

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA

UN-STARRED QUESTION NO. 1804  
ANSWERED ON 14<sup>TH</sup> DECEMBER, 2021 / AGRAHAYANA 23, 1943 (SAKA)

Status of Development Financial Institution (DFI)

1804 Shri Sanjay Singh:

Will the Minister of **Finance** be pleased to state:

- (a) whether Government has finalized the details and organizational structure of Development Financial Institution (DFI);
- (b) if so, the recent developments in this regard;
- (c) the salient features of this institution;
- (d) whether Government has marked some projects which would be possibly funded by this Institution; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(Dr. BHAGWAT KARAD)

(a) & (b): The National Bank for Financing Infrastructure and Development Act, 2021 has been enacted to establish the National Bank for Financing Infrastructure and Development as a development financial institution to support the development of long term non-recourse infrastructure financing in India including development of the bonds and derivatives markets necessary for infrastructure financing and to carry on the business of financing infrastructure. Section 6 of the Act provides for the composition of the Board of Directors of the Institution. The Chairperson has been appointed and two Central Government Nominee directors have been nominated on the Board of Directors of the Institution under section 6(1)(a) and section 6(1)(d) of the Act respectively.

(c): As per the aforesaid Act, the Institution has developmental and financial objectives which, *inter-alia* include, coordination with various stakeholders to develop long term financing in India, developing domestic bonds & derivatives market, to lend or invest, directly or indirectly, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects located in India, or partly in India and partly outside India, with a view to foster sustainable economic development in India.

(d) & (e): The provisions of the Act provide that the institution may organize and facilitate participation from the Central Government, public sector, private sector and institutional investors from India or overseas in infrastructure development projects located in India, or partly in India and partly outside India. The Act further mandates that the general superintendence, direction and management of the affairs of the Institution shall vest in the Board of Directors. Credit related decisions, including selection of projects for funding, lie within the domain of the aforesaid Board.

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