

**NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT**

**SECOND ANNUAL REPORT**

**2022-2023**

**ABOUT NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT (NaBFID)**

The National Bank for Financing Infrastructure and Development Act, 2021 received the assent of the President on March 28, 2021 and has come into force effective April 19, 2021. National Bank for Financing Infrastructure and Development (NaBFID/Institution) has been set up as a Development Financial Institution (DFI) to support the development of long-term infrastructure financing in India. Reserve Bank of India (RBI) vide its letter dated March 8, 2022 has advised that NaBFID shall be regulated and supervised by RBI as an All India Financial Institution (AIFI) under section 45L and 45N of the RBI Act, 1934, respectively. NaBFID has commenced its commercial operations with effect from December 29, 2022.

NaBFID has both the developmental and financial objectives. The developmental objective involves co-ordinating with the Central and State Governments, regulators, financial institutions, institutional investors and such other relevant stakeholders, in India or outside India, to facilitate building and improving the relevant institutions to support the development of long term non-recourse infrastructure financing in India including the domestic bonds and derivatives markets. The financial objective involves lending or investing directly or indirectly and seeking to attract investments from private sector investors and institutional investors in infrastructure projects located in India or partly located in India with a view to foster sustainable economic development.

**Vision Statement:**

*“To be a globally recognized strong provider of impact investment, catalysing infrastructure funding for transformative growth of India.”*

**Mission Statement:**

*“To be the principal enabler for infrastructure financing with an emphasis on innovation, environment and sustainability.”*

**BOARD OF DIRECTORS (AS ON APRIL 20, 2023)**

1. Shri. K. V. Kamath, Chairman
2. Smt. Aruna Sundararajan, Independent Director
3. Shri. B. Sriram, Independent Director
4. Shri. T. N. Manoharan, Independent Director
5. Shri. Pankaj Jain, Director nominated by the Central Government (Secretary, Ministry of Petroleum and Natural Gas)
6. Smt. Sumita Dawra, Director nominated by the Central Government (Special Secretary (Logistics), Department for Promotion of Industry and Internal Trade)
7. Shri. Rajkiran Rai G., Managing Director
8. Shri. B. S. Venkatesha, Deputy Managing Director - Chief Risk Officer
9. Smt. Monika Kalia, Deputy Managing Director - Chief Financial Officer
10. Shri. Samuel Joseph Jebaraj, Deputy Managing Director – Lending and Project Finance

**BOARD COMMITTEES (AS ON APRIL 20, 2023)****Nomination and Remuneration Committee**

*Smt. Aruna Sundararajan, Chairperson*

Shri. B. Sriram

Shri. T. N. Manoharan

Shri. Pankaj Jain

**Audit Committee**

*Shri. T. N. Manoharan, Chairman*

Smt. Aruna Sundararajan

Smt. Sumita Dawra

**Risk Management Committee**

*Shri. B. Sriram, Chairman*

Shri. K. V. Kamath

Smt. Aruna Sundararajan

Shri. T. N. Manoharan

Shri. Rajkiran Rai G.

**Executive Committee**

*Shri. Rajkiran Rai G., Chairman*

Shri. B. Sriram

Smt. Aruna Sundararajan

Smt. Monika Kalia

**GENERAL INFORMATION (AS ON APRIL 20, 2023)****Office Address:**

Swavalamban Bhavan, C -11, G-Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400051

**Statutory Auditors:**

M/s J Singh & Associates, Chartered Accountants  
505,506 & 507, 5<sup>th</sup> Floor, Hub Town Viva,  
Shankar Wadi, Western Express Highways,  
Between Andheri & Jogeshwari (East),  
Mumbai – 400060

**Registrar and Transfer Agent (Equity Shares):**

Satellite Corporate Services Private Limited  
106 & 107, Dattani Plaza, East West Compound,  
Andheri Kurla Road, Safed Pool Sakinaka,  
Mumbai – 400072

**Officer on Special Duty:**

- Shri. Prabodh Parikh (on Deputation w.e.f. August 8, 2022).

**Company Secretary:**

- Ms. Aishwarya Mhatre (on Deputation w.e.f. September 19, 2022).

## FINANCIAL PERFORMANCE FOR FY2023

Key financial highlights are as follows:

- As at the end of FY2023, the assets by way of deposits, investments and advances stood at ₹ 12,941 crore, ₹ 4,341 crore and ₹ 9,754 crore respectively.
- Lending business commenced at end of December 2022 and disbursements aggregating ₹ 9,754 crore were made at the end of FY2023.
- Net profit of ₹ 1,046 crore has been reported during FY2023, primarily by way of interest earned on Fixed Deposits, Income from Central Government Securities and Interest on advances.

## CAPITAL STRUCTURE

In FY2022, the Government of India infused capital of ₹ 20,000 crore. As per the notification dated February 7, 2022, ₹ 20,000 crore of share capital of the Institution stood allotted to the Central Government. As on date the entire shareholding of the Institution is held by the Government of India.

## GRANT

The Government of India had provided a grant of ₹ 5000 crore to the Institution on March 31, 2022 which has been invested in the Fixed Deposits during FY2023. The interest earned on the grant amount is utilized to reduce the lending rate, meeting the purpose for which grant is provided.

## DIVIDEND

NaBFID is in the business of infrastructure financing wherein building up of capital base is required to increase advances, and therefore the Board of Directors considered it prudent to plough back profits and accordingly the Institution has not declared any dividend for FY2023.

## **CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS**

The composition of the Board of Directors of the Institution is in compliance with the provisions of The National Bank for Financing Infrastructure and Development Act, 2021 (NaBFID Act) read with applicable Rules and Regulations made thereunder.

The Annual Report of 2021 -2022 had covered the changes in the composition of the Board of Directors of the Institution upto October 20, 2022. The following are the details of the changes in the composition of the Board of Directors of the Institution during October 21, 2022 to April 20, 2023:

1. The Board of Directors at its Meeting held on August 13, 2022 considered the recommendation of Financial Services Institution Bureau (FSIB) for the candidature of Smt. Monika Kalia (DIN:08579733) to the position of the Deputy Managing Director - Chief Financial Officer (DMD-CFO) of the Institution. The Board of Directors at its Meeting held on September 16, 2022 based on the due diligence report received from RBI and clearances from Central Vigilance Commission (through Department of Financial Services) approved the appointment of Smt. Monika Kalia to the position of the DMD-CFO for a period of five years with effect from the date of assumption of charge. Smt. Monika Kalia assumed charge as the DMD-CFO effective November 16, 2022.
2. The Board of Directors at its Meeting held on November 30, 2022 considered the recommendation of FSIB for the candidature of Shri. Samuel Joseph Jebaraj (DIN: 02262530) to the position of the Deputy Managing Director – Lending and Project Finance (DMD-L&PF) of the Institution. The Board of Directors at its Meeting held on February 22, 2023 based on the due diligence report received from RBI and clearances from Central Vigilance Commission (through Department of Financial Services) approved the appointment of Shri. Samuel Joseph Jebaraj to the position of the DMD-L&PF for a period of five years with effect from the date of assumption of charge. Shri. Samuel Joseph Jebaraj assumed charge as the DMD-L&PF effective April 6, 2023.

## AUDITORS

M/s. J Singh & Associates, Chartered Accountants (Registration No. 110266W) was re-appointed as Statutory Auditor for FY2023 by the Shareholder of the Institution at its Meeting held on August 24, 2022 in line with the provisions of Section 26 (1) of the NaBFID Act. There are no qualifications, reservation or adverse remarks made by the Statutory Auditor in the audit report.

As recommended by the Audit Committee, the Board has approved the re-appointment of M/s. J Singh & Associates, Chartered Accountants as Statutory Auditor for FY2024 and that they shall hold office till the conclusion of Third Annual General Meeting, subject to the approval of the Shareholder of the Institution. The said re-appointment of the Statutory Auditor is proposed to the Shareholder in the Notice of the forthcoming Annual General Meeting through item no. 2.

## GOVERNANCE

The Institution is committed to and is continuously striving to ensure compliance with the best practices of corporate governance. The critical policies covering all major functions required by the Institution have been approved by the Board during the year.

- **Details of the Board Meetings**

During FY2023, 14 Board Meetings were held on April 9, 2022, June 4, 2022, July 16, 2022, July 30, 2022, August 13, 2022, September 8, 2022, September 16, 2022, September 30, 2022, October 20, 2022, November 30, 2022, December 30, 2022, January 20, 2023, February 22, 2023 and March 22, 2023.



- **Details of the Board Committees**

In line with the provisions of the NaBFID Act read with applicable Rules and Regulations, the Board of Directors has constituted the following Board Committees.

### 1. Nomination and Remuneration Committee

During FY2023, 12 Nomination and Remuneration Committee Meetings were held on April 9, 2022, June 4, 2022, July 16, 2022, July 30, 2022, August 13, 2022, September 8, 2022, September 16, 2022, September 30, 2022, November 30, 2022, January 19, 2023, February 22, 2023 and March 21, 2023.

The Nomination and Remuneration Committee perform functions and discharge duties in line with the National Bank for Financing Infrastructure and Development General Regulations, 2022.

The details of the composition of the Nomination and Remuneration Committee are set out in the following table:

<b>Name of Member</b>
Smt. Aruna Sundararajan, <i>Chairperson</i>
Shri. B. Sriram
Shri. T. N. Manoharan
Shri. Pankaj Jain

### 2. Audit Committee

During FY2023, five Audit Committee Meetings were held on July 16, 2022, August 13, 2022, September 28, 2022, November 30, 2022 and January 19, 2023.

The Audit Committee perform functions and discharge duties in line with the National Bank for Financing Infrastructure and Development General Regulations, 2022.

The details of the composition of the Audit Committee are set out in the following table:

<b>Name of Member</b>
Shri. T. N. Manoharan, <i>Chairman</i>
Smt. Aruna Sundararajan
Smt. Sumita Dawra

### 3. Risk Management Committee

During FY2023, six Risk Management Committee Meetings were held on August 13, 2022, September 28, 2022, November 30, 2022, January 19, 2023, February 21, 2023 and March 21, 2023.

The Risk Management Committee perform functions and discharge duties in line with the National Bank for Financing Infrastructure and Development General Regulations, 2022.

The details of the composition of the Risk Management Committee are set out in the following table:

<b>Name of Member</b>
Shri. B. Sriram, <i>Chairman</i>
Shri. K.V. Kamath
Smt. Aruna Sundararajan
Shri. T. N. Manoharan
Shri. Rajkiran Rai G.

### 4. Executive Committee

During FY2023, six Executive Committee Meetings were held on December 16, 2022, January 20, 2023, January 27, 2023, March 6, 2023, March 14, 2023 and March 27, 2023.

As per Regulation 7(1) of the National Bank for Financing Infrastructure and Development General Regulations, 2022, subject to such general or special directions as the Board may give from time to time, the Executive Committee may deal with any matter within the competence of the Board. The Executive Committee perform functions and discharge duties as approved by the Board of Directors.

