March 25, 2026

India Infradebt Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture programme	29,585.00	29,585.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture programme	2,599.00	0.00	[ICRA]AAA (Stable); reaffirmed and withdrawn
Subordinated debt programme	1,750.00	1,750.00	[ICRA]AAA (Stable); reaffirmed
Commercial paper programme	500.00	500.00	[ICRA]A1+; reaffirmed
Total	**34,434.00**	**31,835.00**	

**Instrument details are provided in Annexure I*

Rationale

The ratings reflect India Infradebt Limited's (Infradebt) strong asset quality, aided by the relatively tighter regulatory framework and the comfortable capitalisation profile supported by strong shareholders. The ratings also consider the experienced management team, prudent underwriting norms and healthy profitability indicators. The company's strength is reflected in its key shareholders, namely ICICI Bank Limited (rated [ICRA]AAA (Stable)/[ICRA]A1+) and Bank of Baroda (rated [ICRA]AAA (Stable)/[ICRA]A1+). Given the wholesale nature of the loans, the concentration risk remains relatively high. However, ICRA draws comfort from the tighter regulatory framework and the company's robust risk management systems as reflected by the strong asset quality indicators.

ICRA notes that the scope of lending and fund-raising options has been broadened for non-banking financial companies-infrastructure debt funds (NBFC-IDFs) by the Reserve Bank of India (RBI) over the years. The impact of the same on the loan and borrowing mix would be visible only over the medium term. Also, the capital requirement (minimum Tier I requirement increased to 10% from 7.5%) and exposure norms (maximum permissible single party exposure capped at 30% and group exposure at 50% of Tier I capital compared with higher limits earlier) had been revised in October 2023, though Infradebt is well within the threshold for both these parameters. However, portfolio vulnerability can increase, given the expansion of the scope and the tripartite agreement requirement being no longer applicable. The company's prudent underwriting and risk guardrails should help it manage the overall risk.

The Stable outlook reflects ICRA's expectation that the company would continue to grow its business profitably, while maintaining good asset quality indicators and prudent capitalisation levels, supported by its robust risk management systems.

ICRA has reaffirmed and withdrawn the rating assigned to the Rs. 2,599-crore non-convertible debenture (NCD) programme as no amount is 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

Strong asset quality– Infradebt's portfolio grew by 22% on an annualised basis in 9M FY2026 to Rs. 29,786 crore as on December 31, 2025. The assets under management (AUM) expanded at a 4-year compound annual growth rate (CAGR) of ~19% during FY2021-FY2025 to Rs. 25,642 crore as on March 31, 2025. This was supported by the growth across the roads, solar/wind renewable, airports and water treatment plant segments. The share of the renewable energy segment remained the highest at 69% of the portfolio as on December 31, 2025, followed by road projects (9%) and airports (9%), with the balance spread across other sectors (data centres, storage/logistics, hotels, telecom, electricity transmission, water treatment and education).

The regulatory framework for NBFC-IDFs necessitates lending/investment in infrastructure projects with at least one year of satisfactory commercial operations and direct lending to toll-operate-transfer (TOT) projects. Hence, construction and execution risks are nil and the operating risk is low given the track record of operations, though ICRA notes that the absence of tripartite agreements could expose NBFC-IDFs to the risk associated with the project in the event of termination. Nevertheless, loss given defaults (LGDs) of the road and renewable energy sectors are likely to remain low and the asset quality of these operational projects is expected to be stable, given the lower risks compared to non-operational projects. ICRA expects Infradebt to keep growing at a steady pace of 15-20% over the near-to-medium term in a diversified manner, though the renewable energy sector would continue to dominate the portfolio mix over the medium term.

Experienced management team - The ratings draw comfort from the company's experienced senior management team with considerable expertise in the infrastructure financing space. Infradebt has a demonstrated track record in underwriting and superior risk management. It is expected to follow prudent policies while increasing the scale of operations with sectoral diversification.

Comfortable capitalisation profile supported by strong shareholders – Infradebt's capitalisation remains comfortable with a net worth of Rs. 4,013 crore, a capital adequacy ratio (capital-to-risk weighted assets ratio; CRAR) of 18.7% (Tier I CRAR of 14.9%) against the regulatory requirement of 15% (Tier I requirement of 10%), and a gearing of 7.0 times as on December 31, 2025. Infradebt was set up by ICICI Bank, Bank of Baroda, Citicorp Finance (India) Limited and Life Insurance Corporation of India Limited in October 2012. ICRA takes comfort from the company's strong key shareholders and their demonstrated financial support.

