

April 02, 2025

India Infrastructure Finance Company Limited: Update on material event

Summary of rating action

Instrument	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Non-convertible debenture	4,000.00	4,000.00	[ICRA] AAA (Stable)
Tax-free/taxable bonds	13,015.20	13,015.20	[ICRA] AAA (Stable)
Fund-based/non-fund based bank facilities	6,000.00	6,000.00	[ICRA] AAA (Stable)
Total	23,015.20	23,015.20	

Rationale

India Infrastructure Finance Company Limited (IIFCL), vide its stock exchange filing dated March 28, 2025, has intimated that in accordance with the SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, Rs. 6,40,200 had been deposited in an escrow account designated for coupon payments. However, the payment was withheld, as per the SEBI circular, due to pending know your customer (KYC) compliance.

IIFCL's rating remains unchanged as the reason for the non-payment of interest to a few investors (26) was beyond its control. Specifically, the accounts in question were KYC non-compliant due to the unavailability of correct account/Permanent Account Number (PAN) details. ICRA notes that the company had made efforts, both independently and through the Registrar and Transfer Agent (RTA), to contact these investors to provide the KYC details. In the absence of a response, IIFCL did not remit the interest payments to these investors, in line with the requirements of the above-mentioned SEBI circular. This event does not reflect the lack of ability or willingness on the part of IIFCL to service its debt obligations. The company had a cash and bank balance of Rs. 3,996.25 crore as on March 27, 2025, in relation to the aggregate interest payment of Rs. 6,40,200 that was withheld on March 27, 2025 (due date of payment). Also, the payable amounts had been transferred to a separate escrow account held with a scheduled commercial bank on the due date of payment.

The table below includes the details of the instruments concerned:

Name of security	ISIN	Total amount to be paid (Rs. lakh)	Due date of payment	Amount of payment made (Rs. lakh)	Amount of payment failed (Rs. lakh)	Reasons for failure of payment	Date when the amount corresponding to the failed payment was transferred to a separate escrow account [^]
Tax-free bonds	INE787H07396 INE787H07404 INE787H07438 INE787H07420*	18,445.40	Mar 27, 2025	18,439.00	6.40	Withheld in accordance with SEBI circular [#] due to pending KYC compliance for want of correct bank account/PAN details	Mar 27, 2025

^{*}Not rated by ICRA; [#] SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024; [^]As per the SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, Rs. 6.40 lakh has been deposited in an escrow account designated for coupon payments

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy on Default Recognition
Parent/Group support	The rating derives significant strength from IIFCL's sovereign ownership (entire stake held by the Government of India (GoI) as on December 31, 2024), strategic importance to the GoI and the expectation of continued support from the GoI in the form of capital as well as guarantees on debt
Consolidation/Standalone	Standalone

About the company

India Infrastructure Finance Company Limited (IIFCL), incorporated in January 2006 and wholly owned by the Government of India (GoI), is recognised as a public financial institution for financing infrastructure projects in the country.

At the standalone level, the total loan book was Rs. 64,060 crore as on December 31, 2024 against Rs. 51,017 crore as on March 31, 2024. As on December 31, 2024, the take-out finance book (operational exposures taken over from other financial institutions) accounted for 22% of the portfolio while the balance was in the form of direct lending (24%) and refinance (29%) and bonds/Infrastructure Investment Trust (InvITs; 24%). IIFCL's exposure is largely concentrated towards the road and power sectors, which accounted for 39% and 49%, respectively, of the overall portfolio (excluding refinance) as on December 31, 2024.

At the standalone level, IIFCL reported a net profit of Rs. 1,342 crore on a total asset base of Rs. 78,899 crore in 9M FY2025 compared with Rs. 1,552 crore and Rs. 67,444 crore, respectively, in FY2024.

As on December 31, 2024, IIFCL's gross and net stage 3 assets (standalone) were 1.07% and 0.30%, respectively (1.61% and 0.46%, respectively, as on March 31, 2024). The company's capitalisation at the standalone level was characterised by a net worth of Rs. 15,653 crore and a gearing of 3.8x as on December 31, 2024. The gearing, excluding the borrowings guaranteed by the GoI, is estimated to have stood at 2.9x as on December 31, 2024. About 26% of the company's borrowings at the standalone level are guaranteed by the GoI.

Key financial indicators

IIFCL	FY2023	FY2024	9M FY2025
Total income	4,653	5,472	4,709
PAT	1,076	1,552	1,342
Total managed assets	59,485	67,444	78,899
Return on managed assets	1.9%	2.4%	2.4%
Gearing (times)	3.4	3.6	3.8
Gross stage 3	4.8%	1.6%	1.1%
CRAR	27.7%	28.2%	24.5%

Source: IIFCL, ICRA Research; Ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Rating history for the past 3 years				
	Type	Amount rated (Rs. crore)	Date and rating	Date and rating in FY2025			Date and rating in FY2024	Date and rating in FY2023
			Apr 02, 2025	Feb 21, 2025	Jan 27, 2025	May 13, 2024	Feb 23, 2024	Feb 24, 2023
Tax-free/ taxable bonds	Long term	13,015.20	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
Non-convertible debenture	Long term	4,000	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
Fund based/non-fund-based bank facilities	Long term	6,000	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
Gov guaranteed bonds	Long term	0	[ICRA]AAA (CE) (Stable); withdrawn	[ICRA]AAA (CE) (Stable); Withdrawn	[ICRA]AAA(CE) (Stable)	[ICRA]AAA(CE) (Stable)	[ICRA]AAA(CE) (Stable)	[ICRA]AAA(CE) (Stable)
Subordinated debt	Long term	0	-	-	-	-	-	-