The details of the composition of the Executive Committee are set out in the following table:

<b>Name of Member</b>
Shri. Rajkiran Rai G., <i>Chairman</i>
Shri. B. Sriram
Smt. Aruna Sundararajan
Smt. Monika Kalia

- **Other Committees**

In addition to the above, the Board has from time to time constituted various internal Committees such as Asset Liability Management Committee, Investment Committee, Credit & Expenditure Approval Committee 1, Credit & Expenditure Approval Committee 2, Operational Risk Management Committee, Business Continuity & Disaster Recovery Management Steering Committee, IT Advisory Committee, Official Language Implementation Committee, Internal Complaints Committee, Human Resource Committee etc.

- **Code of Conduct**

The Institution has a Board approved “Code of Conduct and Ethics”. All the Directors have affirmed the compliance with the Code for the year ended March 31, 2023.

- **Declaration by Independent Directors**

All Independent Directors have given the declarations that they meet the criteria of independence in line with the National Bank for Financing Infrastructure and Development General Rules, 2022.

- **Internal Control and its Adequacy**

The internal financial controls with reference to the Financial Statements are adequate with the size and nature of business of the Institution. The Risk Based Internal Audit of the Institution is carried out in line with the prescribed RBI guidelines amended from time to time.

- **Related Party Transactions**

The Institution has a Board approved Related Party Transaction Policy. There were no related party transactions during FY2023.

- **Risk Management**

The Board of Directors has oversight on all risks assumed by the Institution. The Risk Management Committee (RMC) of the Board is responsible for monitoring entity-wide risks and overseeing policy and strategy for integrated risk management. The RMC reviews the Institution's risk positions against limits for various risk types as well as oversees the operations of the various Executive Level Committees set up for managing various risk types. The Enterprise Risk Management and Risk Appetite Framework (ERM & RAF) provides a strategic framework for management of various identified risks in a coordinated manner and sets out the Institution's risk appetite for such identified risk types. It provides principle level risk appetite statements considering the risks arising from strategic, tactical and transactional business decisions. These are evaluated in certain key impact areas such as capital adequacy, credit risk, concentration risk, market risk, liquidity risk, operational risk (including fraud risk), IT security risk, reputational risk, compliance risk and strategic risk. The Board approved policies/framework forming the governing framework for managing each key risk type i.e. Credit Policy, Investment Policy, Asset Liability Management Policy, Loan Pricing Framework, Operational Risk Management Policy, Outsourcing Policy, Business Continuity Management and Disaster Recovery Policy, Information Technology Risk Management Policy and Information Security Policy have been established and their implementation is ongoing. Various Departments in the Institution have been set up to facilitate independent evaluation, monitoring and reporting of various risks.

- **Information Required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Institution has a Board approved Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Policy. As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Institution has also constituted Internal Complaints Committee for redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

- **Implementation of Right to Information Act, 2005**

The Institution has a Board approved Governing Framework of compliance with provisions of the Right to Information (RTI) Act, 2005. The Institution has been responsively and transparently disclosing information sought under the Right to Information (RTI) Act, 2005.

- **Implementation of Official Language Policy**

The Institution has a Board approved Official Language Policy. Considerable efforts are made towards encouraging progressive use of Hindi in official transactions.

- **Enhancing Vigilance**

The Institution endeavors to optimize probity and integrity and has put in place vigilance framework to promote transparency, fairness and accountability in all operational areas. The Government vide its letter dated December 16, 2022 has intimated the NaBFID on the appointment of Sh. U. Dinesh Shanbhag, Deputy General Manager, State Bank of India as Chief Vigilance Officer (CVO) in NaBFID. Sh. U. Dinesh Shanbhag assumed charge effective February 6, 2023.

- **Particulars of Employees**

The required support in terms of human resources has been made available through secondment and deputation arrangement from various Public Sector Banks, Private Sector Banks and other Institutions. The Institution had 3 employees (i.e. one Managing Director and two Deputy Managing Directors) during FY2023.

- **Technology Implementation**

During FY2023, the IT architecture for the Institution has been worked out and the process of procurement has been initiated to enable the Institution to respond to the changing technological dynamics in an agile and responsive manner.

- **Resource Raising**

Highest credit rating of AAA (stable) domestic received from ICRA and CRISIL in March 2023. The Board has approved for bond issuance up to ₹ 30,000 crore and loans from banks and FIs up to ₹ 30,000 crore. Institution's First Bond Issuance is planned in June 2023, amounting to total ₹10,000 crore (base issue ₹ 5,000 crore plus green shoe of ₹ 5,000 crore).

- **Business Operationalisation**

The Institution has commenced its business activities by building up on activities related to Policy framework, Process & Systems and the Human Resources framework. The Institution has also started engagements with various market players (Government/Public Sector/Private Sector) to understand the market requirements and opportunities in the space.

As at March 31, 2023, the summary of the portfolio is as given below:

	<b>As on March 31, 2023 Amount (₹ in Crores)</b>
Final Sanctions	18,560
Disbursals	10,045

<b>Segment (as per Harmonised list)</b>	<b>Amount (₹ in Crores)</b>	<b>% exposure</b>
Energy	11850	63.8%
Transport and Logistics	6710	36.2%
<b>Total</b>	<b>18560</b>	<b>100.00%</b>

## **FUTURE READY BUSINESS INITIATIVES**

The Institution has been in discussions with global multilateral agencies including World Bank (WB), International Finance Corporation (IFC), New Development Bank (NDB), Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB) to understand the global best practices and resource raising avenues. The Institution will be engaging with IFC for Non-exclusive partnership to offer Transaction Advisory Services (TAS) with focus on Public Private Partnership (PPP) projects. The partnership will help mobilize private funds and support the Government's National Infrastructure Pipeline (NIP) initiative. Further, the Institution had held discussions with WB to offer Partial Credit Enhancement (PCE) to deepen the bond market. Conversations have been initiated by the Institution with, among others, New Development Bank (NDB), Asian Infrastructure Investment Bank (AIIB), Japan Bank for International Corporation (JBIC), KfW Development Bank (KfW) for probable avenues of collaboration.

The Institution has started a dialogue with Government Departments, Industry Bodies and key entities in various sectors to understand opportunities, develop a pipeline and to ideate to meet the role envisaged under the NaBFID Act. The opportunities in the infrastructure sector both from public and private sector have been explored with special focus on the projects detailed in the National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP). The business plan and strategy for the initial years of operations has been formulated during the year.

## **WAY FORWARD**

The operationalisation of the Institution has progressed well with the support of various stakeholders, especially the Department of Financial Services of the Government. Going forward the Institution would further implement its formulated strategy with respect to sector prioritization, innovative lending products, resource raising, deepen the bond market and its developmental agenda, based on consultation with different stakeholders.

**ACKNOWLEDGEMENT**

The Institution would like to express its gratitude for the valuable support received from the Government of India and Reserve Bank of India. The Institution would also like to express its gratitude for the support and co-operation extended by various Public Sector Banks, Private Sector Banks, other Institutions and every member associated with the Institution.

**For and on behalf of the Board**



**Shri. K. V. Kamath**  
**Chairman**  
**(DIN: 00043501)**

**Date: April 20, 2023**

**Place: Mumbai**



**ANNEXURE**

- **INDEPENDENT AUDITOR'S REPORT**
- **AUDITED FINANCIAL STATEMENT AS AT MARCH 31, 2023**

## INDEPENDENT AUDITOR'S REPORT

**To**  
**The President of India**  
**Report on the Audit of the Financial Statements**

### Opinion

We have audited the accompanying financial statements of **National Bank for Financing Infrastructure and Development (NaBFID) ('the Institution')**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss and the Cash Flow statement for the period then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required in accordance with Rule 9 of the National Bank for Financing Infrastructure and Development General Rules, 2022 and give a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Institution as at March 31<sup>st</sup>, 2023, its profit and its cash flows for the period ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ('SAs') issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Institution in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's response
i.	<p><b>Identification of Non-performing advances and provisioning of advances:</b></p> <p>Advances constitute a significant portion of the Bank's assets and the quality of these advances is measured in terms of ratio of Non-Performing Advances ("NPA") to the gross advances of the Bank. The Bank advances constitute 35.71% of the total assets and the gross NPA and Net NPA ratio of the Bank is NIL</p> <p>The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification ("IRAC") prescribe the prudential norms for identification and classification of NPAs and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors</p> <p>Since there is no NPA identified as yet therefore no provisioning for NPA is required to be estimated based on ageing and classification of NPAs, recovery estimates, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI.</p> <p>Additionally, the Bank makes provisions on exposures that are not classified as NPAs including advances in certain sectors and identified advances or group advances that can potentially slip into NPA.</p> <p>we have ascertained identification and provisioning for NPAs as a key audit matter.</p>	<p><b>We performed the following audit procedures, among others, included:</b></p> <ul style="list-style-type: none"> <li>-Considering the Bank's policies for NPA identification and provisioning and assessing compliance with the IRAC norms.</li> <li>-Understanding, evaluating and testing the design and operating effectiveness of key controls (including application controls) around identification of impaired accounts based on the extant guidelines on IRAC.</li> <li>-Examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection.</li> <li>-Reviewing account statements and other related information of the borrowers selected based on quantitative and qualitative risk factors.</li> <li>-Examining the early warning reports generated by the Bank to identify stressed loan accounts.</li> <li>-Holding specific discussions with the management of the Bank where there is perceived credit risk and the steps taken to mitigate the risks.</li> <li>-We assessed the appropriateness and adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs including the additional disclosures required in accordance with the Regulatory Package and Resolution Framework.</li> </ul> <p><b>With respect to provisioning of advances, we performed the following procedures:</b></p> <ul style="list-style-type: none"> <li>- Gained an understanding of the Bank's process for provisioning of advances.</li> </ul>

		<p>-Tested on a sample basis the calculation performed by the management for compliance with RBI regulations and internally laid down policies for provisioning.</p> <p>-For loan accounts, where the Bank made provisions which were not classified as NPA, we reviewed the Bank’s assessment for these provisions.</p>
<p>ii.</p>	<p><b>Valuation of Investments</b>                  Investments are categorized under Treasury operations and Business Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank’s policies, impairment assessment for HTM book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank</p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/depreciation related to Investments. In particular -</p> <ul style="list-style-type: none"> <li>• We evaluated and understood the Institution’s internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/ depreciation related to investments;</li> <li>• We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;</li> <li>• For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security;</li> <li>• We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in accordance with the RBI Circular for those selected sample of NPIs</li> </ul>

iii.	<p><b>Manual Control over financial reporting:</b> The institution is in initial stage of setting up of operations and books of accounts are recorded in Tally software. Due to absence of IT control over recording and reporting of financial transactions, we have identified this area as a Key Audit Matter.</p>	<p>We have carried out substantive audit procedures to verify Income &amp; expense incurred by the Institution. Wherever applicable, analytical procedures were performed to verify reasonableness of transactions.</p>
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### **Information other than the Financial Statements and Auditor's Report Thereon**

The Institution's Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Institution's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Institution's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Institution's Management is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Institution in accordance with the National Bank for Financing Infrastructure and Development General Rules, 2022 and accounting principles generally accepted in India including the Accounting Standards issued by ICAI, and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Institution and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Institution's Management are also responsible for overseeing the institution's financial reporting process.

