

RATING RATIONALE

04 Nov 2025

India Infrastructure Finance Company Limited

Brickwork Ratings reaffirms the rating for the long term tax free bonds amounting to Rs.10,285.46 Crs of India Infrastructure Finance Company Limited (IIFCL) and withdraws the rating for the long term unsecured bonds amounting to Rs. 2000 crores (present outstanding amount - nil) on redemption.

Particulars

Instruments @	Amount (₹ Crs)		Tenure	Rating#	
	Previous	Present		Previous (7 Nov 2024)	Present
Long term Tax-free bonds	10,285.46	10,285.46	Long Term	BWR AAA /Stable / (removed from ISSUER NOT COOPERATING* category and Reaffirmed)	BWR AAA/Stable/ Reaffirmation
Long term Unsecured bonds	0.00	0.00	Long Term	BWR AAA /Stable / (removed from ISSUER NOT COOPERATING* category and Reaffirmed)	Withdrawn
Total	10,285.46	10,285.46	INR Ten Thousand Two hundred Eighty Five Crores and Forty Six lakhs Only		

@ Details of NCDs are provided in Annexure II.

Please refer to the BWR website www.brickworkratings.com/ for the definition of the ratings.

* Issuer did not Cooperate; based on best available information.

RATING ACTION / OUTLOOK: REAFFIRMATION/STABLE

Brickwork Ratings (BWR) reaffirms the rating of long term tax free bond issues of Rs. 10,285.46 Crs and withdraws the rating of long term unsecured bonds of Rs. 2000 Crs (present outstanding amount - nil) of India Infrastructure Finance Company Limited (IIFCL or the Company) as tabulated above.

The rating reaffirmation continues to derive comfort from the 100% equity held by Government of India (GoI), strategic importance of IIFCL for the Government of India and improved overall financial risk profile of IIFCL. IIFCL, is instrumental in driving long-term project financing, facilitating private sector participation through structured lending, and ensuring the successful execution of critical infrastructure projects. BWR believes that IIFCL’s business risk profile will be maintained over the medium term. The Stable outlook indicates a low likelihood of rating change over the medium term

BWR has withdrawn the rating for the long term unsecured bonds of Rs. 2000 Crs, (present outstanding amount - nil), on account of redemption in full as confirmed by both, the Issuer and

the Debenture Trustee (IDBI). The receipt of these essential documents conforms with the BWR Rating Withdrawal Policy.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The Company has rated various instruments in the nature of bonds and each of these categories has a different issue date, maturity date and coupon rate. Additional details are provided Annexure II.

KEY RATING DRIVERS:

CREDIT STRENGTHS:-

Strong Ownership and support from Government of India (GoI): IIFCL is 100% GOI owned enterprise. IIFCL is the apex institution in infrastructure financing, which is a critical sector for the country, and BWR believes the company will continue to receive support from the GoI. The GoI provides capital support to the company through budgetary allocation. Furthermore, IIFCL has been permitted to raise tax-free bonds to meet its borrowing requirements. The government has nominee directors on the board of the company. The board of directors include senior officials from the Ministry of Finance, Niti Aayog, Executive Directors of Public Sector Banks and Independent Directors. The company also benefits from the experienced management with a long track record. The Department of Financial Services, GOI, has assigned the duties and responsibilities of Managing Director (MD), IIFCL to Shri Palash Srivastava, Deputy Managing Director (DMD), IIFCL on additional charge basis for a period of six (6) months w.e.f. 29 May 2025 to 28 Nov 2025, or until a regular incumbent is appointed to the post of MD, IIFCL, or until further orders. Shri Palash Srivastava has extensive experience in public-private partnerships (PPPs), infrastructure financing, structured finance, and capacity building. He has been instrumental in project appraisal, long-term financing, and structuring investments for large-scale infrastructure projects spanning roads, ports, airports, railways, urban transport, water supply, and solid waste management. His expertise extends across emerging sectors such as aerospace, space, agriculture warehousing, industrial parks, special economic zones (SEZs), IT infrastructure, real estate, healthcare, and tourism. BWR believes that given the strategic importance of the Company to the GoI initiatives on strengthening the Infrastructure projects, GoI shall provide timely support to the Company, whenever required.

