

June 02, 2025

Infina Finance Private Limited: [ICRA]AA+(Stable)/[ICRA]A1+ assigned to bank lines; rating reaffirmed for commercial paper and rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/Short-term fund based – others	-	1,000.00	[ICRA]AA+ (Stable)/ [ICRA]A1+; assigned
Commercial paper programme	5,000.00	10,000.00	[ICRA]A1+; assigned/reaffirmed
Commercial paper programme (IPO financing)	5,000.00	-	[ICRA]A1+; reaffirmed and withdrawn
Total	10,000.00	11,000.00	

*Instrument details are provided in Annexure I

Rationale

The ratings factor in Infina Finance Private Limited’s (Infina) strong ownership with Kotak Mahindra Capital Company Limited (KMCC), a wholly-owned subsidiary of Kotak Mahindra Bank Limited {KMBL; rated [ICRA]AAA (Stable)}, holding a 49.99% stake in the company while the balance is held by other closely held entities of the Kotak family (promoter of KMBL). The ratings derive comfort from the representation of both shareholders on Infina’s board of directors. The company enjoys financial flexibility by virtue of being an associate of the Kotak Mahindra Bank Group¹. Further, the company benefits from the experience of Kotak Mahindra Group in the lending business. The ratings also factor in the strong capitalisation, supported by internal accruals, which is likely to support the medium-term growth.

The company’s loan book remains concentrated towards loan against securities (LAS; 90% of loan book). This exposes the earnings to the volatility in the capital markets as demand for LAS could be impacted by market cycles. However, Infina has ventured into the corporate real estate (CRE) and loan against property (LAP) segment in H2 FY2025, which accounted for 6% and 1% of the loan book respectively, as on March 31, 2025. The loan book is concentrated with the top 20 loans accounting for 53% of the portfolio and 85% of the net worth as on March 31, 2025, given the single loan product and the moderate scale. Liabilities are also concentrated towards commercial paper (CP) funding, given the currently high share of LAS in the overall loan book. With the growth in long-tenor products, the company’s borrowing profile is expected to diversify. Further, Infina’s comfortable asset quality and history of negligible credit losses, supported by liquid listed securities, provide comfort.

While Infina’s gearing remains modest, it usually increases for ~1-2 weeks when it utilises its CP for proprietary initial public offering (IPO) applications. The company maintains the regulatory capital requirements on a continuous basis, including the borrowings for the proprietary IPO book.

The Stable outlook factors in the expectation that the company will continue to receive support from Kotak Mahindra Bank Group, if required.

ICRA has reaffirmed and withdrawn the rating assigned to Infina’s Rs. 5,000.00-crore Commercial paper programme (IPO financing), as there is no amount outstanding against the same. The rating has been withdrawn in accordance with ICRA’s policy on the withdrawal of credit ratings.

¹ KMBL along with its subsidiaries and associates

Key rating drivers and their description

Credit strengths

Support from shareholders – KMCC (wholly-owned subsidiary of KMBL) held a 49.99% stake in Infina, as on March 31, 2025, while closely-held entities of the Kotak family held the balance. Infina enjoys considerable financial flexibility in raising funds at competitive rates by being a part of the Kotak Mahindra Bank Group. The company gains from the strong oversight and experience of the shareholders through board representation. Infina's senior management has been with other Kotak Group entities before joining the company. Accordingly, ICRA expects support from KMBL to be forthcoming if required. Further, the Kotak family has strong financial flexibility by virtue of its ~26% stake in KMBL (valued at ~Rs. 1 lakh crore as on May 22, 2025). ICRA expects KMBL and the Kotak family combined to continue hold a majority stake in Infina.

Strong capitalisation supported by internal accruals – The company's capitalisation remains strong with a net worth of Rs. 2,728 crore as on March 31, 2025 and a modest gearing of 1.0 times. The Tier I capital adequacy ratio stood at 48.3% as on March 31, 2025. The capitalisation profile has been supported by internal accruals and the moderate scale of operations. With expectations of an increase in the scale of the loan book, ICRA expects Infina's borrowings and gearing to increase in the near to medium term, though the gearing is expected to remain below 3 times over the medium term.