### **Auditor's Responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

The Balance Sheet and the Statement of Profit and Loss have been drawn up in accordance with the provisions of Rule 9 of the National Bank for Financing Infrastructure and Development General Rules, 2022, we report that:

- (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- (b) The transactions of the Institution, which have come to our notice, have been within the powers of the Institution;
- (c) In our opinion, proper books of account as required by law have been kept by the Institution so far as it appears from our examination of those books;
- (d) The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (e) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards.

As required by letter No. DOS.ARG. No.6270/08.91.001/2019- 20 dated March 17, 2020 on "Appointment of Statutory Auditors (SCAs) – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under

- (a) In our opinion, the aforesaid Standalone Financial Statements comply with the applicable Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

- (b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
- (c) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- (d) Our Audit report on the adequacy and operating effectiveness of the Bank's Internal Financial Controls over Financial Reporting is given in **Annexure – A** to this report expressing an unmodified opinion on the Bank's Internal Financial Control over Financial Reporting with reference to the Standalone Financial Statements as at 31st March, 2023.

**For J Singh & Associates**  
**Chartered Accountants**  
**FRN- 110266W**

**J Singh**  
**Partner**  
**M.No. 042023**  
**UDIN: 22042023ANAAXF4598**  
**Place: Mumbai**  
**Date: April 20, 2023**



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 8(e) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the “RBI”) Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the “RBI communication”)**

We have audited the internal financial controls over financial reporting of National Bank for Financing Infrastructure and Development (“the Institution”) as at March 31, 2023 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank’s branches.

### **Management’s Responsibility for Internal Financial Controls**

The Bank’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, and to the best of our information and according to the explanations given to us the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on “the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For, J Singh & Associates**  
**Chartered Accountants**  
**FRN- 110266W**

**J Singh**  
**Partner**  
**M.No. 042023**  
**UDIN: 23042023BGSBSL4445**  
**Place: Mumbai**  
**Date: 20/04/2023**

**AUDITED ANNUAL FINANCIAL STATEMENT AS AT MARCH 31, 2023**

## NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT

## BALANCE SHEET AS AT MARCH 31, 2023

*(in Rs. crore)*

	Schedules	As at 31.03.2023 (Current Period)	As at 31.03.2022 (Previous Period)
<b>Assets</b>			
<b>Financial Assets</b>			
1. Cash in hand and balances with the Reserve Bank of India	I	-	-
2. Balances with banks	II	12,941.01	14,991.54
3. Derivative Financial Instruments	III	-	-
4. Loans	IV	9,753.74	-
5. Investments	V	4,340.60	10,005.27
6. Other financial assets (to be specified)	VI	275.90	125.43
<b>Non-Financial Assets</b>			
1. Property, plant and equipment	VII	1.62	0.04
2. Goodwill		-	-
3. Other intangible assets	VIII	0.24	-
4. Current tax assets		-	-
5. Deferred tax assets		-	-
6. Other non-financial assets (to be specified)	IX	2.03	-
<b>Total assets</b>		<b><u>27,315.13</u></b>	<b><u>25,122.29</u></b>
<b>Equity and liabilities</b>			
<b>Financial Liabilities</b>			
1. Deposits	X	-	-
2. Borrowings	XI	800.48	-
3. Debt Securities	XII	-	-
4. Derivatives Financial Instruments		-	-
5. Other financial liabilities (to be specified)	XIII	11.65	2.07

<b>Non-Financial Liabilities</b>			
1. Current tax liabilities		-	-
2. Deferred tax liabilities		-	-
3. Other non-financial liabilities (including provisions) to be specified	XIV	41.87	-
<b>Total liabilities</b>		<b>854.00</b>	<b>2.07</b>
<b>Shareholders' fund</b>			
a. Share capital	XV	20,000.00	20,000.00
b. Reserves and surplus	XVI	6,461.13	5,120.22
<b>Total</b>		<b>26,461.13</b>	<b>25,120.22</b>
<b>Total equity and liabilities</b>		<b><u>27,315.13</u></b>	<b><u>25,122.29</u></b>
Contingent liabilities	XVII	270.00	-

The Schedules referred to above form an integral part of the Balance Sheet.

### As per our report of even date

For J Singh & Associates/ कृते जे सिंह एंड एसोसिएट्स  
Chartered Accountants/ सनदी लेखाकार  
FRN./ फर्म पंजीकरण संख्या 110266W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
निदेशक मंडल के लिए और उनकी ओर से

**J Singh/**  
जे सिंह  
**Partner/**  
साझेदार  
**M.No./ सदस्यता संख्या**042023

**Monika Kalia/**  
मोनिका कालिया  
**(DMD-CFO)**  
(डीएमडी-सीएफओ)  
**DIN:08579733**

**T. N. Manoharan/**  
टी.एन. मनोहरन  
**(Director)/**  
(निदेशक)  
**DIN: 01186248**

**Rajkiran Rai G/**  
राज किरण राय जि  
**(Managing Director)/**  
(प्रबंध संचालक)  
**DIN: 07427647**

**Place: Mumbai/**  
स्थान - मुंबई  
**Date: April 20, 2023**  
दिनांक: अप्रैल 20, 2023

**Mrinal Goswami/**  
मृणाल गोस्वामी  
**(Head Treasury)**  
(विभाग प्रमुख, ट्रेजरी)

**Samuel Joseph**  
**Jebaraj/**  
शमूएल जोसफ जेबराज  
**(DMD-L&PF)**  
(डीएमडी-एल एंड पीएफ)  
**DIN: 02262530**

**B. S. Venkatesha/**  
बी. एस. वेंकटेशा  
**(DMD-CRO)**  
(डीएमडी-सीआरओ)  
**DIN: 08489577**

**NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023**

*(in Rs. crore)*

		Year Ended As at 31.03.2023 (Current Period)	Year Ended As at 31.03.2022 (Previous Period)
	Schedules		
<b>Income</b>			
Interest and discount	XVIII	1,121.89	122.74
Fees and commission income		-	-
Net gain/(loss) on sale of investments	XIX	-	-
<b>Other Income</b>	XX	5.18	-
<b>Total income</b>		<b><u>1,127.07</u></b>	<b><u>122.74</u></b>
<b>Expenditure</b>			
Finance Cost	XXI	3.29	-
Fees and commission expense		-	-
Provisions on financial assets	XXII	39.78	-
Employee benefits	XXIII	10.23	-
Depreciation and impairment on property, plant and equipment		0.28	0.01
Amortisation and impairment of intangible assets		-	-
Other expenses	XXIV	27.10	3.04
<b>Total expenses</b>		<b><u>80.68</u></b>	<b><u>3.05</u></b>
<b>Net profit/(loss) before taxes and exceptional items</b>		<b>1,046.39</b>	<b>119.70</b>
<b>Exceptional items</b>		<b>-</b>	<b>-</b>
<b>Net profit/(loss) before taxes</b>		<b><u>1,046.39</u></b>	<b><u>119.70</u></b>
<b>Tax expenses</b>		<b>-</b>	<b>-</b>
i. Current tax		-	-
ii. Deferred tax		-	-
<b>Net Profit/(loss) after tax for the period</b>		<b><u>1,046.39</u></b>	<b><u>119.70</u></b>

<b>Appropriations:</b>			
a. Transfer to General Reserve		-	-
b. Transfer to Special Reserve u/s 36(1)(viii) of the Income-tax Act, 1961		-	-
c. Transfer to Reserve Fund u/s 24 of NaBFID Act 2021		209.28	23.94
d. Others (to be specified)		-	-
e. Surplus in Profit and Loss account carried forward		<b>837.11</b>	<b>95.76</b>
<b>Earnings Per Share</b>			
a. Basic		0.52	0.06
b. Diluted		0.52	0.06

The Schedules referred to above form an integral part of the Statement of Profit and Loss.

**As per our report of even date**

**For J Singh & Associates/ कृते जे सिंह एंड एसोसिएट्स**  
Chartered Accountants/ सनदी लेखाकार  
FRN./ फर्म पंजीकरण संख्या 110266W

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**  
निदेशक मंडल के लिए और उनकी ओर से

**J Singh/**  
जे सिंह  
**Partner/**  
साझेदार  
**M.No./ सदस्यता संख्या**042023

**Monika Kalia/**  
मोनिका कालिया  
**(DMD-CFO)**  
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**(Director)/**  
(निदेशक)  
**DIN: 01186248**

**Rajkiran Rai G/**  
राज किरण राय जि  
**(Managing Director)/**  
(प्रबंध संचालक)  
**DIN: 07427647**

**Place: Mumbai/**  
स्थान - मुंबई  
**Date: April 20, 2023**  
दिनांक: अप्रैल 20, 2023

**Mrinal Goswami/**  
मृणाल गोस्वामी  
**(Head Treasury)**  
(विभाग प्रमुख, ट्रेजरी)

**Samuel Joseph**  
**Jebaraj/**  
शमूएल जोसफ जेबराज  
**(DMD-L&PF)**  
(डीएमडी-एल एंड पीएफ)  
**DIN: 02262530**

**B. S. Venkatesha/**  
बी. एस. वेंकटेशा  
**(DMD-CRO)**  
(डीएमडी-सीआरओ)  
**DIN: 08489577**



**SCHEDULES TO BALANCE SHEET:***(in Rs. crore)*

<b>Schedule I: Cash in hand and balances with the Reserve Bank of India</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
1. Cash in hand	-	-
2. Balances with the Reserve Bank of India	-	-
<b>Total (1+2)</b>	-	-

*(in Rs. crore)*

<b>Schedule II: Balances with banks</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
<b>1. In India</b>		
a. in current accounts	0.02	0.04
b. in other deposit accounts	12,940.99	14,991.50
<b>2. Outside India</b>		
a. in current accounts	-	-
b. in other deposit accounts	-	-
<b>Total (1+2)</b>	<b>12,941.01</b>	<b>14,991.54</b>

*(in Rs. crore)*

<b>Schedule III: Derivative financial Instruments</b>						
	<b>As at 31.03.2023 (Current Period)</b>			<b>As at 31.03.2022 (Previous Period)</b>		
<b>Part I</b>	<b>Notional amounts</b>	<b>Fair Value Assets</b>	<b>Fair Value Liabilities</b>	<b>Notional amounts</b>	<b>Fair Value Assets</b>	<b>Fair Value Liabilities</b>
<b>(i) Currency derivatives:</b>	-	-	-	-	-	-
-Spot and forwards	-	-	-	-	-	-
-Currency Futures	-	-	-	-	-	-
-Currency swaps	-	-	-	-	-	-
-Options purchased	-	-	-	-	-	-
-Options sold (written)	-	-	-	-	-	-
-Others	-	-	-	-	-	-
<b>Subtotal (i)</b>	-	-	-	-	-	-

