

January 16, 2026 (Revised)

Credila Financial Services Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture programme	600.00	600.00	[ICRA]AA (Stable); reaffirmed
Non-convertible subordinated debenture programme	750.00	750.00	[ICRA]AA (Stable); reaffirmed
Perpetual debt programme	125.00	125.00	[ICRA]AA- (Stable); reaffirmed
Perpetual debt programme	100.00	-	[ICRA]AA- (Stable); reaffirmed and withdrawn
Bank lines programme	8,000.00	8,000.00	[ICRA]AA (Stable); reaffirmed
Commercial paper programme	3,000.00	3,000.00	[ICRA]A1+; reaffirmed
Total	12,575.00	12,475.00	

*Instrument details are provided in Annexure I

Rationale

The ratings factor in Credila Financial Services Limited's (Credila) strong domain knowledge in the student education loan segment and its experienced core management team, which have helped it maintain good asset quality. Credila holds a leading position in the overseas education loan market. The company's scale of operations has expanded significantly over the past 3-4 years, with assets under management (AUM) of Rs. 48,214 crore as on September 30, 2025 (Rs. 41,810 crore as on March 31, 2025 and Rs. 8,838 crore as on March 31, 2022).

Capitalisation has been supported by regular equity infusions. As part of HDFC Bank's stake sale, a primary equity infusion of Rs. 2,004 crore was made by new investors, including Kopvoorn B.V. (part of the EQT Group; EQT) and Moss Investments Limited, Defati Investments Holding B.V., and Infinity Partners (part of the ChrysCapital Group; ChrysCapital). Additionally, the company received equity of Rs. 2,700 crore in FY2025 from new and existing investors, strengthening its capital position amid strong growth. It has filed a Draft Red Herring Prospectus (DRHP) for its initial public offering (IPO), which includes a primary raise of Rs. 3,000 crore aimed at aiding growth while keeping the gearing ratio below 5x. The earnings profile remains healthy, supported by operating efficiency and moderate credit costs.

The ratings are constrained by the concentrated business profile, with student education loans comprising the entire loan portfolio. Significant portion (~82% as on September 30, 2025) of the loan book is unsecured and carry inherent risks due to their long-contracted tenures (though behavioral tenures remain lower), moratorium periods, and sensitivity to economic cycles that influence employment prospects. Moreover, they are largely given to students opting for foreign universities, leading to geopolitical and immigration risks. Further, the portfolio is geographically concentrated with the United States, the United Kingdom (UK) and Canada accounting for 80% of Credila's AUM as on September 30, 2025. Portfolio seasoning remains limited as recent disbursements account for a large share of the portfolio and the same will be under principal moratorium (~16% of AUM under EMI as on September 30, 2025). ICRA, however, draws comfort from the company's strong asset quality with gross stage 3 of 0.2% as on September 30, 2025.

The Stable outlook is driven by ICRA's expectation that Credila will continue to grow its scale of operations while maintaining good asset quality and comfortable profitability with the managed gearing remaining below 5x.

ICRA has reaffirmed and withdrawn the rating assigned to Credila's Rs. 100-crore perpetual debt programme at the company's request as these instruments have been redeemed in full with no dues outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Established presence in overseas education loan segment with good asset quality – Credila is the largest non-banking financial company (NBFC) in the education loan segment, with a strong focus on overseas education loans. Its AUM grew by 48% YoY to Rs. 41,810 crore as on March 31, 2025 and further by 15% year-to-date (YTD) as on September 30, 2025 to Rs. 48,214 crore. However, the pace of growth moderated in FY2025 and H1 FY2026 (compared to YoY growth of 84% in FY2024), reflecting an impact on disbursements, primarily due to socio-political tensions in key markets such as the US and Canada, which together accounted for ~57% of the AUM as of September 2025.

The management team has extensive experience in the education loan segment. Credila's management information system (MIS) facilitates the tracking of sourcing, appraisal, verification, disbursal, and monitoring of clients across geographies. The underwriting approach emphasises the student's potential income after course completion. The company also maintains a large global database of universities and placement records, supporting risk assessment and appraisal processes. Consequently, the asset quality indicators remain strong, with a gross stage 3 ratio of 0.2% as on September 30, 2025 (0.2% as on March 31, 2025) and cumulative write-offs of Rs. 15.58 crore since inception. Further, as on March 31, 2025, the 90+ days past due (dpd) for the portfolio with a disbursement vintage exceeding 60 months was 0.21% at 60 months on book (MOB). The ability to sustain the asset quality through economic cycles, given the strong growth in recent years, will remain a key monitorable.

