राष्ट्रीय अवसंरचना वित्तपोषण और विकास बैंक

National Bank for Financing Infrastructure and Development

(An All-India Development Financial Institution established under the NaBFID Act, 2021)

NaBFID Fair Practices Code

July 2026

Background

Our Organisation (the Institution) has been constituted under The National Bank for Financing Infrastructure and Development Act-2021 with a specific purpose to support 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 and for matters connected therewith or incidental thereto. Accordingly, we will endeavour to finance the long-term needs of infrastructure sector companies and may not attract retail and other business loans of individuals, micro & small corporates.

The Institution is working in close coordination with Large Corporates who operate in the infrastructure sector and since the projects have high project cost, the debt sizes would also be in large values (typically above Rs. 100 Cr per sanction). Thus, the terms and conditions would be negotiated with the Borrower directly and the Institution does not envisage any "batch processing of proposals" under standard template. Also, evaluation and due diligence is done on case-to-case basis keeping in mind the dynamics of sector, regulatory aspects, corporate profile of Sponsor, applicable Laws, internal policies, etc.

Keeping in view the above in mind, we propose the follow Fair practice codes in terms of Reserve Bank of India (All India Financial Institutions – Responsible Business Conduct) Directions, 2025.

1. Applications for loans and their processing

a. The Institution at the time of discussing the project requirements with the borrower, the Institution shall also discuss the key terms of sanction. The Institution will provide information about the applicable interest rates. Further, the key terms could cover information on fees/charges, if any, payable for processing, the amount of such fees refundable in the case of non-acceptance of sanction, pre-payment options, penalty for delayed repayments if any, conversion charges for switching loan from fixed to floating rates or vice versa and any other matter which affects the interest of the borrower. The Institution shall endeavour to make available such information including applicable the Institution Lending Rate (NLR) on it's website for all categories of loan products.
b. Time Frame for disposal of loan applications, from the date of satisfactory receipt of complete information/ data/ clarifications/ reports, etc., would also be discussed with applicants.
c. The Institution would verify the loan applications within a reasonable period. If additional details/documents are required, borrowers would be intimated at the earliest.
d. The Institution, as part of due diligence, would negotiate and discuss with applicant on the adequacy of prime security and collateral. If unsecured, the same shall be evaluated as per internal policies.
e. In case of all applications which are not considered creditworthy, the decisions are recorded as dropped or deferred.

2. Loan appraisal and terms/conditions

a. The Institution would convey to the borrower the loan amount along with the terms and conditions thereof and would keep the borrower's acceptance of these terms and conditions given with his full knowledge on record.

b. Terms and Conditions and other caveats governing credit facilities given by the Institution arrived at after negotiation between the Institution and borrower would be reduced to writing and duly certified by the Institution's authorised official. A copy of loan agreement along with a copy each of all enclosures quoted in the loan agreement would be furnished to the borrower.
c. As far as possible, the Institution would endeavour that the loan agreement clearly stipulates credit facilities that are solely at the discretion of the Institution. It would also be specifically stated that the Institution does not have any obligation to meet further requirements of the borrowers on account of growth in business etc., without proper review of credit limits or fresh appraisal.
d. In the case of lending under consortium arrangement, the Institution, as a participating lender, would evolve procedures to complete appraisal of proposals in a time bound manner to the extant feasible, and communicate its decision on financing or otherwise, within a reasonable time.

3. Disbursement of loans including changes in terms and conditions

The Institution would ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction. The Institution would give notice of any change in the terms and conditions including interest rates, service charges, etc. in the website display. The **Institution** would also ensure that changes in interest rates and charges are levied on disbursement only with prospective effect.

4. Post disbursement supervision

a. Post disbursement supervision by the Institution would be constructive in a manner which not only ensures that the routine work process of the borrower is not impeded and borrower does not face inconvenience but also takes care of the Institution's interest and compliance with the guidelines.
b. Before taking a decision to recall/accelerate payment or performance under the agreement or seeking additional securities, the Institution would give notice to borrowers, as specified in the loan agreement or a reasonable period if no such condition exists in the loan agreement.
c. (i) At the formal request of the party concerned, the Institution would release the securities promptly, at its office, after it receives repayment or realization of loan, or others dues agreed to or contracted. It is subject to clearance of any lien or legitimate right or any other charges of any lender/ authority or claim that may exist against borrower etc.
(ii) If such right of set off or otherwise is to be exercised the Institution shall intimate about it to the party concerned with full particulars about remaining claims, lien or the mortgaged property till the relevant claim is settled/paid or right satisfied/waived.

5. General

a. The Institution would restrain from interference in the affairs of the borrowers except for what is provided in the terms and conditions of the loan sanction documents (unless new information, not earlier disclosed by the borrower has come to the notice of the Institution).

b. The Institution would not discriminate on grounds of sex, caste, religion and ideologies in the matter of lending.
c. The Institution will reserve its right to undertake visits, either by its staff or authorised representatives, to the borrowers' premises for verification of the stock and/or assets financed. In the matter of recovery of loans, the Institution would comply with the extant guidelines of RBI when outsourcing the recovery of Loans.
d. In case of receipt of request for transfer of borrower account, either from borrower or from **the Institution**/financial institution, which proposes to take over the account, the consent or otherwise i.e. objection of the Institution, if any, would normally be conveyed within 21 working days from the date of receipt of request.
e. The Fair Practices Code adopted by the Institution shall also be placed on its website.

6. Grievance Redressal

The Institution will address the grievance as per our ‘Customer Service and Grievance Redressal Policy and resolve the disputes arising, inter alia, out of Fair Practice Code. The mechanism ensures that arising out of the decisions of the Institution functionaries are examined and disposed of by the Nodal Officer. Besides, in case the complainant is not satisfied with the redressal steps, the provision of complainant making an appeal to the Chief Grievance Redressal Officer (CGRO) is also available.

7. Review of the Code

Annual Review: All Documents shall be reviewed once each year to ensure relevance and currency.

Interim Amendments: Specific segments of a Document may be amended outside the annual review cycle when triggered by changes in business operations, processes, or regulatory requirements.

Regulatory Changes: Any amendment arising from a change in regulation shall be effective from the date specified in the regulation or the effective date of the policy, whichever is earlier.