<b>(ii)Interest rate derivatives</b>	-	-	-	-	-	-
-Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
-Options purchased	-	-	-	-	-	-
-Options sold (written)	-	-	-	-	-	-
-Futures	-	-	-	-	-	-
-Others	-	-	-	-	-	-
<b>Subtotal(ii)</b>	-	-	-	-	-	-
<b>(iii)Credit derivatives</b>	-	-	-	-	-	-
<b>(iv)Equity linked derivatives</b>	-	-	-	-	-	-
<b>(v)Other derivatives (Please specify)</b>	-	-	-	-	-	-
<b>Total Derivative</b>	-	-	-	-	-	-
<b>Financial Instruments (i)+(ii)+(iii)+(iv)+(v)</b>	-	-	-	-	-	-
<b>Part II</b>						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:	-	-	-	-	-	-
<b>(i)Fair value hedging:</b>	-	-	-	-	-	-
- Currency derivatives	-	-	-	-	-	-
- Interest rate derivatives	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-
- Equity linked derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Subtotal (i)</b>	-	-	-	-	-	-
<b>(ii)Cash flow hedging:</b>	-	-	-	-	-	-
- Currency derivatives	-	-	-	-	-	-
- Interest rate derivatives	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-
- Equity linked derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Subtotal (ii)</b>	-	-	-	-	-	-

(iii)Net investment hedging:	-	-	-	-	-	-
(iv)Undesignated Derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+ (ii)+(iii)+(iv)	-	-	-	-	-	-

(in Rs. crore)

<b>Schedule IV: Loans</b> [Net of specific provisions i.e. provisions for Non-Performing Assets]		
	As at 31.03.2023 (Current Period)	As at 31.03.2022 (Previous Period)
1. a. Bill purchased and bills discounted	-	-
b. Loans repayable on demand	-	-
c. Term loans	9,753.74	-
d. Others (to be specified)	-	-
<b>Subtotal (1)</b>	<b>9,753.74</b>	-
2. a. Secured by tangible assets	5,753.63	-
b. Secured by intangible assets	-	-
c. Secured by bank/government guarantee	-	-
d. Unsecured	4,000.11	-
<b>Subtotal (2)</b>	<b>9,753.74</b>	-
3. a. Loans in India	9,753.74	-
b. Loans outside India	-	-
<b>Subtotal (3)</b>	<b>9,753.74</b>	-
<b>Subtotal (1), (2) and (3) should tally with each other.</b>	<b><u>9,753.74</u></b>	<b>=</b>

(in Rs. crore)

<b>Schedule V: Investments</b> [net of provisions for depreciation and non-performing investments]		
	As at 31.03.2023 (Current Period)	As at 31.03.2022 (Previous Period)
<b>1. Investment in India</b>		
a. Securities of Central and State Governments	4,340.60	10,005.27
b. Shares of banks and financial institutions	-	-
c. Bonds, debentures and other securities of banks and financial institutions	-	-

d. Units of Mutual Funds and Other units	-	-
e. Shares, bonds, debentures, and other securities of other entities	-	-
f. Investment in Subsidiaries, associate, and joint ventures	-	-
g. Others (to be specified)	-	-
<b>Subtotal (1)</b>	<b>4,340.60</b>	<b>10,005.27</b>
<b>2. Investment outside India</b>		
a. Government securities	-	-
b. Subsidiaries, associates and joint ventures	-	-
c. Others (to be specified)	-	-
<b>Subtotal (2)</b>	<b>-</b>	<b>-</b>
<b>Total (1+2)</b>	<b>4,340.60</b>	<b>10,005.27</b>

(in Rs. crore)

<b>Schedule VI: Other financial assets</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
1. Receivables	-	-
2. Receivables in respect of insurance claims	-	-
3. Others (to be specified)	275.90	125.43
<b>Total</b>	<b>275.90</b>	<b>125.43</b>

(in Rs. crore)

<b>Schedule VII: Property, plant and equipment [Net of Depreciation]</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
<b>1. Properties</b>		
a. At cost as on 31st March of the preceding year	-	-
b. Additions during the year	-	-
c. Deductions during the year	-	-
d. Depreciation to date	-	-
<b>2. Plant and equipment</b>		
a. At cost as on 31st March of the preceding year	-	-
b. Additions during the year	-	-
c. Deductions during the year	-	-
d. Depreciation to date	-	-
<b>3. Other fixed assets</b>	<b>1.62</b>	<b>0.04</b>
a. At cost as on 31st March of the preceding year	0.04	0.00
b. Additions during the year	1.84	0.05

c. Deductions during the year	-	-
d. Depreciation to date	0.26	0.01
<b>Total (1+2+3)</b>	<b>1.62</b>	<b>0.04</b>

*(in Rs. crore)*

<b>Schedule VIII: Other Intangible Assets</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
1. Others Intangible Assets (to be specified)	0.24	-
a. At cost as on 31st March of the preceding year	-	-
b. Additions during the year	0.26	-
c. Deductions during the year	-	-
d. Depreciation to date	0.02	-
<b>Total</b>	<b>0.24</b>	<b>-</b>

*(in Rs. crore)*

<b>Schedule IX: Other non-financial assets</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
1. Advances given for procurement of Property, Plant and Equipment	-	-
2. Prepaid expenses	0.14	-
3. Others (to be specified)	1.89	-
<b>Total</b>	<b>2.03</b>	<b>-</b>

*(in Rs. crore)*

<b>Schedule X: Deposits</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
1. From Banks	-	-
2. From Others (to be specified)	-	-
<b>Total (1+2)</b>	<b>-</b>	<b>-</b>

*(in Rs. crore)*

<b>Schedule XI: Borrowings</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
<b>1. Borrowings in India</b>		
a. From Reserve Bank of India	-	-
b. From Government of India	-	-

c. Term Loans from Banks	-	-
d. Term Money Borrowings	-	-
e. Others (to be specified)	800.48	-
<b>Subtotal (1)</b>	<b>800.48</b>	-
<b>2. Borrowings outside India</b>		
a. Multilateral/Bilateral Organisations (to be specified)	-	-
b. Other Development Financial Institutions (to be specified)	-	-
<b>Subtotal (2)</b>	-	-
<b>Total (1 + 2)</b>	<b>800.48</b>	-

(in Rs. crore)

<b>Schedule XII: Debt securities*</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
<b>1. Debt securities issued in India</b>		
a. Bonds and debentures	-	-
b. Commercial paper	-	-
c. Certificate of deposits	-	-
d. Others (to be specified)	-	-
<b>Subtotal (1)</b>	-	-
<b>2. Debt securities issued outside India</b>		
a. Bonds and debentures	-	-
b. Others (to be specified)	-	-
<b>Subtotal (2)</b>	-	-
<b>Total (1 + 2)</b>	-	-

\* Debt securities subscribed by the Government of India shall be presented separately under this schedule.

(in Rs. crore)

<b>Schedule XIII: Other financial liabilities</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
1. Interest accrued	-	-
2. Unpaid Dividend	-	-

3. Unpaid matured debentures and interest accrued thereon	-	-
4. Others (to be specified)	11.65	2.07
<b>Total</b>	<b>11.65</b>	<b>2.07</b>

(in Rs. crore)

<b>Schedule XIV: Other non-financial liabilities (including provisions)</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
1. Revenue received in advance	-	-
2. Provisions	39.78	-
3. Others (to be specified)	2.09	-
<b>Total</b>	<b>41.87</b>	<b>-</b>

(in Rs. crore)

<b>Schedule XV: Share capital</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
<b>1. Authorized Capital</b>		
a. Equity Share Capital (1,00,00,00,00,000 Shares of Rs.10/- each)	1,00,000.00	1,00,000.00
	-	-
<b>2. Issued, Subscribed and Paid-up Capital:</b>	-	-
a. Equity Share Capital (20,00,00,00,000 Shares of Rs.10/- each fully paid up)	20,000.00	20,000.00
<b>Total share capital</b>	<b>20,000.00</b>	<b>20,000.00</b>

(in Rs. crore)

<b>Schedule XVI: Reserves and Surplus</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
<b>1. Reserve fund</b>		
(Created under Section 24 of the National Bank for Financing Infrastructure and Development Act, 2021)		
a. Opening Balance	23.94	0.00
b. Additions during the year	209.28	23.94
c. Utilisations during the year	-	-
d. Closing Balance	233.22	23.94

<b>2. Capital Reserve</b>		
a. Opening Balance	5,000.52	-
b. Additions during the year	294.53	5,000.52
c. Utilisations during the year		-
d. Closing Balance	5,295.05	5,000.52
<b>3. Investment Reserve</b>		
a. Opening Balance	-	-
b. Additions during the year	-	-
c. Utilisations during the year	-	-
d. Closing Balance	-	-
<b>4. Special Reserve created and maintained u/s 36(1)(viii) of the Income-tax Act, 1961</b>		
a. Opening Balance	-	-
b. Additions during the year	-	-
c. Utilisations during the year	-	-
d. Closing Balance	-	-
<b>5. Revaluation Reserves</b>	-	-
a. Opening Balance	-	-
b. Additions during the year	-	-
c. Utilisations during the year	-	-
d. Closing Balance	-	-
<b>6. General Reserve</b>		
a. Opening Balance	-	-
b. Additions during the year	-	-
c. Utilisations during the year	-	-
d. Closing Balance	-	-
<b>7. Balance in Statement of Profit &amp; Loss Account</b>		
a. Opening Balance	95.76	-
b. Additions during the year	837.11	95.76
c. Utilisations during the year	-	-
d. Closing Balance	932.87	95.76



<b>8. Other specific reserves (to be specified)</b>		
a. Opening Balance	-	-
b. Additions during the year	-	-
c. Utilisations during the year	-	-
d. Closing Balance	-	-
<b>Total Reserves and Surplus</b>	<b>6,461.13</b>	<b>5,120.22</b>

*(in Rs. crore)*

<b>Schedule XVII: Contingent liabilities</b>		
	<b>As at 31.03.2023 (Current Period)</b>	<b>As at 31.03.2022 (Previous Period)</b>
1. Claims against the institution not acknowledged as debts	-	-
2. On account of guarantees / Letters of Credit	270.00	-
3. On account of forward Contracts	-	-
4. On account of underwriting commitments	-	-
5. On account of uncalled monies on partly paid shares, debentures	-	-
6. Other items for which the institution is contingently liable (to be specified)	-	-
<b>Total</b>	<b>270.00</b>	<b>-</b>

**SCHEDULES TO PROFIT & LOSS ACCOUNT***(in Rs. crore)*

<b>Schedule XVIII: Interest and Discount</b>		
	<b>Year Ended March 31, 2023 (Current Period)</b>	<b>Year Ended March 31, 2022 (Previous Period)</b>
1. Interest and discount income on loans and advances	43.42	-
2. Interest and discount income on investments	733.19	122.74
3. Interest on balances with and dues from banks	343.50	-
4. Other interest income (to be specified)	1.78	-
<b>Total</b>	<b>1,121.89</b>	<b>122.74</b>