The company's profitability is supported by lower operating expenses and negligible credit costs. Being a part of the Kotak group, Infina has been able to raise funding at competitive costs, supporting the net interest margins. The company reported a profit after tax (PAT) of Rs. 192 crore in FY2025 (PAT/average managed assets (AMA) of 3.8%) compared to Rs. 229 crore in FY2024 (5.9%) due to lower realised gains on investments. Given the concentration towards LAS, the revenue profile remains exposed to the inherent volatility in the securities market. However, the company's expansion into the CRE and LAP segment is likely to diversify the revenue profile over the medium term. The operating expenses and credit costs are likely to increase with the expansion into new segments, resulting in a decline in PAT/ATA. However, with the increase in the scale of operations, the absolute profit from the lending business is expected to improve. ICRA expects the existing capitalisation and profitability to support the growth in the medium term.

Credit challenges

Concentration in loan book and liabilities – The loan book grew to Rs. 4,414 crore as on March 31, 2025 from Rs. 3,825 crore as on March 31, 2024, driven by the buoyancy in the capital markets. The loan book largely comprises larger ticket size promoter funding and high-net-worth individual (HNI) LAS. The loan book remains concentrated with the top 20 exposures accounting for a sizeable portion (53% of the portfolio and 85% of the net worth as on March 31, 2025). Given the LAS-focused portfolio, the size of the loan book and the value of the collateral remain exposed to the inherent volatility in the capital markets. ICRA takes comfort from the lending against liquid securities and the adequate security cover, which mitigates the credit risk. Infina's asset quality remains comfortable with no history of credit losses in LAS.

The company ventured into the CRE and LAP segments in FY2025, which accounted for 6% and 1% of the loan book, respectively, as on March 31, 2025. The real estate portfolio remains exposed to concentration risks owing to the large ticket size and the inherent risks associated with these loans.

The liabilities remain concentrated with the entire borrowings from CP. The dependence on CPs exposes the company to market volatility, which could constrain funding availability. ICRA, however, notes Infina's policy of maintaining liquidity on the balance sheet for meeting repayments due in the next 45 days. Also, the majority of the loan book has put/call options at 3 months/6 months/1 year, which can be exercised for liquidity management if required. Given the planned expansion in longer-tenor product segments such as LAP and CRE, Infina is expected to raise longer-tenor borrowings like term loans and non-convertible debentures.

Liquidity position: Strong

As on March 31, 2025, Infina had a free cash and bank balance and liquid investments of Rs. 705 crore against the total debt (CP) outstanding of Rs. 1,725 crore maturing in the next six months. The liquidity is further supported by the call/put options in the loan book at 3 months/6 months/1 year, which can be exercised for liquidity management. This led to positive cumulative gaps across all the buckets as per the Statement of Structural Liquidity as on March 31, 2025. Given the reliance on CP, the company's ability to roll over its borrowings will remain a key rating monitorable. ICRA, however, notes that Infina has the ability to raise funds at competitive rates as it is an associate of the Kotak Mahindra Bank Group.

Rating sensitivities

Positive factors – A substantial increase in Infina's scale of operations while maintaining the profitability, asset quality and capitalisation will be a positive factor.

Negative factors – A material change in the expected level of support from the Kotak Mahindra Bank Group or a significant deterioration in the credit risk profile of the Kotak Mahindra Bank Group.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-banking Finance Companies Policy on Withdrawal of Credit Rating
Parent/Group support	Group support: Kotak Mahindra Bank Group The ratings factor in the high likelihood of financial support from shareholders to Infina, driven by reputational considerations.
Consolidation/Standalone	Standalone

About the company

Infina Finance Private Limited is a non-deposit taking non-banking financial company (NBFC) providing loan against securities. It also has private equity investments though the scale remains small in relation to the total assets. The company's net worth was built in 2006 when certain strategic investments were divested, with Infina deriving huge capital gains. Infina is an associate company of the Kotak Group, with Kotak Mahindra Capital Company Limited (KMCC), a wholly-owned subsidiary of KMBL, holding a stake of 49.99% in the company. The balance is closely held by the Kotak family through Komaf Financial Services Private Limited (49.98%) and Kotak Trustee Company Private Limited (0.03%).

