

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 2727
ANSWERED ON MONDAY, 17th MARCH, 2025/ 26 PHALGUNA, 1946 (SAKA)

NATIONAL BANK FOR INFRASTRUCTURE DEVELOPMENT

2727. SMT. BIJULI KALITA MEDHI:

Will the Minister of Finance be pleased to state:

- (a) the current status of funding and capitalization for NBFID; and
(b) the way by which the NBFID ensure timely disbursement of funds and efficient project execution?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The current status of funding and capitalization of National Bank for Financing Infrastructure and Development primarily consist of:

- (i) Equity support of Rs. 20,000 crore and grant of Rs. 5,000 crore by Government of India.
(ii) Borrowings in the form of Non-Convertible Debentures (NCDs) & Loans from aggregating to Rs.39,493 crore as on 31.12.2024.

(b) National Bank for Financing Infrastructure and Development has informed as follows:

- Post sanction of project loan, disbursements and project execution monitoring are handled by separate, dedicated teams within its Credit Administration - Operations & Monitoring Department. These teams ensure timely disbursement, monitor project execution timelines, and address any necessary controls or resolutions as per the internal and regulatory guidelines.
- Further, disbursements are made once pre-disbursement conditions, as outlined in the sanction, are met. Proper checks and balances are implemented through checklists and Standard Operating Procedures which include: (i) compliance of pre-disbursement conditions, (ii) availability of relevant approvals/clearances and valid insurance, (iii) satisfactory technical due diligence, (iv) financial progress, including equity infusion, if applicable (v) physical project progress, if applicable and (vi) mandatory KYC checks as per RBI guidelines.
- Similarly, Project execution is monitored through regular site inspection and technological project monitoring tools which include: (i) periodic site visits or inspections by officials, (ii) analysis of the monthly progress reports submitted by both Lender's Independent Engineer (LIE) and Lender's Insurance Advisor (LIA), engaged for technical matters, (iii) discussions with other lenders in consortium meetings, (iv) tracking covenants and conditions stipulated in the sanction, and (v) monitoring the project's cash flow, interest payments, and other payment histories.