Given the healthy internal accruals and the range-bound loan book growth, the requirement for external capital continues to be low and ICRA expects the gearing to remain stable over the medium term. In ICRA's opinion, prudent capitalisation levels are one of the key risk mitigants and a rating sensitivity for a portfolio that has relatively high concentration risks. In this regard, ICRA expects Infradebt to maintain prudent capitalisation levels and believes support from the investors/shareholders will be forthcoming if required.

Profitability supported by tax-exemption status enjoyed by IDFs – Infradebt's net interest margin (NIM; excluding fee income) reduced slightly to 2.1% of average total assets (ATA) in 9M FY2026 from 2.2% in FY2025 due to the higher gearing. In line with past trends, the wholesale nature of operations kept the company's operating expenses low at 0.2% of ATA in 9M FY2026 (0.2% in FY2025). Provisioning costs also remained under control at 0.3% in 9M FY2026 vis-à-vis 0.5% in FY2025. Infradebt reported a profit after tax (PAT) of Rs. 439 crore in 9M FY2026 (return on assets (RoA) of 1.9%) compared with Rs. 502 crore in FY2025 (RoA of 2.0%). The profitability indicators are underscored by the tax-free status enjoyed by IDFs, subject to compliance with the conditions stipulated by the Central Board of Direct Taxes (CBDT), whereby an NBFC-IDF's income is exempt from tax. ICRA notes that any change in these regulations could have an adverse impact on the profitability.

Credit challenges

Relatively high concentration risk – Regulations require all IDFs to take exposure only in operational infrastructure projects with at least one year of satisfactory commercial operations and allows direct lending to TOT projects. However, the inherent nature of the business of infrastructure financing means that the company is exposed to project risks and the exposures are concentrated. Hence, the portfolio would remain vulnerable to asset quality shocks in case of slippages in a few key exposures, which may adversely affect its profitability. ICRA notes that Infradebt is compliant with the exposure norms for single party and group exposures. Nonetheless, concentration risk remains high with the share of the top 10 borrowers in the total portfolio at 26% as on December 31, 2025 (27% as on March 31, 2025). The overall asset quality remained strong with gross stage 3 assets of 0.4% and nil net stage 3 as on December 31, 2025 (0.5% and nil, respectively, as on March 31, 2025). Going forward, the company's ability to maintain strict underwriting standards while growing the portfolio would be a key monitorable.

Liquidity position: Strong

Infradebt's asset-liability management (ALM) profile, as on December 31, 2025, was characterised by positive cumulative mismatches across all buckets up to 1 year. As per the ALM profile as on December 31, 2025, the company had expected principal debt repayments of Rs. 3,016 crore during the 1-year period ending December 31, 2026 against expected principal inflows from performing advances of Rs. 1,628 crore. The liquidity position is strong, supported by the regulatory requirement of raising longer-tenured liabilities against assets which start getting repaid periodically as soon as they are disbursed, cash and cash equivalents of Rs. 2,227 crore as on December 31, 2025 and the history of sizeable prepayments, providing comfortable liquidity cover. ICRA also derives comfort from the company's good financial flexibility and the demonstrated support of the shareholders.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Pressure on Infradebt's ratings could emerge on account of an increase in the leverage beyond 9 times on a sustained basis and/or weakening of the asset quality, leading to a deterioration in the solvency on a sustained basis. A significant change in the regulatory framework, leading to an increase in portfolio vulnerability and/or a change in the likelihood of support from the shareholder or a deterioration in the credit profile of the shareholder could warrant a rating revision for Infradebt.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Demonstrated support from the parents in the form of capital infusions through equity rights issue and investment in NCDs by ICICI Bank and Bank of Baroda; ICRA expects support from the shareholders to be forthcoming as and when required
Consolidation/Standalone	Standalone

About the company

India Infradebt Limited (Infradebt) is the first infrastructure debt fund (IDF) floated in a non-banking financial company structure, set up by ICICI Bank Limited, Bank of Baroda, Citicorp Finance (India) Limited and Life Insurance Corporation of India Limited in October 2012. ICICI Bank is the largest shareholder with a 42% stake as on December 31, 2025, followed by Bank of Baroda at 41%, Citicorp Finance (India) at 10% and Life Insurance Corporation of India Limited at 7%.

Infradebt reported a PAT of Rs. 439 crore in 9M FY2026 on a total asset base of Rs. 32,744 crore as on December 31, 2025 compared to a PAT of Rs. 502 crore in FY2025 on a total asset base of Rs. 28,036 crore as on March 31, 2025. Its portfolio stood at Rs. 29,786 crore as on December 31, 2025 compared with Rs. 25,642 crore as on March 31, 2025. It had a net worth of Rs. 4,013 crore as on December 31, 2025 (Rs. 3,592 crore as on March 31, 2025). Infradebt reported gross stage 3 assets of 0.4% and nil net stage 3 as on December 31, 2025 compared with 0.5% and nil, respectively, as on March 31, 2025.