*(in Rs. crore)*

<b>Schedule XIX: Net gain/(loss) on sale of investments</b>		
	<b>Year Ended March 31, 2023 (Current Period)</b>	<b>Year Ended March 31, 2022 (Previous Period)</b>
1. Profit on sale of Investments Less: Loss on sale of investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*(in Rs. crore)*

<b>Schedule XX: Other income</b>		
	<b>Year Ended March 31, 2023 (Current Period)</b>	<b>Year Ended March 31, 2022 (Previous Period)</b>
1. Upfront and processing Fees	5.18	-
2. Income earned by way of dividends on investments	-	-
3. Income earned by way of dividends etc. from Subsidiaries, Associates and joint ventures	-	-
4. Foreign exchange gains/(loss) (other than considered as finance costs)	-	-
5. Other income (to be specified)	-	-
<b>Total</b>	<b>5.18</b>	<b>-</b>

*(in Rs. crore)*

<b>Schedule XXI: Finance Costs</b>		
	<b>Year Ended March 31, 2023 (Current Period)</b>	<b>Year Ended March 31, 2022 (Previous Period)</b>
1. Interest on deposits	-	-
2. Interest on borrowings	3.29	-
3. Interest on debt securities	-	-
4. Other interest expenses (to be specified)	-	-
<b>Total</b>	<b>3.29</b>	<b>0.00</b>

*(in Rs. crore)*

<b>Schedule XXII: Provision on financial assets</b>		
	<b>Year Ended March 31, 2023 (Current Period)</b>	<b>Year Ended March 31, 2022 (Previous Period)</b>
1. Provision for non performing assets	-	-
2. Provision for standard loans	39.01	-
3. Provisions for diminution in value of long term investments	0.77	-
4. Provisions / Reversals on other financial assets	-	-
<b>Total</b>	<b>39.78</b>	<b>-</b>

*(in Rs. crore)*

<b>Schedule XXIII: Employee benefits</b>		
	<b>Year Ended March 31, 2023 (Current Period)</b>	<b>Year Ended March 31, 2022 (Previous Period)</b>
1. Salaries and wages including bonus for Permanent Employees	3.04	-
2. Salaries and wages including bonus for Deputed Employees	7.14	-
3. Contribution to Provident Fund and other funds	-	-
4. Staff Welfare expenses	0.04	-
5. Others (to be specified)	0.01	-
<b>Total</b>	<b>10.23</b>	<b>-</b>

*(in Rs. crore)*

<b>Schedule XXIV: Other expenses</b>		
	<b>Year Ended March 31, 2023 (Current Period)</b>	<b>Year Ended March 31, 2022 (Previous Period)</b>
1. Rent, Rates and Taxes	5.65	0.02
2. Electricity and other utilities	0.01	-
3. Printing and Stationery	0.03	-
4. Communication cost	-	-
5. Advertisement and publicity	0.13	0.03
6. Directors' fees, allowances, and expenses	1.85	0.01
7. Auditor's fees and expenses	0.30	0.14
8. Legal and professional charges	16.35	1.83
9. Repairs and maintenance	-	-
10. Insurance	.-	-
11. Other Expenditure*	2.78	1.01
<b>Total</b>	<b>27.10</b>	<b>3.04</b>

\* Any item under the subhead 'Other expenditure' which exceeds one per cent of the total income to be presented separately.

Significant accounting policies

Schedule XXV

Notes forming part of accounts

Schedule XXVI

**SCHEDULE XXV: SIGNIFICANT ACCOUNTING POLICIES:****1. BASIS OF PREPARATION:**

The financial statements have been prepared to comply in all material respects with the National Bank for Financing Infrastructure and Development Act, 2021 (the “NaBFID Act, 2021) and Accounting Standards as notified under Companies (Accounting Standards) Rules 2015 and amended from time to time, in accordance with this Schedule or with such modification as may be required under certain circumstances. Where compliance with the requirements of relevant Act, Regulations, Guidelines or Circulars issued by the Reserve Bank of India from time to time including Accounting Standards (AS) (except the option of presenting assets and liabilities in accordance with current, non-current classification as provided by relevant AS) as applicable to the Institution require any change in treatment or disclosure including addition, amendment, substitution or deletion in the head or sub-head or any changes inter se, in the financial statements or statements forming part thereof, the same shall be made and the requirements under this Schedule shall stand modified accordingly. The financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated.

These financial Statements have been prepared under Reserve Bank of India (Financial Statements of All India Financial Institutions - Presentation, Disclosure and Reporting) Directions, 2016 as amended. These Financial Statements are prepared in accordance with Accounting Standards (AS) prescribed by the Institute of Chartered Accountants of India (ICAI) under General Accepted Accounting Principles (GAAP) as applicable in India.

The financial statements are presented in INR in crores and all values are rounded to the nearest rupee, except when otherwise indicated.

**2. USE OF ESTIMATES:**

The preparation of financial statements shall be in conformity with Generally Accepted Accounting Principles (GAAP) and shall require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. The impact of any revision to accounting estimates is recognized prospectively from the period of change.

### 3. REVENUE RECOGNITION:

Revenue is recognized when the requirements as to contractual performance have been satisfied, it is probable that the economic benefits will flow to the institution and the revenue can be reliably measured.

#### 3.1. INCOME:

- 3.1.1. Interest income including penal interest is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.
- 3.1.2. Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per institution's internal policy.
- 3.1.3. Commitment charges, service charges and royalty income are accounted for on accrual basis in respect of standard (performing) assets.
- 3.1.4. Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.
- 3.1.5. Recovery in non-performing assets (NPA) is to be appropriated in the following order:
  - a. If the hierarchy of appropriation is given in the facility agreement, the same should be followed.
  - b. In the absence of a clear agreement between the bank and the borrower for the purpose of appropriation of recoveries in NPAs (i.e. towards principal or interest due), institution will adopt an accounting principle and exercise the right of appropriation of recoveries in a uniform and consistent manner.
  - c. If the interest, principal or charges fall due on the same date, appropriation should be done as per the following hierarchy-
    - i. cost & charges
    - ii. overdue interest upto the date of NPA,
    - iii. overdue principal,
    - iv. penal interest.
    - v. Interest
    - vi. Principal
- 3.1.6. Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.
- 3.1.7. Amounts recovered against debts written-off in earlier years are recognized as income in the Profit & Loss account.
- 3.1.8. Profit or loss on sale of investment: Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under Held to Maturity category an equivalent amount is appropriated to Capital Reserves.
- 3.1.9. Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years are recognized as income.

### 3.2. EXPENDITURE:

- 3.2.1. All expenditures are accounted for on accrual basis.
- 3.2.2. Discount on Bonds and Commercial papers issued are amortized over the tenure of Bonds and Commercial Paper. The expenses relating to issue of Bonds shall be amortized over the tenure of the Bonds.

### 4. INVESTMENTS:

4.1. In terms of extant guidelines of the Reserve Bank of India on investment classification and valuation, the entire investment portfolio is categorized as “Held to Maturity”, “Available for Sale” and “Held for Trading”. Investments are valued in accordance with RBI guidelines. The investments under each category are further classified as:

- a) Government Securities,
- b) Other approved securities,
- c) Shares,
- d) Debentures & Bonds,
- e) Subsidiaries/ joint ventures and
- f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.).

(a) Held to Maturity:

Investments acquired with the intention to hold till maturity are categorized under Held to Maturity. Such investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Investments in subsidiaries are classified as Held To Maturity. Diminution, other than temporary, in the value of investments under this category is provided for each investment individually.

(b) Held for Trading:

Investments acquired for resale within 90 days with the intention to take advantage of the short-term price/interest rate movements are categorized under Held for Trading. The investments in this category are revalued scrip-wise and net appreciation /depreciation is recognized in the profit & loss account, with corresponding change in the book value of the individual scrips. In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.

(c) Available for Sale:

Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.

- 4.2. An investment is classified as Held To Maturity, Available For Sale or Held For Trading at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- 4.3. Treasury Bills, Commercial Papers and Certificates of Deposit,
  - a. If quoted then valued at Market price and
  - b. If unquoted, then same will be valued at carrying cost
- 4.4. The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd.(FBIL).
- 4.5. Investments which are made out of the Corpus or Funds provided by the Government of India (GOI) and netted off from the related Fund balances are carried at cost and not subject to RBI guidelines of valuation.
- 4.6. Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.
- 4.7. The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.
- 4.8. Cost of investments is determined on the weighted average cost method.
- 4.9. Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
- 4.10. Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration.
- 4.11. The units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund. Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available, or at Rs.1/-, as per RBI guidelines.
- 4.12. The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.

## **5. FOREIGN CURRENCY TRANSACTIONS:**

Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS)-11 "The effects of changes in foreign exchange rates" (revised 2003) issued by Institute of Chartered Accountants of India. Foreign currency transactions are recorded in the books of account in respective foreign currencies at the exchange rate prevailing on the date of transaction. Contingent liability in respect of outstanding forward exchange contracts is calculated at the contracted rates of exchange and in respect of guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI'). Monetary foreign currency assets and liabilities are translated at closing exchange rates notified by FEDAI and the resulting gains/losses are recognised in the profit and loss account. The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained for managing exchange risk.



The derivative contracts entered into for trading purposes are marked to market and the resulting gain or loss is accounted for in the profit and loss account. Any receivables under derivative contracts which remain overdue for more than 90 days and mark-to-market gains on other derivative contracts with the same counter-parties are reversed through profit and loss account.

## **6. LOANS AND ADVANCES:**

- 6.1 Assets representing loan and other assistance portfolios are classified as performing and non-performing based on the RBI guidelines. Provision for non-performing assets is made in accordance with the RBI guidelines.
- 6.2 Advances stated in the Balance Sheet are net of provisions made for non-performing advances, and restructured assets.
- 6.3 General provision on Standard Assets is made as per RBI guidelines.
- 6.4 Floating provision is made and utilized as per RBI guidelines and Board approved policy.

## **7. TAXATION:**

- 7.1 Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS).
- 7.2 Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- 7.3 Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. However, in case of unabsorbed depreciation or carried forward loss, deferred tax assets will be recognised only if there is virtual certainty of realisation of such assets.
- 7.4 Disputed taxes not provided for, including departmental appeals, are included under Contingent Liabilities, if those are classified as possible obligations based on legal opinion/judicial precedents/assessment by the institution.