Strong capitalisation, liquidity and resource profile : IIFCL being 100% GOI owned, the Government of India has been providing timely financial support to the Company in the form of regular capital infusion. As on 31st March 2025, the Authorized Share Capital of the company stood at ₹10,000 crore and the Paid-Up Share Capital was ₹9999.92 crores consisting of 999,99,16,230 equity shares of ₹10 each, entirely held by Government of India. Given comfortable capital adequacy, no equity contribution was received by India Infrastructure Finance Company Limited (IIFCL) during FY25.

With the retention of profit, the net worth of the company improved to Rs 16837 Crs as on 30 June 2025. With the improvement in net worth as stated above and maintenance of borrowings at the existing levels, gearing stood at 3.86x as on 30 June 2025 as against 3.88x as on 31 March 2025.

The total capital adequacy ratio (CAR) was 24.40% as on 30 June 2025 providing an adequate cushion over the minimum regulatory requirement of 15%.

Diversified Resource Profile: The company has a diversified borrowing profile, with funds raised from banks/ FIs in the forms of Overdraft and short term loans and foreign currency loans, and market issues in the form of non-convertible debentures. As of 31 Mar 2025, the company's borrowings stood at Rs.63,600 Crs, including Rs. 30,053 crs in debt securities and ₹ 33,547 crs of bank and multilateral borrowings.

CREDIT RISKS:-

Improved asset quality albeit remains monitorable.

Given the nature of infrastructure business, the portfolio has high exposure in the road and power sector. The company's asset quality has improved significantly over the last three years, with Gross Non Performing Asset and Net Non-Performing Asset ratios falling to 1.11 per cent and 0.35 percent respectively as on 31 March 2025 from about 1.61 per cent and 0.46 per cent on 31 March 2024. Furthermore, 93 per cent of IIFCL's loan assets are of high quality (AAA, AA & A rated). As on 31st March 2025, the Gross NPAs stood at ₹777.98 crore and the Net NPAs stood at ₹243.41 crore. Besides, accounts to the extent of ₹22.41 crore were written-off during the year 2024-25. As on 31st March 2025, the gross NPA ratio was at a level of 1.11% and Net NPA Ratio was at level of 0.35%. The Provision coverage ratio was 68.71% as on 31st March 2025. During 2024-25, recovery of ₹746.66 crore has been made, which, inter-alia, includes ₹597.58 crore (including SRs of ₹168.34 Cr and NCDs of Rs121.79 Cr) recovered from written-off/ARC Accounts. The company continues to focus on loan recovery and also strengthen its credit portfolio by incrementally lending to better profiled customers. Going ahead, the company's ability to manage and improve the asset quality will remain a key monitorable.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA:

To arrive at its ratings, BWR has taken the consolidated financials of IIFCL into consideration and the implicit support of GoI. BWR has applied its rating methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

The company's ability to improve asset quality and profitability while maintaining liquidity and improving the overall financial risk profile will be key rating sensitivities.

Negative: The rating may be reviewed if there is any change in the ownership and/or diminution in the strategic importance of the institution to the GoI or a significant deterioration in the company's credit risk profile.

LIQUIDITY INDICATORS: ADEQUATE

Liquidity risk is the risk of loss due to failure of the institution to meet funding requirements or execute a transaction utilizing funds borrowed at a reasonable price. There may be market liquidity risk or funding liquidity risk. IIFCL manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of combined credit lines. LCR was at 119.50% as on 30 June 2025 reflecting adequate liquidity. IIFCL has good resource profile and financial flexibility benefitted by 100% GOI stake in the ownership and likely support of GOI to infuse capital when needed.

COMPANY’s PROFILE

India Infrastructure Finance Company Ltd (IIFCL), registered with the RBI as an NBFC-IFC in September 2013, was set-up in 2006 with an objective to provide long-term finance to viable infrastructure projects through the Scheme for Financing Viable Infrastructure Projects. IIFCL is wholly owned by the GoI. The company lends through Direct Lending, Refinance, Takeout Finance, Investment in Bonds / Inveits issued by Project Infrastructure companies and Credit Enhancement. IIFCL gives overriding priority to Public Private Partnership (PPP) projects.