Key financial indicators

India Infradebt Limited	FY2024	FY2025	9M FY2026
	Audited	Audited	Limited review
Total income	1,997	2,366	2,079
Profit after tax	408	502	439
Total assets	22,974	28,036	32,744
Return on average total assets	1.9%	2.0%	1.9%
Gearing (Debt/Net worth; times)	6.3	6.7	7.0
Gross stage 3	0.6%	0.5%	0.4%
CRAR	19.8%	19.4%	18.7%

Source: Company, ICRA Research; Amount in Rs. crore; All ratios as per ICRA's calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current rating (FY2026)		Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	March 25, 2026	Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short term	500.00	[ICRA]A1+	Jul 29, 2024	[ICRA]A1+	Aug 29, 2023	[ICRA]A1+	Jun 17, 2022	[ICRA]A1+
				Mar 25, 2025	[ICRA]A1+	Mar 19, 2024	[ICRA]A1+	Dec 08, 2022	[ICRA]A1+
NCD	Long term	29,585.00	[ICRA]AAA (Stable)	Jul 29, 2024	[ICRA]AAA (Stable)	Aug 29, 2023	[ICRA]AAA (Stable)	Jun 17, 2022	[ICRA]AAA (Stable)
				Mar 25, 2025	[ICRA]AAA (Stable)	Mar 19, 2024	[ICRA]AAA (Stable)	Dec 08, 2022	[ICRA]AAA (Stable)
				Mar 25, 2025	[ICRA]AAA (Stable)	-	-	Dec 08, 2022	[ICRA]AAA (Stable)
Subordinated bonds/Debt	Long term	1,750.00	[ICRA]AAA (Stable)	Jul 29, 2024	[ICRA]AAA (Stable)	Aug 29, 2023	[ICRA]AAA (Stable)	Jun 17, 2022	[ICRA]AAA (Stable)
				Mar 25, 2025	[ICRA]AAA (Stable)	Mar 19, 2024	[ICRA]AAA (Stable)	Dec 08, 2022	[ICRA]AAA (Stable)

Source: Company, ICRA Research

Complexity level of the rated instrument

Instrument	Complexity indicator
Non-convertible debenture programme	Simple
Subordinated debt programme	Simple
Commercial paper programme	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 19, 2026)