Source: ICRA Research

Complexity level of the rated instrument

Instrument	Complexity indicator
Tax-free/taxable bonds	Very Simple
Non-convertible debenture	Very Simple
Fund-based/non-fund based bank facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details as on March 28, 2025

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE787H07081	Tax-free bonds	15-Nov-12	7.38%	15-Nov-27	100	[ICRA]AAA (Stable)
INE787H07115	Tax-free bonds	21-Nov-12	7.38%	21-Nov-27	50	[ICRA]AAA (Stable)
INE787H07149	Tax-free bonds	22-Jan-13	(7.36/7.86)%	22-Jan-28	761	[ICRA]AAA (Stable)
INE787H07172	Tax-free bonds	26-Mar-13	(7.02/7.52)%	26-Mar-28	46.6	[ICRA]AAA (Stable)
INE787H07198	Tax-free bonds	23-Aug-13	8.26%	23-Aug-28	630.3	[ICRA]AAA (Stable)
INE787H07214	Tax-free bonds	30-Aug-13	8.46%	30-Aug-28	1,159.7	[ICRA]AAA (Stable)
INE787H07255	Tax-free bonds	05-Sep-13	8.48%	05-Sep-28	1,129.7	[ICRA]AAA (Stable)
INE787H07289	Tax-free bonds	12-Nov-13	8.38%	12-Nov-28	303.5	[ICRA]AAA (Stable)
INE787H07289	Tax-free bonds	12-Nov-13	8.38%	12-Nov-28	8.9	[ICRA]AAA (Stable)
INE787H07297	Tax-free bonds	12-Nov-13	8.63%	12-Nov-28	157.1	[ICRA]AAA (Stable)
INE787H07339	NCD	22-Jan-14	8.48%	22-Jan-29	6.8	[ICRA]AAA (Stable)
INE787H07362	NCD	22-Jan-14	8.73%	22-Jan-29	141.1	[ICRA]AAA (Stable)
INE787H07396	Tax-free bonds	27-Mar-14	8.55%	27-Mar-29	1,595.8	[ICRA]AAA (Stable)
INE787H07396	Tax-free bonds	27-Mar-14	8.55%	27-Mar-29	12.3	[ICRA]AAA (Stable)
INE787H07099	Tax-free bonds	15-Nov-12	7.41%	15-Nov-32	340	[ICRA]AAA (Stable)
INE787H07123	Tax-free bonds	21-Nov-12	7.41%	21-Nov-32	21	[ICRA]AAA (Stable)
INE787H07156	Tax-free bonds	22-Jan-13	(7.4/7.9)%	22-Jan-33	1,156.4	[ICRA]AAA (Stable)
INE787H07180	Tax-free bonds	26-Mar-13	(7.08/7.58)%	26-Mar-33	23.3	[ICRA]AAA (Stable)
INE787H07206	Tax-free bonds	23-Aug-13	8.19%	23-Aug-33	2	[ICRA]AAA (Stable)
INE787H07222	Tax-free bonds	30-Aug-13	8.37%	30-Aug-33	26.5	[ICRA]AAA (Stable)
INE787H07305	Tax-free bonds	12-Nov-13	8.50%	12-Nov-33	15.9	[ICRA]AAA (Stable)
INE787H07305	Tax-free bonds	12-Nov-13	8.50%	12-Nov-33	186.9	[ICRA]AAA (Stable)
INE787H07313	Tax-free bonds	12-Nov-13	8.75%	12-Nov-33	242.1	[ICRA]AAA (Stable)
INE787H07347	NCD	22-Jan-14	8.66%	22-Jan-34	754.4	[ICRA]AAA (Stable)
INE787H07370	NCD	22-Jan-14	8.91%	22-Jan-34	544.3	[ICRA]AAA (Stable)
INE787H07404	Tax-free bonds	27-Mar-14	8.55%	27-Mar-34	126	[ICRA]AAA (Stable)
INE787H07404	Tax-free bonds	27-Mar-14	8.55%	27-Mar-34	12.6	[ICRA]AAA (Stable)
INE787H07438	Tax-free bonds	27-Mar-14	8.80%	27-Mar-34	128.7	[ICRA]AAA (Stable)
INE787H08071	NCD	26-Oct-23	7.69%	26-Oct-38	2,000	[ICRA]AAA (Stable)
INE787H08089	NCD	08-Dec-23	7.67%	08-Dec-38	1,000	[ICRA]AAA (Stable)
NA [^]	Tax-free/taxable bonds	NA	NA	NA	332.3	[ICRA]AAA (Stable)
INE787H08048	NCD	12-Mar-22	7.17%	14-Mar-32	1,500	[ICRA]AAA (Stable)
INE787H08055	NCD	31-May-23	7.46%	31-May-33	500	[ICRA]AAA (Stable)
INE787H08063	NCD	18-Sep-23	7.53%	18-Sep-38	2,000	[ICRA]AAA (Stable)
NA [^]	Fund-based/non-fund based				6,000	[ICRA]AAA (Stable)

Source: IIFCL, ICRA Research; [^] Yet to be placed

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not applicable

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