Capitalisation supported by equity infusions – The company reported a net worth of Rs. 9,316 crore, with a capital adequacy ratio (CAR) of 19.9% (Tier I ratio: 18.1%) and gearing of 4.7x as on September 30, 2025 (4.5x as on March 31, 2025). Capitalisation has been supported by sizeable equity infusions of Rs. 2,004 crore in FY2024 (by EQT and ChrysCapital as part of the stake purchase transaction) and Rs. 2,700 crore in FY2025. The FY2025 infusion comprised Rs. 2,430 crore in H1 FY2025 (Rs. 1,500 crore from new investor – Shinhan Bank, and Rs. 930 crore from existing investors – EQT and ChrysCapital) and Rs. 270 crore from HDFC Life Insurance Company in Q3 FY2025. Given the growth trajectory, Credila is expected to require additional capital in the near term while keeping the managed gearing below 5.0x. The company has submitted its DRHP for an IPO, which includes a proposed primary equity raise of Rs. 3,000 crore. This capital augmentation is expected to support its medium-term growth. In the event of any delay in the IPO, ICRA expects that the existing shareholders will provide interim equity support.

Comfortable earnings profile, supported by moderate credit costs – Credila reported a net profit of Rs. 990 crore in FY2025 (2.5% of AMA) compared to Rs. 529 crore (2.2%) in FY2024. Profitability remained comfortable in H1 FY2026, with profit after tax (PAT)/AMA at 2.4%. While the cost of funds increased following the change in shareholding, the impact on the net interest margin (NIM) was offset by lower gearing. With the rise in its scale of operations, the company's operating expenses declined to 0.9% of AMA in FY2025. Credit costs rose in FY2025 due to the recognition of the Rs. 17-crore fraud exposure and Rs. 12-crore stressed loans, with 100% provisioning created for these accounts. Further, with the seasoning in the portfolio, credit costs inched up but remained moderate at 0.3% of AMA in H1 FY2026 (0.4% in FY2025). Moreover, profitability remains supported by healthy NIMs and non-interest income along with better operating efficiency. Going forward, profitability is expected to remain comfortable, aided by operating efficiency, provided credit costs are contained.

Credit challenges

Exposure to relatively risky education loans with longer tenures and initial moratorium period – The entire loan portfolio is concentrated in education loans, which are largely unsecured but have a specified and monitored end use, unlike personal loans. A significant portion of the AUM comprises recently disbursed loans, resulting in a sizeable share under principal repayment moratorium. Although partial interest payment is done during the moratorium period, it is a nominal amount while the remaining interest is capitalised into the AUM. Further, these loans are extended for a long tenor of more than 10 years, though the actual tenor, on behavioural basis, is lower at 6-7 years.

As the loans are primarily extended for overseas education, the portfolio remains exposed to geopolitical risks and immigration-related issues. Additionally, geographical concentration is high, with the US, UK, and Canada accounting for 47%, 23%, and 10% of the AUM, respectively, as on September 30, 2025. Consequently, the portfolio is vulnerable to economic conditions in these regions, which could affect students' employment prospects.

The overseas education segment experienced uncertainty following the announcement of a one-time fee of \$100,000 for new H-1B visa applications in the US. However, subsequent official clarifications have provided greater transparency and alleviated uncertainties regarding the non-applicability of this fee for students in universities across the US. With this clarity, the announced fee is unlikely to have an impact on Credila's existing portfolio.

Credila's focus on relatively premium segments and its established track record in these segments provide comfort. A significant portion of the loan book (97%) was for post-graduate courses as on September 30, 2025. Applicants in these courses generally have better employment prospects compared to undergraduates, partially mitigating concerns regarding repayment ability.

Liquidity position: Adequate

As on November 30, 2025, the company held Rs. 5,536 crore of cash and liquid investments along with Rs. 2,015 crore of unutilised bank lines against total debt (including interest payments) of Rs. 7,233 crore scheduled to mature in the next six months (i.e. up to May 2026). The liquidity is further supported by monthly collections of Rs. 700-800 crore from the loan book. Credila has positive cumulative mismatches in the less than 1-year buckets.

