

F. No.12/1/2009-BO&A  
Ministry of Finance  
Department of Financial Services

Jeevan Deep Bldg., Parliament Street,  
New Delhi, 27<sup>th</sup> January, 2009.

Shri T.S. Narayanasami  
IBA Chairman  
World Trade Centre, Centre-I  
6<sup>th</sup> Floor, Cuffe Parade  
Bombay- 400 005.


Subject: Special Banking Arrangement to provide a line of Credit to NBFCs for purchase of commercial vehicles

Sir,

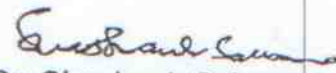
I am directed to refer to the discussions during the meeting in the Department of Financial Services held on 9-1-2009 on working out an arrangement with the leading public sector banks to provide a line of credit to NBFCs specifically for purchase of commercial vehicles.

As decided in the Meeting, Finance Industry Development Council (FIDC) was required to provide a month-wise projection of demand for NBFCs financing commercial vehicles for the next 4 to 5 months and the names of NBFCs and this information was to be shared with IBA and this Department. FIDC has prepared a list of issues for consideration of the banks (copy enclosed). It has also indicated that an overall requirement of Rs. 5000 crore is to be made available to the NBFCs-AFCs irrespective of their size but based on their performance and track record. It is requested that the demand for credit requirements raised in the letter of FIDC may be considered by IBA in the meeting between the leading members of IBA and FIDC before 31<sup>st</sup> January, 2009 to operationalise the arrangement.

Yours faithfully,

  
(Dr. Shashank Saksena)  
Director (BOA&P)  
Tel. No. 2374 2100

Copy to: Mr. T.T. Srinivasaraghavan, Chairman, FIDC and Managing Director, Sundaram Finance Ltd., 21 Patullos Road, Chennai - 600 002 (Fax: 044-28550290) with a request to get in touch with IBA to operationalise the arrangement for a line of credit for NBFCs.

  
(Dr. Shashank Saksena)