Key financial indicators (audited)

Infina Finance Private Limited	FY2024	FY2025
Total income	467	533
Profit/(loss) after tax	229	192
Total managed assets	4,501	5,523
Return on avg managed assets	5.8%	3.8%
Gross gearing (times)	0.75	1.00
Gross stage 3	0.0%	0.0%
CRAR	55.3%	48.6%

Source: Company, ICRA Research; All 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	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	June 02, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Long-term/Short-term fund based – Others	LT/ST	1,000.00	[ICRA]AA+(Stable)/[ICRA]A1+	-	-	-	-	-	-
Commercial paper programme	ST	10,000.00	[ICRA]A1+	Jun 03, 2024	[ICRA]A1+	Nov 23, 2023	[ICRA]A1+	Apr 06, 2022	[ICRA]A1+
				-	-	Oct 06, 2023	[ICRA]A1+	-	-
				-	-	Apr 26, 2023	[ICRA]A1+	-	-
Commercial paper programme (IPO financing)^	ST	5,000.00	[ICRA]A1+; reaffirmed and withdrawn	Jun 03, 2024	[ICRA]A1+	Nov 23, 2023	[ICRA]A1+	Apr 06, 2022	[ICRA]A1+
				-	-	Oct 06, 2023	[ICRA]A1+	-	-
				-	-	Apr 26, 2023	[ICRA]A1+	-	-

ST – Short term and LT – Long term; ^Assigned for public offer financing and/or application on proprietary account

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/Short-term fund based – Others	Very Simple
Commercial paper programme (IPO financing)	Very Simple
Commercial paper programme	Very 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

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE879F14JU0	Commercial paper programme	28-Oct-2024	8.11%	05-Jun-2025	200	[ICRA]A1+
INE879F14JV8	Commercial paper programme	08-Nov-2024	8.20%	22-Sep-2025	150	[ICRA]A1+
INE879F14JW6	Commercial paper programme	11-Nov-2024	8.25%	10-Nov-2025	200	[ICRA]A1+
INE879F14KA0	Commercial paper programme	06-Dec-2024	8.15%	28-Nov-2025	15	[ICRA]A1+
INE879F14KA0	Commercial paper programme	10-Dec-2024	8.15%	28-Nov-2025	100	[ICRA]A1+
INE879F14KB8	Commercial paper programme	12-Dec-2024	8.05%	12-Jun-2025	75	[ICRA]A1+
INE879F14KB8	Commercial paper programme	13-Dec-2024	8.05%	12-Jun-2025	150	[ICRA]A1+
INE879F14KE2	Commercial paper programme	10-Jan-2025	8.38%	07-Jan-2026	200	[ICRA]A1+
INE879F14KF9	Commercial paper programme	17-Jan-2025	8.45%	14-Jan-2026	150	[ICRA]A1+
INE879F14KG7	Commercial paper programme	27-Jan-2025	8.23%	23-Jun-2025	75	[ICRA]A1+
INE879F14KH5	Commercial paper programme	27-Jan-2025	8.32%	23-Jan-2026	75	[ICRA]A1+
INE879F14KG7	Commercial paper programme	06-Feb-2025	8.10%	23-Jun-2025	100	[ICRA]A1+
INE879F14KJ1	Commercial paper programme	18-Feb-2025	8.17%	17-Feb-2026	225	[ICRA]A1+
INE879F14KK9	Commercial paper programme	18-Feb-2025	8.15%	13-Aug-2025	175	[ICRA]A1+
INE879F14KL7	Commercial paper programme	25-Mar-2025	8.02%	24-Mar-2026	125	[ICRA]A1+
INE879F14KM5	Commercial paper programme	08-Apr-2025	7.15%	08-Jul-2025	225	[ICRA]A1+
INE879F14KN3	Commercial paper programme	09-Apr-2025	7.47%	27-Feb-2026	150	[ICRA]A1+
INE879F14KO1	Commercial paper programme	23-Apr-2025	6.96%	23-Jul-2025	250	[ICRA]A1+
INE879F14KP8	Commercial paper programme	25-Apr-2025	7.00%	25-Jul-2025	100	[ICRA]A1+
INE879F14KQ6	Commercial paper programme	25-Apr-2025	7.27%	26-Mar-2026	100	[ICRA]A1+
INE879F14KR4	Commercial paper programme	09-May-2025	6.95%	08-Aug-2025	100	[ICRA]A1+
INE879F14KS2	Commercial paper programme	19-May-2025	7.07%	14-Aug-2025	100	[ICRA]A1+
INE879F14KT0	Commercial paper programme	22-May-2025	7.00%	21-Aug-2025	200	[ICRA]A1+
INE879F14KU8	Commercial paper programme	23-May-2025	7.25%	22-May-2026	200	[ICRA]A1+
Not yet placed	Commercial paper programme	NA	NA	NA	6,560.00	[ICRA]A1+
Not yet placed	Commercial paper (IPO financing) programme	NA	NA	NA	5,000.00	[ICRA]A1+; reaffirmed and withdrawn
NA	Long-term/Short-term – Fund based – others	-	-	-	1,000.00	[ICRA]AA+ (Stable)/ [ICRA]A1+