## **8. SECURITISATION:**

- 8.1. The institution may purchase credit rated Asset pools from Banks / Non-Banking Finance Companies by way of pass-through certificates issued by the Special Purpose Vehicle. Such securitization transactions are classified as investments under Held for Trading / Available for Sale category depending upon the investment objective.
- 8.2. The institution may purchase credit rated pool of assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the institution.
- 8.3. The institution may enter into sale of Loans & Advances through direct assignment. In most of the cases, the institution may continue to service the Loans & Advances sold under these transactions and may be entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the institution based on the principle of surrender of control over the assets.
- 8.4. The residual interest on the Loans & Advances sold is recognised over the life of the underlying Loans & Advances. In accordance with the RBI guidelines, the profit/premium arising from securitisation of standard assets is amortised based on the method prescribed in the guidelines. The Bank accounts for any loss arising from securitisation immediately at the time of sale. Net income arising from sale of loan assets through direct assignment with recourse obligation is amortised over the life of underlying assets sold and net income from sale of loan assets through direct assignment, without any recourse obligation, is recognised at the time of sale. Net loss arising on account of direct assignment of loan assets is recognised at the time of sale.

## **9. SALE OF FINANCIAL ASSETS TO ASSET RECONSTRUCTION COMPANIES (ARCs):**

- 1.1. The sale of NPAs is on cash basis or investment in Security Receipt (SR) basis. In case of sale on SR basis, the sale consideration or part thereof is treated as investment in the form of SRs. Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.
- 1.2. The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

## **10. PROVISIONING FOR STAFF BENEFITS**

- 10.1. New Pension Scheme is a defined contribution scheme and can be opted voluntarily by employees. Institution pays fixed contribution at pre-determined rate and the obligation of the institution is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.

10.2. Benefits (Short – term) while in service : Liability on account of Short term benefits are determined on an undiscounted basis and recognized over the period of service, which entitles the employees to such benefits.

## **11. FIXED ASSETS AND DEPRECIATION:**

11.1. Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.

11.2. Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability. Depreciation has been provided on Straight Line Method based on the useful life of the assets.

11.3. Depreciation for the full year, is provided on:

- i. Furniture & Fixtures depreciation @ 20% Straight Line Method (5 years useful life)
- ii. IT equipment (viz. Computers, Laptops, Printers etc. and Software) @ 33.33% Straight Line Method (3 years useful life)
- iii. Building @ 5 percent on WDV basis
- iv. Electrical Installations: For owned assets @ 33.33% Straight Line Method (3 years useful life)
- v. Motor Car - Straight Line Method @ 50 percent (2 years useful life)
- vi. Office Equipment @ 33.33% Straight Line Method (3 years useful life)

Depreciation on additions / new acquisitions is provided pro-rata from the date of capitalisation and no depreciation is provided in the year of sale/disposal.

11.4. Leasehold land is amortised over the period of lease.

## **12. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

In accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets, the institution recognizes provisions when it has a present obligation as a result of past event and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed in the balance sheet and details given by way of Schedule to the Balance Sheet. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

## **13. PROVISIONING FOR FRAUD:**

RBI guidelines states that provisioning norms in respect of all cases of fraud:

a) Banks should normally provide for the entire amount due to the bank or for which the bank is liable (including in case of deposit accounts), immediately upon a fraud being detected. While computing the provisioning requirement, banks may adjust financial

collateral eligible under Basel III Capital Regulations - Capital Charge for Credit Risk (Standardized Approach), if any, available with them with regard to the accounts declared as fraud account;

b) However, to smoothen the effect of such provisioning on quarterly profit and loss, banks have the option to make the provisions over a period, not exceeding four quarters, commencing from the quarter in which the fraud has been detected;

c) Where the bank chooses to provide for the fraud over two to four quarters and this results in the full provisioning being made in more than one financial year, banks should debit 'other reserves' [i.e., reserves other than the one created in terms of Section 17(2) of the Banking Regulation Act 1949] by the amount remaining un-provided at the end of the financial year by credit to provisions. However, banks should proportionately reverse the debits to 'other reserves' and complete the provisioning by debiting profit and loss account, in the subsequent quarters of the next financial year;

d) Banks shall make suitable disclosures with regard to number of frauds reported, amount involved in such frauds, quantum of provision made during the year and quantum of unamortized provision debited from 'other reserves' as at the end of the year. (Ref: RBI/2021-2022/104 DOR.No.STR.REC.55/21.04.048/2021-22 October 1, 2021).

#### **14. GRANTS AND SUBSIDIES:**

In accordance with Accounting Standard 12- Government Grants, grants and subsidies from the Government and other agencies are accounted as per the terms and conditions of the Grant.

#### **15. OPERATING LEASE:**

In accordance with Accounting Standard 19- Leases, lease payments, including cost escalations, for assets taken on operating lease are recognised as an expense in the profit and loss account over the lease term on straight line basis.

#### **16. IMPAIRMENT OF ASSETS:**

In accordance with Accounting Standard 28- Impairment of Assets, the carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors, to recognize,

- a. the provision for impairment loss, if any required; or
- b. the reversal, if any, required for impairment loss recognized in the previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

**17. CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with RBI, balances with other banks and investment in Mutual Fund with an original maturity of three months or less."

**18. PRELIMINARY EXPENSES:**

Preliminary expenses and Preoperative expenses are fully written off in the year of set up of the institution.

**SCHEDULE XXVI: NOTES TO ACCOUNTS:****1. INSTITUTION PROFILE:**

The National Bank for Financing Infrastructure and Development (“the Institution”) has been set up, by way of the National Bank for Financing Infrastructure and Development Act, 2021 (“the NaBFID Act, 2021”) passed by the Parliament on 28<sup>th</sup> March 2021 as the principal development financial institution for infrastructure financing.

The developmental objective of the Institution shall be to co-ordinate with the Central and State Governments, regulators, financial institutions, institutional investors and such other relevant stakeholders, in India or outside India, to facilitate building and improving the relevant institutions to support the development of long-term non-recourse infrastructure financing in India including the domestic bonds and derivatives markets.

The financial objective of the Institution shall be 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.

In terms of Section 25 of the National Bank for Financing Infrastructure and Development Act, 2021 on the preparation of balance sheet and accounts of the Institution, the Balance Sheet and Statement of Profit & Loss of National Bank for Financing Infrastructure and Development (NaBFID) and Section 4(j) of NaBFID General Regulation dated March 02, 2022 relating to the examination of the quarterly, half-yearly and annual financial statements and the auditor’s report are required to be recommended by the Audit Committee before submission to the Board. The financial statements for the financial year ended March 31, 2023 have been audited by M/s J Singh & Associates, Statutory Auditors.

**2. IMPLEMENTATION OF IND-AS:**

As prescribed by RBI for All India Financial Institutions (AIFIs), implementation of Indian Accounting Standards (Ind AS) for AIFIs has been deferred till financial year 2024. Accordingly, financial statements of National Bank for Financing Infrastructure and Development (NaBFID) shall be prepared under Accounting Standard General Accepted Accounting Principles. Upon prescription of Ind AS by RBI for AIFIs, the appropriate forms applicable to Ind AS shall be adopted by NaBFID.

**3. PROVISION FOR INCOME TAX:**

The Central Government (CG) vide notification dated 18<sup>th</sup> April 2022 has granted exemption to NaBFID for applicability of the income tax for a period of 10 consecutive assessment years beginning from the Assessment Year 2022-23, in respect of the income

arisen or accrued by the Institution. Hence no provision for tax has been made during the period.

#### 4. BALANCES WITH BANKS UNDER SCHEDULE II:

Details of Balances with banks under Schedule II are as under:

*(in Rs. crore)*

Particulars	As At March 31, 2023	As At March 31, 2022
	(Audited)	(Audited)
<b>1. In India</b>		
a. in current accounts	0.01	0.04
b. in other deposit accounts		-
Fixed Deposit	7,685.00	9,965.00
Fixed Deposit (Surabhi)	63.78	26.50
Fixed Deposit – Grant Money	5,192.22	5,000.00
<b>2. Outside India</b>		
a. in current accounts	-	-
b. in other deposit accounts	-	-
<b>Total (1+2)</b>	<b>12,941.01</b>	<b>14,991.54</b>

#### 5. DETAILS OF OTHERS IN OTHER FINANCIAL ASSETS UNDER SCHEDULE VI:

*(in Rs. crore)*

Particulars	March 31, 2023	March 31, 2022
	(Audited)	(Audited)
3. Others		
Interest accrued on Investment	123.98	47.10
Interest accrued on Fixed Deposit	47.97	42.78
Advance Income Tax	0.00	35.53
Contribution to Security Deposit Account	0.02	0.02
Interest accrued on grant fixed deposit	103.94	-
<b>Total</b>	<b>275.90</b>	<b>125.43</b>

#### 6. DETAILS OF OTHERS IN OTHER FINANCIAL LIABILITIES UNDER SCHEDULE XIII:

*(in Rs. crore)*

Particulars	March 31, 2023	March 31, 2022
	(Audited)	(Audited)
Sundry Creditors	11.27	0.77
Provision for Expense Payable Account	0.11	1.17

Particulars	March 31, 2023	March 31, 2022
	(Audited)	(Audited)
Others Misc. Liabilities	0.27	0.13
<b>Total</b>	<b>11.65</b>	<b>2.07</b>

**7. DETAILS OF PROVISIONS INCLUDED IN OTHER NON- FINANCIAL LIABILITIES UNDER SCHEDULE XIV:**

*(in Rs. crore)*

Particulars	March 31, 2023	March 31, 2022
	(Audited)	(Audited)
Provision For Depreciation on Investment	0.77	-
Contingent Provisions against Standard Assets	39.01	-
<b>Total</b>	<b>39.78</b>	<b>-</b>

**8. DETAILS OF OTHER INTEREST INCOME IN INTEREST AND DISCOUNT UNDER SCHEDULE XVIII:**

The Institution has earned interest of Rs. 1,77 66,061/- on advance income tax paid in FY 2022.

**9. DETAILS OF OTHERS IN EMPLOYEE BENEFITS UNDER SCHEDULE XXIII:**

The Institution has incurred Training and participation fee costs under “Employee benefits sub section 4: Others” of Rs.78,000/- as on 31.03.2023.

**10. DETAILS OF OTHERS IN OTHER EXPENSES UNDER SCHEDULE XXIV:**

*(in Rs. crore)*

Particulars	March 31, 2023	March 31, 2022
	(FY 2023)	(FY 2022)
	(Audited)	(Audited)
Other Misc. Expenditure	0.54	1.02
Bond issuance expenses	1.08	-
Subscriptions	1.17	-
<b>Total</b>	<b>2.79</b>	<b>1.02</b>

**11. EARNINGS PER SHARE(EPS) (AS-20):**

The Institution reports basic and diluted Earnings Per Share in accordance with Accounting Standard 20 “Earnings per Share”. Basic Earnings Per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding at the year end. As on March 31, 2023, the Institution has EPS of 0.52.



12. The proposed dividend is NIL.

### 13. AUDITOR'S REMUNERATION:

Auditor's remuneration consists of the following:

*(in Rs. crore)*

Particulars	March 31, 2023	March 31, 2022
	(FY 2023)	(FY 2022)
	(Audited)	(Audited)
Statutory Audit fees	0.11	0.10
Tax Audit fees	0.05	0.04
Limited Review Fees	0.08	-
Internal Financial Control over Financial Reporting	0.05	-
Other Certificates	0.01	-

14. There is no material impairment of the fixed assets of the Institution in terms of Accounting Standard 28- Impairment of Assets.