IIFCL has three wholly owned subsidiaries, viz., India Infrastructure Finance Company (UK) Ltd [IIFC (UK)], IIFCL Asset Management Company Ltd (IAMCL) and IIFCL Projects Limited (IPL). IIFC (UK) was set-up with an objective of lending in foreign currency to Indian companies implementing infrastructure projects in the country. IAMCL was set-up to carry on the business of Investment Management or to act as Asset Management Company and/or to manage Infrastructure Debt Funds through Mutual Fund route and IPL was established with the aim of providing varied advisory services from the point of identification and conception of infrastructure projects and gauging their feasibility to the point of monitoring and supervision.

IIFCL continues to provide financial support for infrastructure projects, and has recently shifted its focus to projects of national significance, extending financial aid to some of the most prominent ongoing projects such as Navi Mumbai International Airport, Jewar International Airport, Pune IT City Metro and Ganga Expressway. Loan book quality remains good with 93% of its loan books rated A and above.

IIFCL provides financial assistance through long term debt, and also by way of refinance to banks and financial institutions once the viability of the project is established. As a matter of policy it lends up to 20% of the capital cost of a project under direct lending. IIFCL also plays an important role in Public Private Partnership (PPP) projects as it has a special mandate from the Government to catalyze infrastructure growth in the country especially through public-private partnership (PPP) route.

IIFCL is the apex institution for infrastructure financing in our country. Its significance is crucial for growth in the economy across the key infrastructure sectors. The company derives strengths from the 100% GOI ownership, strong board of directors and experienced management team across varied fields

About the Company:

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Financial	Other Financial Services

India Infrastructure Finance Company Ltd (IIFCL), registered with the RBI as an NBFC-IFC in September 2013, was set up in 2006 to provide long-term finance to viable infrastructure projects through the Scheme for Financing Viable Infrastructure Projects. IIFCL is wholly owned by the GoI. The company lends through Direct Lending, Refinance, Takeout Finance and Credit Enhancement. IIFCL gives overriding priority to Public Private Partnership (PPP) projects.

Key Financial Indicators (Consolidated)

Key Indicators	Units	31-Mar-2023	31-Mar-2024	31-Mar-2025
Portfolio details	Unit	Audited	Audited	Audited
PAT	Rs in Crs	1256.00	1636.60	2631.43
Net Interest Income	Rs in Crs	1622.26	1818.56	2158.97
Total AUM	Rs in Crs	50823.33	54871.65	71486.24
Tangible Net Worth	Rs in Crs	12507.09	13986.21	16604.21
Gearing	In times	4.30	4.25	4.17

Key Financial Indicators (Standalone)

Key Parameters	Units	31-Mar-2023	31-Mar-2024	31-Mar-2025	30-Jun-2025
		Audited	Audited	Audited	Unaudited
Net Worth	Rs. Cr	13,831	14,266	16,395	16,837
CRAR	%	25.85%	28.15%	23.44%	24.40%
Gross NPA	%	2.58%	1.61%	1.11%	1.09%
Net NPA	%	0.70%	0.46%	0.35%	0.35%

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY: There was no non cooperation from other CRAs

Rating History for the last three years (including suspended/withdrawn rating)

S. No	Instruments	Current Rating (Nov 2025)			Rating History for the past 3 years		
		Type	Amount (₹ Crs)	Rating	2024	2023	2022
1.	Long Term Unsecured Bonds (Guaranteed by GoI)	Long Term	0.00	Withdrawn	7 Nov 2024	-	19 Dec 2022
					BWR AAA/ Stable/ Reaffirmed	-	BWR AAA/ Stable (Reaffirmed)
2.	Long Term Tax-free Bonds	Long Term	10,285.46	BWR AAA /Stable/ Reaffirmed	08 May 2024 BWR AAA/ Stable/ISSUER NOT COOPERATING* / Reaffirmed	-	BWR AAA/ Stable (Reaffirmed)
Total			10,285.46	INR Ten Thousand Two hundred Eighty Five Crores and Forty Six lakhs Only			

