen

Will the Minister of FINANCE be pleased to state:

- (a) whether the government has allowed Non Banking Financial Companies (NBFCs) to issue bonds to PF Trusts; and
- (b) If so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b):- The Central Government, vide Notification dated July 9, 2010, has specified certain bonds as long term infrastructure bonds for the purposes of Section 80CCF of the Income Tax Act, 1961, eligible for subscription by eligible entities. The amount raised by issue of infrastructure bonds by 'NBFCs – Infrastructure Finance Companies' as specified in the Government Notification shall not be treated as "public deposit" within the meaning of Non-Banking Financial Companies Acceptance of Public Deposit (Reserve Bank) Directions, 1998.