15. There is no provisions for contingencies in terms of Disclosures under Accounting Standard 29.

### 16. INVESTOR'S COMPLAINTS:

There is NIL Investor's Complaints as at the end date of March 2023.

17. As per Section 5 of the Act, during financial period ended 31.3.22, the initial capital infusion by way of issued equity share capital to the tune of Rs. 20,000 crore (2,000 crore equity shares of Rs.10 each fully paid up) as notified by the Central Government stands allotted to the Central Government out of the total authorised equity share capital of Rs.1,00,000 crore (10,000 crore equity shares of Rs. 10 each). Further, as per Section 21 of the Act, a grant amount of Rs.5,000 crore in the form of Cash has been released by the Central Government.

18. Being in its initiation phase, during the current financial period, the Institution has registered its Net Profit of Rs.1,046.39 crore, primarily by interest earned on Fixed Deposits from Banks and G-Sec investments. Further, the Institution has its asset base at Rs.27,315.13 crore at the end of the financial period.

19. In terms of Section 24 of the NaBFID Act, 2021, the Institution shall establish a reserve fund to which may be transferred such sums as the Board may deem fit out of the annual profits accruing to the Institution. Accordingly, the Institution has established a Reserve Fund with transfer of twenty percent (20%) of the annual profits accruing to the Institution

and same has been approved by the Board. Hence, a sum of Rs.209.28 cr has been transferred as a specific Reserve Fund during the current financial period.

20. i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ii) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11(e), as provided under above, contain any material misstatement.

## 21. LIST OF RELATED PARTIES (AS 18):

<b>Key Managerial Personnel</b>
1. Mr. Rajkiran Rai G , Managing Director
2. Mr. B. S. Venkatesha, Deputy Managing Director, Chief Risk Officer
3. Ms. Monika Kalia, Deputy Managing Director, Chief Financial Officer
4. Ms Aishwarya Mhatre, Company Secretary
5. Mr. Mrinal Goswami, Head- Treasury

*Note: The assignment of NaBFID is being carried out by officers on deputation.*

**ADDITIONAL DISCLOSURES AS PER RBI GUIDELINES****1. Capital Adequacy (As per Basel I)***(in Rs. crore)*

<b>Sr. No.</b>	<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
i)	Common Equity	26 460.89	25 120.22
ii)	Additional Tier 1 capital	-	-
iii)	Total Tier 1 capital (i+ii)	26 460.89	25 120.22
iv)	Tier 2 capital	-	-
v)	Total Capital (Tier 1+Tier 2)	-	-
vi)	Total Risk Weighted Assets (RWAs)	6 247.23	-
vii)	Common Equity Ratio (Common Equity as a percentage of RWAs)	423.56%	-
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	423.56%	-
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	423.56%	-
x)	Percentage of the shareholding of the Government of India in the AIFI	100%	100%
xi)	Amount of equity capital raised	20 000.00	20 000.00.
xii)	Amount of Additional Tier 1 capital raised; of which a.) Perpetual Non-Cumulative Preference Shares (PNCPS): b.) Perpetual Debt Instruments (PDI)	-	-
xiii)	Amount of Tier 2 capital raised; of which a.) Debt capital instruments b.) Perpetual Cumulative Preference Shares (PCPS) c.) Redeemable Non-Cumulative Preference Shares (RNCPS) d.) Redeemable Cumulative Preference Shares (RCPS)	-	-

2. **Free Reserves and Provisions:**

2.1 Provision on Standard Assets

(Rs crore)

Particulars	FY 2022-23	FY 2021-22
Provisions towards Standard Assets	39.01	Nil

2.2 Floating Provisions

(Rs crore)

Particulars	FY 2022-23	FY 2021-22
(a) Opening balance in the floating provisions account	Nil	Nil
(b) The quantum of floating provisions made in the accounting year		
(c) Amount of drawdown made during the accounting year		
(d) Closing balance in the floating provisions account		

3. **Asset Quality and specific provisions**

3.1 Non-Performing Advances

(Rs crore)

Particulars	FY 2022-23	FY 2021-22
(i) Net NPAs to Net Advances (%)	Nil	Nil
(ii) Movement of NPAs (Gross)		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iii) Movement of Net NPAs		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance		
(b) Provisions made during the year		
(c) Write off / write back of excess provisions		
(d) Closing balance		

## 3.2 Non-Performing Investments

*(Rs crore)*

Particulars	FY 2022-23	FY 2021-22
(i) Net NPIs to Net Investments (%)		
(ii) Movement of NPIs (Gross)		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iii) Movement of Net NPIs		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iv) Movement of provisions for NPIs/ (excluding provisions on standard assets)		
(a) Opening balance		
(b) Provisions made during the year		
(c) Write off / write back of excess provisions		
(d) Closing balance		

## 3.3 Non-Performing Assets (3.1 + 3.2)

*(Rs crore)*

Particulars	FY 2022-23	FY 2021-22
(i) Net NPAs to Net Assets (Advance + investments) (%)		
(ii) Movement of NPAs (Gross Advances + Gross investments)		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iii) Movement of Net NPAs		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iv) Movement of provisions for NPAs/ (excluding provisions on standard assets)		
(a) Opening balance		
(b) Provisions made during the year		
(c) Write off / write back of excess provisions		
(d) Closing balance		

## 3.4 Particulars of Accounts Restructured:

No accounts were restructured during FY 2022-23 and FY 2021-22

## 3.5 Movement of Non-performing assets

*(Rs crore)*

Particulars	FY 2022-23	FY 2021-22
Gross NPAs as on opening date of accounting period (Opening Balance)		
Additions (Fresh NPAs) during the year		
<b>Sub-total (A)</b>		
Less:-		
(i) Upgradations	Nil	Nil
(ii) Recoveries (excluding recoveries made from upgraded accounts)		
(iii) Technical / Prudential Write offs		
(iv) Write offs other than those under (iii) above		
<b>Sub-total (B)</b>		
<b>Gross NPAs as on March 31 (A-B)</b>		

## 3.6 Write-offs and recoveries

*(Rs crore)*

Particulars	FY 2022-23	FY 2021-22
Opening balance of Technical / Prudential written off accounts as at April 1		
Add : Technical / Prudential write offs during the year		
<b>Sub-total (A)</b>	Nil	Nil
Less : Recoveries made from previously technical / prudential written off accounts during the year (B)		
<b>Closing balance as at March 31 (A-B)</b>		
<b>31</b>		

## 3.7 Overseas Assets, NPAs and Revenue

*(Rs crore)*

Particulars	FY 2022-23	FY 2021-22
Total Assets		
Total NPAs	Nil	Nil
Total Revenue		

## 3.8 Depreciation and provisions on investment

(Rs crore)

Particulars	FY 2022-23	FY 2021-22
(1) Investments		
(i) Gross Investments	4464.58	-
(a) In India	-	-
(b) Outside India		
(ii) Provisions for Depreciation	0.77	-
(a) In India	-	-
(b) Outside India		
(iii) Net Investments	4463.81	-
(a) In India	-	-
(b) Outside India		
(2) Movement of provisions held towards depreciation on investments	-	-
(i) Opening balance		
(ii) Add: Provisions made during the year	0.77	-
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year		
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi) Closing balance	0.77	-

## 3.9 Provisions and Contingencies

(Rs crore)

Particulars	FY 2022-23	FY 2021-22
Provisions for depreciation on Investment	0.77	-
Provision towards NPA	-	-
Provision made towards Income tax	-	-
Other Provision and Contingencies	39.01	-

## 3.10 Provisioning Coverage Ratio (PCR)

NA. Nil NPAs as on March 31, 2022 and March 31, 2023

#### 4. Investment portfolio: constitution and operations

##### 4.1 Repo Transactions

(Rs crore)

	Minimum outstanding during the Year	Maximum outstanding during the Year	Daily Average outstanding during the Year	Outstanding as on March 31, 2023
Securities sold under repo				
i. Government securities	Nil	Nil	Nil	Nil
ii. Corporate debt securities				
Securities purchased under reverse repo				
i. Government securities	Nil	Nil	Nil	Nil
ii. Corporate debt securities				

##### 4.2 Disclosure of Issuer Composition for Investment in Debt securities

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
	(1)	(2)	(3)	(4)	(5)	(6)
(i)	PSUs	-	-	-	-	-
(ii)	FIs	-	-	-	-	-
(iii)	Banks	-	-	-	-	-
(iv)	Private Corporates	-	-	-	-	-
(v)	Subsidiaries / Joint Ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Provision held towards depreciation	-	-	-	-	-
	Total *	-	-	-	-	-

##### 4.3 Sale and Transfers to / from HTM Category

There were no sale and transfers to/from HTM category



**5. Details of Financial Assets purchased/ sold/****5.1 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction****A. Details of Sales***(Rs crore)*

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
(i) No. of accounts		
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain / loss over net book Value		

**B. Details of Book Value of Investments in Security Receipts**

<b>Particulars</b>	<b>Book value of investments in security receipts</b>	
	<b>FY 2022-23</b>	<b>FY 2021-22</b>
(i) Backed by NPAs sold by the AIFIs underlying		
(ii) Backed by NPAs sold by banks / other financial institutions / non- banking financial companies as underlying	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

## 5.2 Details of Non-Performing Financial Assets Purchased / Sold

### A. Details of non-performing financial assets purchased

(Rs crore)

Particulars	FY 2022-23	FY 2021-22
1. (a) No. of accounts purchased during the Year	Nil	Nil
(b) Aggregate outstanding		
2. (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding		

### B. Details of non-performing financial assets sold:

(Rs crore)

Particulars	FY 2022-23	FY 2021-22
1. No. of accounts sold	Nil	Nil
2. Aggregate outstanding		
3. Aggregate consideration received		

## 6. Operating Results

(Rs crore)

Particulars	FY 2022-23	FY 2021-22
(i) Interest Income as a percentage to Working Funds	5.33%	-
(ii) Non interest income as a percentage to Working Funds	0.02%	-
(iii) Operating Profit as a percentage to Working Funds	5.16%	-
(iv) Return on Assets	4.98%	-
(v) Net Profit per employee (Rs in crore)	23.25	-

## 7. Credit Concentration risk

### 7.1 Capital market exposure

(Rs crore)

Particulars	FY 2022-23	FY 2021-22
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil

(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;		
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;		
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds `does not fully cover the advances;		
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		
(vii) bridge loans to companies against expected equity flows / issues;		
(viii) underwriting commitments taken up by the AIFI in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;		
(ix) financing to stockbrokers for margin trading;		
(x) all exposures to Venture Capital Funds (both registered and unregistered)		
<b>Total Exposure to Capital Market</b>	<b>Nil</b>	<b>Nil</b>

## 7.2 Exposure to Country risk

(Rs crore)