Rating sensitivities

Positive factors – The ability to scale up the operations with an improvement in the profitability, while maintaining adequate capitalisation and good asset quality indicators, on a sustained basis would have a positive impact.

Negative factors – Pressure on the ratings could arise on an increase in the managed gearing beyond 5x or a deterioration in the asset quality indicators, impacting earnings on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company

About the company

Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited) was founded by Mr. Ajay Bohora and Mr. Anil Bohora in 2006. It received a non-banking financial company (NBFC) licence in 2007 and is the first financial services company to be established as a specialised institution for originating, holding and servicing education loans. On March 19, 2024, it ceased to be a subsidiary of HDFC Bank with the transfer of 90% of the shareholding to Kopvoorn B.V. (part of the BPEA EQT Group) and Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners (which are a part of the ChrysCapital Group).

Key financial indicators (audited)

Credila Financial Services Limited	FY2024	FY2025	H1 FY2026
Total income	2,771	4,726	2,760
Profit after tax	529	990	629
Total managed assets	31,670	48,435	54,428
Return on managed assets	2.2%	2.5%	2.4%
Reported gearing (times)	5.2	4.5	4.7
Gross NPA	0.1%	0.2%	0.2%
CRAR	20.5%	21.8%	19.9%

Note: Amount in Rs. crore; All calculations are as per ICRA Research

Source: Credila, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: A member of the board of directors of ICRA Limited is also an Independent Director on Credila's board. This Director was not involved in any of the discussions and processes related to the ratings of the instruments mentioned herein.

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Jan 16, 2026	Chronology of rating history for the past 3 years				
				Date	Rating	Date	Rating	Date
Bank lines programme	Long term	8,000.00	[ICRA]AA (Stable)	Mar 13, 2025	[ICRA]AA (Stable)	-	-	-
				Apr 02, 2024	[ICRA]A1+	Apr 26, 2023	[ICRA]A1+	Apr 05, 2022
				Jan 17, 2025	[ICRA]A1+	Jun 23, 2023	[ICRA]A1+	Jun 20, 2022
Commercial paper programme	Short term	3,000.00	[ICRA]A1+	Mar 13, 2025	Dec 29, 2023	[ICRA]A1+	Jul 26, 2022	[ICRA]A1+
				-	Feb 26, 2024	[ICRA]A1+	Jan 31, 2023	
				-	-	-	-	Jan 31, 2023
Non-convertible debenture programme	Long term	600.00	[ICRA]AA (Stable)	Apr 02, 2024	[ICRA]AA (Stable)	Apr 26, 2023	[ICRA]AAA; Rating Watch with Developing Implications	Apr 05, 2022
				Jan 17, 2025	[ICRA]AA (Stable)	Jun 23, 2023	[ICRA]AAA; Rating Watch with Negative Implications	Jun 20, 2022
				Mar 13, 2025	[ICRA]AA (Stable)	Dec 29, 2023	[ICRA]AAA; Rating Watch with Negative Implications	Jul 26, 2022
				-	-	Feb 26, 2024	[ICRA]AAA; Rating Watch with Negative Implications	Jan 31, 2023
Perpetual debt programme	Long term	125.00	[ICRA]AA- (Stable)	Apr 02, 2024	[ICRA]AA- (Stable)	Apr 26, 2023	[ICRA]AA+; Rating Watch with Developing Implications	Apr 05, 2022
				Jan 17, 2025	[ICRA]AA- (Stable)	Jun 23, 2023	[ICRA]AA+; Rating Watch with Negative Implications	Jun 20, 2022
				Mar 13, 2025	[ICRA]AA- (Stable)	Dec 29, 2023	[ICRA]AA+; Rating Watch with Negative Implications	Jul 26, 2022
				-	-	Feb 26, 2024	[ICRA]AA+; Rating Watch with Negative Implications	Jan 31, 2023
Non-convertible subordinated debenture programme	Long term	250.00	[ICRA]AA (Stable)	Apr 02, 2024	[ICRA]AA (Stable)	Apr 26, 2023	[ICRA]AAA; Rating Watch with Developing Implications	Apr 05, 2022