**COMPLEXITY LEVELS OF THE INSTRUMENTS -
Bonds : Complex**

For more information, visit

www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Banks and Financial Institutions](#)
- [Infrastructure Sector](#)
- [Rating based on Government Support](#)

Analytical Contacts	
Ankita Kothari Associate Manager - Ratings M: +91 8149771529 ankita.k@brickworkratings.com	Hemant Sagare Director - Ratings B :+91 6366953525 hemant.sagare@brickworkratings.com
1-860-425-2742	media@brickworkratings.com

ANNEXURE- I

Details of Bank Loan Facilities rated by BWR -NA

ANNEXURE II: Details of the Outstanding NCDs

Long Term Tax Free and Taxable Bonds: Rs. 18000 Crs				Principal Repayment	Complexity Levels
Issues	Amount (Rs. Crs)**	Rate	ISIN	Due date	
Tax Free bonds Series IIIB	100.00	7.38%	INE787H07081	15-Nov-27	Complex
Series IIIC	340.00	7.38%	INE787H07099	15-Nov-32	Complex
Tax Free bonds: Series IVB	50.00	7.26%	INE787H07115	21-Nov-27	Complex
Series IVC	21.00	7.26%	INE787H07123	21-Nov-32	Complex
Series II	760.96	7.38%	INE787H07149	22-Jan-28	Complex
Series III	1156.42	7.38%	INE787H07156	22-Jan-33	Complex
Series II	46.56	6.99%	INE787H07172	26-Mar-28	Complex
Series III	23.32	6.99%	INE787H07180	26-Mar-33	Complex
Tax Free Bond: Series VB	630.30	8.26%	INE787H07198	23-Aug-28	Complex
Series VC	2.00	8.26%	INE787H07206	23-Aug-33	Complex
Series VIB	1159.70	8.45%	INE787H07214	30-Aug-28	Complex
Series VIC	26.50	8.45%	INE787H07222	30-Aug-33	Complex
Series VIIB	1129.70	8.48%	INE787H07255	05-Sep-28	Complex
Series IIA	303.53	8.63%	INE787H07289	12-Nov-28	Complex
Series IIB	166.03	8.63%	INE787H07297	12-Nov-28	Complex
Series IIIA	186.90	8.63%	INE787H07305	12-Nov-33	Complex
Series IIIB	257.962	8.63%	INE787H07313	12-Nov-33	Complex
Series IIA	279.89	8.48%	INE787H07339	22-Jan-29	Complex
Series IIB	147.89	8.73%	INE787H07362	22-Jan-29	Complex
Series IIIA	754.40	8.66%	INE787H07347	22-Jan-34	Complex
Series IIIB	595.90	8.91%	INE787H07370	22-Jan-34	Complex
Series IIA	1595.85	8.16%	INE787H07396	27-Mar-29	Complex
Series IIB	283.39	8.16%	INE787H07420	27-Mar-29	Complex
Series IIIA	125.98	8.16%	INE787H07404	27-Mar-34	Complex
Series IIIB	141.28	8.16%	INE787H07438	27-Mar-34	Complex
Total	10,285.46**				

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II: Details of the Redeemed NCDs

Long Term Bonds: Rs. 2000 Crs (Secured by GOI guarantee) Redeemed					Principal Repayment	Complexity Levels
Issues	ISIN	Amount (Rs. Crs)	O/s Rs Crs	Rate	Due Date	
Series VII	INE787H09079	600	0	8.12%	12-Aug-24	Complex
Series VIII	INE787H09087	400	0	8.12%	24-Aug-24	Complex
Series IX	INE787H09095	1000	0	8.55%	3-Nov-24	Complex
Total		2000	0			

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Note : The aforesaid NCDs have been redeemed in full, as confirmed by the debenture trustee and the company

Extent of Consolidation

List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
India Infrastructure Finance Co. (UK) Ltd	100	Full	Subsidiary
IIFCL Projects Limited	100	Full	Subsidiary
IIFCL Asset Management Company Ltd	100	Full	Subsidiary

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,560 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner.

DISCLAIMER :

Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non-convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA). BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose

or use. In no event shall any BWR Party be liable to any one for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.