Risk Category	Exposure (net) as at March 31	Provision held as at March 31	Exposure (net) as at March 31	Provision held as at March 31
	FY 2022-23	FY 2022-23	FY 2021-22	FY 2021-22
Insignificant	Nil	Nil	Nil	Nil
Low				
Moderate				
High				
Very High				
Restricted				
Off-credit				
Total	Nil	Nil	Nil	Nil

## 7.3 Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded/

- (i) The number and amount of exposures in excess of the prudential exposure limits during the year

Sl. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as percentage to capital Funds
1.	NA	NA	NA	NA	NA	Nil	Nil	Nil

- (ii) Credit exposure as percentage to capital funds and as percentage to total assets, in respect of:

Particulars	As % to total capital funds	As % to total assets
The largest single borrower	15.12%	14.64%
The largest borrower group	26.45%	25.63%
The 20 largest single borrowers/20	61.59%	59.67%
The 20 largest single borrowers groups	61.59%	59.67%

(iii) Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets

<b>Industrial Sector (as per Harmonized List of Infrastructure)</b>	<b>Credit exposure as % to total loan asset/</b>
1. Roads	12.00%
2. Railways	24.50%
3. Power	63.50%
<b>Total</b>	<b>100.00%</b>

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken as also the estimated value of such intangible collateral. The disclosure shall be made under a separate head to differentiate such loans from other entirely unsecured loans: Rs. 149.54 Crores

(v) Factoring exposures: Nil

(vi) Exposures where the FI had exceeded the Prudential Exposure Limits during the year: Nil

#### **7.4 Concentration of borrowings /lines of credit, credit exposures and NPAs (to be shown separately)**

(a) Concentration of borrowings and lines of credit:

<b>Particulars</b>	<i>(Rs crore)</i>	
	<b>FY 2022-23</b>	<b>FY 2021-22</b>
Total borrowings from twenty largest lenders	Nil	Nil
Percentage of borrowings from twenty largest lenders to total borrowings of the AIFI	Nil	Nil

(b) Concentration of credit exposures

<b>Particulars</b>	<i>(Rs crore)</i>	
	<b>FY 2022-23</b>	<b>FY 2021-22</b>
Total exposures to twenty largest borrowers	16,298.46	Nil
Percentage of exposures to twenty largest borrowers to Total Advances of the AIFI/	100.00%	Nil
Total Exposure to twenty largest borrowers /	16,298.46	Nil

customers		
Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the AIFI on borrowers / customers	100.00%	Nil
In the case of EXIM Bank, percentage of total oftop ten country exposures to total exposures/	NA	NA

## (c) Sector-wise concentration of exposures and NPAs

<i>Industrial Sector (as per Harmonized List of Infrastructure)</i>	<i>Credit exposure % to Main Sector indicated in 7.3 (iii) above</i>
1. Roads – HAM/	25.60% of Roads
2. Roads – Toll	74.40% of Roads
3. Power – Renewables	62.30% of Power

**7.5 Unhedged Foreign Currency Exposure: Nil****8. Derivatives**

## 8.1 Forward Rate Agreement / Interest Rate Swap

*(Rs crore)*

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
i) The notional principal of swap agreements/		
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
iii) Collateral required by the AIFI upon entering into swaps	Nil	Nil
iv) Concentration of credit risk arising from the swaps		
v) The fair value of the swap book		

## 8.2 Exchange Traded Interest Rate Derivative

*(Rs crore)*

Particulars		FY 2022-23	FY 2021-22
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrumentwise)	Nil	Nil
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 <sup>st</sup> March	Nil	Nil
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil
(iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil

8.3 Disclosures on risk exposure in derivative: No derivative exposures were taken during FY 2022-23.

## 9. Disclosure of Letters of Comfort (LoCs)

*(Rs crore)*

Particulars	FY 2022-23	FY 2021-22
Letter of Comfort (LoCs) – issued during the year	270.00	0.00
Assessed financial impact	Standard & Regular	NA
Assessed cumulative financial obligation under LoC's – past and outstanding	270.00	0.00

## 10. Asset Liability Management

*(Rs in crore)*

	1 to 14 days	15 to 28 days	29 days to 3 month	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
<b>Deposits</b>	0	0	0	0	0	0	0	0	<b>0</b>
<b>Advances</b>	0.11	0.00	0.93	23.61	27.46	373.38	535.58	8792.67	<b>9753.74</b>
<b>Investments</b>	2496.45	324.17	1519.98	0.00	0.00	0.00	0.00	0.00	<b>4340.60</b>

<b>Borrowings</b>	0.00	800.48	0.00	0.00	0.00	0.00	0.00	0.00	<b>800.48</b>
<b>Foreign Currency assets</b>	0	0	0	0	0	0	0	0	<b>0</b>
<b>Foreign Currency liabilities</b>	0	0	0	0	0	0	0	0	<b>0</b>

**11. Draw Down from Reserve:** No draw-downs were made from reserves during FY 2022-23

**12. Business Ratios (Rs crore)**

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
Return on Equity	4.06%	-
Return on Assets	4.98%	-
Net Profit Per Employee *(Rs in crore)	23.25	-

\* including employees on deputation/secondee

**13. Disclosure of Penalties imposed by RBI:** Nil

**14. Disclosure of Complaint:** No complaints received from customers during FY 2022-23.

**15. Off-Balance Sheet SPVs Sponsored:** Nil

**16. Disclosure as per specific accounting standards**

16.1 Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies:

Depreciation policy has been changed without any financial impact for FY 21-22 and FY 22-23.

16.2 Accounting Standard 17 – Segment Reporting: NaBFID is operating in only one business segment of infrastructure financing.

16.3 Accounting Standard 18 – Related Party Disclosure



As per AS-18 Related Party Disclosures issued by the ICAI, the related parties are disclosed below:

<b>Key Managerial Personnel</b>
1. Mr. Rajkiran Rai G , Managing Director
2. Mr. B. S. Venkatesha, Deputy Managing Director, Chief Risk Officer
3. Ms. Monika Kalia, Deputy Managing Director, Chief Financial Officer
4. Ms Aishwarya Mhatre, Company Secretary

No related party transactions took place during FY 2022-23.

### 17. Unamortised Pension and Gratuity Liabilities:

Provision for gratuity liability is being made on estimate basis. There are no obligations under any defined benefit plan.

For J Singh & Associates/ कृते जे सिंह एंड एसोसिएट्स  
Chartered Accountants/ सनदी लेखाकार  
FRN./ फर्म पंजीकरण संख्या 110266W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
निदेशक मंडल के लिए और उनकी ओर से

**J Singh/**  
जे सिंह  
**Partner/**  
साझेदार  
**M.No./** सदस्यता संख्या042023

**Monika Kalia/**  
मोनिका कालिया  
**(DMD-CFO)**  
(डीएमडी-सीएफओ)  
**DIN:08579733**

**T. N. Manoharan/**  
टी.एन. मनोहरन  
**(Director)/**  
(निदेशक)  
**DIN: 01186248**

**Rajkiran Rai G/**  
राज किरण राय जि  
**(Managing Director)/**  
(प्रबंध संचालक)  
**DIN: 07427647**

**Place: Mumbai/**  
स्थान - मुंबई  
**Date: April 20, 2023**  
दिनांक: अप्रैल 20, 2023

**Mrinal Goswami/**  
मृणाल गोस्वामी  
**(Head Treasury)**  
(विभाग प्रमुख, ट्रेजरी)

**Samuel Joseph**  
**Jebaraj/**  
शमूएल जोसफ जेबराज  
**(DMD-L&PF)**  
(डीएमडी-एल एंड पीएफ)  
**DIN: 02262530**

**B. S. Venkatesha/**  
बी. एस. वेंकटेशा  
**(DMD-CRO)**  
(डीएमडी-सीआरओ)  
**DIN: 08489577**

## NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT

## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2023

(Amount in Rs. Crore)

Particulars/ विवरण	Year ended	
	March 31, 2023	March 31, 2022
	(Audited)	(Audited)
<b>Cash Flow from Operating Activities</b>		
Net Profit before tax as per P & L Account	<b><u>1,046.39</u></b>	<b><u>119.69</u></b>
<i>Adjustments for:</i>		
Depreciation	(0.28)	0.00
Preliminary Expenses w/o	-	-
Provisions made (net of write back)	37.96	1.30
Accrued Interest on Deposits	(109.13)	-
Accrued Interest on investments	(76.88)	(89.89)
Provision for diminution in value of investment	0.77	-
Profit on sale of investments (net)	-	-
Profit on sale of fixed assets	-	-
Dividend Received on Investments	-	-
<b>Cash generated from operations</b>	<b>898.33</b>	<b>31.11</b>
<i>Adjustments for net changes in:</i>		
Current assets	33.51	(35.54)
Current liabilities	12.72	0.77
Overdraft against fixed deposits	800.48	-
Bills of Exchange	-	-
Loans & Advances	(9753.74)	-
Net Proceeds of Bonds and Debentures & other borrowings	-	-
Deposits received	-	-
Payment of Tax	-	-
<b>Net Cash flow from/ (used) operating Activities</b>	<b><u>(8,008.20)</u></b>	<b><u>(3.66)</u></b>
<b>Cash Flow from Investing Activities</b>		-
Net (Purchase)/Sale of fixed assets	(2.05)	(0.04)
Net (Purchase)/Sale of Investments	5,664.68	(10,005.27)
Dividend Received on Investments	-	-
<b>Net cash flow from/ (used) Investing Activities</b>	<b><u>5,662.63</u></b>	<b><u>(10,005.32)</u></b>
<b>Cash flow from Financing Activities</b>		-
Proceeds from issuance of share capital & share premium	-	20,000.00
Grants received	-	5,000.00
Interest on Grant	295.05	0.52
<b>Net cash flow/ (used) in Financing Activities</b>	<b><u>295.05</u></b>	<b><u>25,000.52</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b><u>(2,050.53)</u></b>	<b><u>14,991.54</u></b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b><u>14,991.54</u></b>	<b><u>0.00</u></b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b><u>12941.01</u></b>	<b><u>14,991.54</u></b>

Cash in Hand	-	-
Current account balance with Bank	0.02	0.04
Mutual Funds	-	-
Deposits	12,940.99	14,991.50

Note: Cash Flow statement has been prepared as per the Indirect Method prescribed in AS-3 (Revised) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India (ICAI)

### As per our report of even date

For J Singh & Associates/ कृते जे सिंह एंड एसोसिएट्स  
Chartered Accountants/ सनदी लेखाकार  
FRN./ फर्म पंजीकरण संख्या 110266W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
निदेशक मंडल के लिए और उनकी ओर से

**J Singh/**  
जे सिंह  
**Partner/**  
साझेदार  
**M.No./ सदस्यता संख्या**042023

**Monika Kalia/**  
मोनिका कालिया  
**(DMD-CFO)**  
(डीएमडी-सीएफओ)  
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**NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT**  
Swavalamban Bhavan, C-1 1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051