Current rating (FY2026)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Jan 16, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Non-convertible subordinated debenture programme	Long term	500.00	[ICRA]AA (Stable)	Jan 17, 2025	[ICRA]AA (Stable)	Jun 23, 2023	[ICRA]AAA; Rating Watch with Negative Implications	Jun 20, 2022	[ICRA]AAA (Stable)
				Mar 13, 2025	[ICRA]AA (Stable)	Dec 29, 2023	[ICRA]AAA; Rating Watch with Negative Implications	Jul 26, 2022	[ICRA]AAA (Stable)
				-	-	Dec 29, 2023	[ICRA]AAA; Rating Watch with Negative Implications	Jan 31, 2023	[ICRA]AAA (Stable)
				-	-	Feb 26, 2024	[ICRA]AAA; Rating Watch with Negative Implications	-	-
				Apr 02, 2024	[ICRA]AA (Stable)	Apr 26, 2023	[ICRA]AAA; Rating Watch with Developing Implications	Apr 05, 2022	[ICRA]AAA (Stable)
				Jan 17, 2025	[ICRA]AA (Stable)	Jun 23, 2023	[ICRA]AAA; Rating Watch with Negative Implications	Jun 20, 2022	[ICRA]AAA (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Bank lines	Simple
Non-convertible debenture programme	Simple
Non-convertible subordinated debt programme	Simple
Commercial paper programme	Simple
Perpetual debt programme	Highly Complex

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/ Sanction	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE539K08153	Non-convertible subordinated debenture programme	Jul-24-2017	8.20%	Jul-23-2027	50	[ICRA]AA (Stable)
INE539K08195	Non-convertible subordinated debenture programme	Jun-06-2019	9.12%	Jun-06-2029	150	[ICRA]AA (Stable)
INE539K08161	Non-convertible subordinated debenture programme	Nov-16-2017	8.10%	Nov-16-2027	50	[ICRA]AA (Stable)
INE539K08245	Non-convertible subordinated debenture programme	Dec-29-2023	9.60%	Jun-26-2029	290	[ICRA]AA (Stable)
INE539K08252	Non-convertible subordinated debenture programme	Feb-26-2024	9.60%	Feb-24-2034	75	[ICRA]AA (Stable)
Not yet placed^	Non-convertible subordinated debenture programme	NA	NA	NA	135	[ICRA]AA (Stable)
INE539K08179	Perpetual debt programme	Dec-08-2017	8.75%	NA [#]	50	[ICRA]AA- (Stable)
INE539K08187	Perpetual debt programme	Jun-06-2018	9.35%	NA [#]	75	[ICRA]AA- (Stable)
INE539K08120	Perpetual debt programme	Jan-27-2015	10.50%	NA [#]	50	[ICRA]AA- (Stable); withdrawn
INE539K08138	Perpetual debt programme	Jun-17-2015	10.50%	NA [#]	50	[ICRA]AA- (Stable); withdrawn
INE539K07122	Non-convertible debenture programme	Jul-08-2019	8.85%	Jul-06-2029	200	[ICRA]AA (Stable)
INE539K07130	Non-convertible debenture programme	Aug-01-2019	8.70%	Aug-01-2029	200	[ICRA]AA (Stable)
INE539K07171	Non-convertible debenture programme	Nov-13-2020	7.00%	Nov-12-2027	200	[ICRA]AA (Stable)
INE539K14BU7	Commercial paper programme	Jan-27-2025	8.45%	Jan-23-2026	350	[ICRA]A1+
INE539K14BV5	Commercial paper programme	Feb-03-2025	8.40%	Feb-02-2026	500	[ICRA]A1+
Not yet placed^	Commercial paper programme	-	-	7-365 days	2,150	[ICRA]A1+
-	Long term-Fund-based/Non-fund based bank lines	-	-	-	8,000	[ICRA]AA (Stable)

Source: Company; [#] Call option – 10 years from date of issuance; [^] Yet to be placed

Key features of rated debt instrument

The perpetual debt programme is rated one notch below the other long-term debt programmes to reflect the specific features of these instruments, wherein debt servicing is additionally linked to meeting the regulatory norms on capitalisation and reported profitability. The domestic regulatory norms include regulatory approvals from the Reserve Bank of India (RBI) for debt servicing (including principal repayments) if the company reports a loss and is not liable to service the debt if it breaches the minimum regulatory capitalisation norms.

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

Annexure II: List of entities considered for consolidated analysis

Not applicable

Corrigendum

Rationale, dated January 16, 2026, has been updated with instrument name as “Long term – Fund-based/Non-fund based bank lines” in Annexure I: Instrument details on Page No. 7.

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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Branches



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