

# NaBFID eyes ₹1 trn infra sanctions

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The National Bank for Financing Infrastructure and Development (NaBFID) is eyeing fresh sanctions of ₹1 trillion for new projects and refinancing through structured instruments in the current financial year (2024-25).

Rajkiran Rai G, managing director of NaBFID, told *Business Standard* that the cumulative sanctions crossed the ₹1 trillion mark by the end of March 2024. While this was a performance in 15 months since lending operations began in December 2022, now the Government of India-backed lenders would look at fresh sanctions of ₹1 trillion each financial year.

Besides lending activity, as part of the development mandate, it would engage with urban local bodies to groom them for raising funds from the market, he added.

The share of greenfield projects in sanctions would grow gradually. The funding approvals for such projects were about one-third of the total in 2023-24 (FY24), and it would rise to 40 per cent in the current financial year.

Its outstanding loans grew almost 2.6x to ₹35,342 crore at the end of March 2024 (FY24) from ₹9,753 crore in March 2023. It acquired loans worth ₹4,258 crore. The average maturity of acquired loans was 18 years.

While funding would be provided for refinancing existing loans for infrastructure projects, it would not be just the replacement of old with new money. The refinancing would come with certain elements like forming a portfolio by pooling loans, credit enhancement, and clear access to cash flows, Rai added.

As for fundraising to finance projects, NaBFID would predominantly focus on the domestic market for issuing bonds and credit lines from banks and institutions. It has pegged borrowings at ₹55,000 crore in the current financial year. The specific



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amounts, nature, as well as tenure of long-term instruments, would depend on market conditions. NaBFID raised ₹19,516 crore by issuing non-convertible securities during the financial year ended March 31, 2024, of which ₹10,000 crore had a tenor of 10 years and ₹9,516 crore had a tenor of 15 years.

Rai said besides the domestic market, it would look at tapping into multilateral funding bodies which provide credit lines for 15-25 years. Such lines help in asset liability management. The option of going to the overseas market is also open but that would be beneficial only when interest rates start easing which is likely in the second half of the current financial year.

NaBFID reported a net profit of ₹1,601.64 crore for the financial year ended March 2024 (FY24), up from ₹1,046.39 crore in 2022-23 (FY23). The year gone by (FY24) was the first full year of its business operations. Its total income grew to ₹3,083.97 crore in FY24, up from ₹1,127.06 crore in FY23.