Source: Company; Data as on May 28, 2025

[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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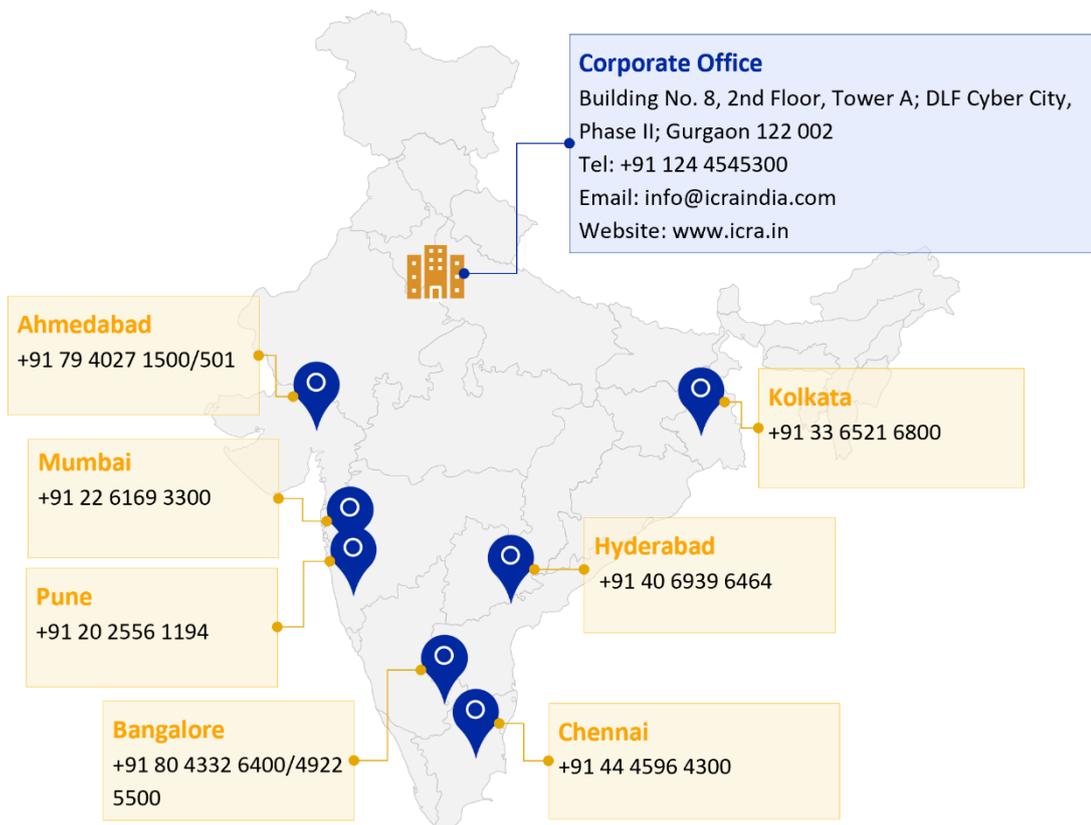
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