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE537P07554	Non-convertible debenture	May-27-2020	8.0000%	May-27-2025	165	[ICRA]AAA (Stable); withdrawn
INE537P07539	Non-convertible debenture	Apr-20-2020	8.2500%	Jun-20-2025	300	[ICRA]AAA (Stable); withdrawn
INE537P07562	Non-convertible debenture	Jun-30-2020	7.5000%	Jun-30-2025	375	[ICRA]AAA (Stable); withdrawn
INE537P07505	Non-convertible debenture	Feb-13-2020	8.5000%	Aug-13-2025	200	[ICRA]AAA (Stable); withdrawn
INE537P07513	Non-convertible debenture	Feb-25-2020	8.3500%	Aug-25-2025	300	[ICRA]AAA (Stable); withdrawn
INE537P07588	Non-convertible debenture	Nov-12-2020	7.0000%	Nov-12-2025	500	[ICRA]AAA (Stable); withdrawn
INE537P07547	Non-convertible debenture	May-19-2020	8.0000%	Nov-19-2025	300	[ICRA]AAA (Stable); withdrawn
INE537P07067	Non-convertible debenture	Nov-19-2015	8.5000%	Nov-19-2025	200	[ICRA]AAA (Stable); withdrawn
INE537P07083	Non-convertible debenture	Jan-08-2016	8.6000%	Jan-08-2026	94	[ICRA]AAA (Stable); withdrawn
INE537P07109	Non-convertible debenture	Jan-28-2016	8.7000%	Jan-28-2026	10	[ICRA]AAA (Stable); withdrawn
INE537P07125	Non-convertible debenture	Mar-08-2016	8.6200%	Mar-07-2026	155	[ICRA]AAA (Stable); withdrawn
INE537P07166	Non-convertible debenture	Mar-22-2016	8.6500%	Mar-21-2026	82	[ICRA]AAA (Stable)
INE537P07141	Non-convertible debenture	Mar-21-2016	8.6500%	Mar-21-2026	70	[ICRA]AAA (Stable)
INE537P07596	Non-convertible debenture	Mar-25-2021	7.2500%	Mar-25-2026	425	[ICRA]AAA (Stable)
INE537P07182	Non-convertible debenture	May-05-2016	8.5100%	May-05-2026	50	[ICRA]AAA (Stable)
INE537P07216	Non-convertible debenture	Jun-23-2016	8.5700%	Jun-23-2026	50	[ICRA]AAA (Stable)
INE537P07612	Non-convertible debenture	Jun-30-2021	7.1500%	Jun-30-2026	500	[ICRA]AAA (Stable)
INE537P07240	Non-convertible debenture	Aug-30-2016	8.2400%	Aug-29-2026	95	[ICRA]AAA (Stable)
INE537P07752	Non-convertible debenture	May-14-2024	8.2450%	Sep-15-2026	710	[ICRA]AAA (Stable)
INE537P07257	Non-convertible debenture	Nov-30-2016	8.2400%	Nov-30-2026	300	[ICRA]AAA (Stable)
INE537P07778	Non-convertible debenture	Jun-03-2024	8.1850%	Dec-03-2026	460	[ICRA]AAA (Stable)
INE537P07273	Non-convertible debenture	Dec-27-2016	8.1000%	Dec-25-2026	15	[ICRA]AAA (Stable)
INE537P07646	Non-convertible debenture	Feb-22-2022	7.1500%	Feb-22-2027	1,100	[ICRA]AAA (Stable)
INE537P07620	Non-convertible debenture	Sep-30-2021	6.7500%	Mar-30-2027	400	[ICRA]AAA (Stable)
INE537P07638	Non-convertible debenture	Dec-13-2021	6.7500%	Jun-14-2027	500	[ICRA]AAA (Stable)
INE537P07638 (reissue)	Non-convertible debenture	Dec-29-2021	6.7500%	Jun-14-2027	200	[ICRA]AAA (Stable)
INE537P07653	Non-convertible debenture	Jun-28-2022	8.0000%	Jun-28-2027	1,000	[ICRA]AAA (Stable)
INE537P07661	Non-convertible debenture	Aug-29-2022	7.7700%	Aug-29-2027	1,300	[ICRA]AAA (Stable)
INE537P07687	Non-convertible debenture	Dec-22-2022	7.8700%	Dec-22-2027	940	[ICRA]AAA (Stable)
INE537P07711	Non-convertible debenture	Jun-27-2023	7.9500%	Jun-27-2028	1,000	[ICRA]AAA (Stable)
INE537P07695	Non-convertible debenture	Apr-24-2023	8.0500%	Jul-24-2028	1,200	[ICRA]AAA (Stable)
INE537P07729	Non-convertible debenture	Jul-05-2023	7.9500%	Oct-05-2028	300	[ICRA]AAA (Stable)
INE537P07745	Non-convertible debenture	Feb-12-2024	8.0600%	Aug-13-2029	400	[ICRA]AAA (Stable)
INE537P07745 (reissue)	Non-convertible debenture	Apr-15-2024	8.0600%	Aug-13-2029	780	[ICRA]AAA (Stable)
INE537P07810	Non-convertible debenture	Aug-13-2024	8.0000%	Oct-29-2029	765	[ICRA]AAA (Stable)
INE537P07828	Non-convertible debenture	Dec-06-2024	7.9200%	Jun-06-2030	750	[ICRA]AAA (Stable)

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE537P07570^	**Non-convertible debenture**	Jul-15-2020	8.5700%	Jul-15-2030	750	[ICRA]AAA (Stable)
INE537P07844	**Non-convertible debenture**	Mar-20-2025	7.9400%	Sep-20-2030	815	[ICRA]AAA (Stable)
INE537P07679@	**Non-convertible debenture**	Oct-31-2022	8.0700%	Oct-31-2032	1,000	[ICRA]AAA (Stable)
INE537P07703	**Non-convertible debenture**	Apr-24-2023	8.0400%	Apr-25-2033	180	[ICRA]AAA (Stable)
INE537P07703 (reissue)	**Non-convertible debenture**	Jun-27-2023	8.0400%	Apr-25-2033	300	[ICRA]AAA (Stable)
INE537P07703 (reissue)	**Non-convertible debenture**	Feb-12-2024	8.0400%	Apr-25-2033	447	[ICRA]AAA (Stable)
INE537P07794	**Non-convertible debenture**	Aug-05-2024	7.9800%	Aug-05-2034	500	[ICRA]AAA (Stable)
INE537P07836	**Non-convertible debenture**	Dec-06-2024	7.9300%	Dec-06-2034	250	[ICRA]AAA (Stable)
INE537P07836 (reissue)	**Non-convertible debenture**	Mar-13-2025	7.9300%	Dec-06-2034	300.6	[ICRA]AAA (Stable)
INE537P07737$	**Non-convertible debenture**	Oct-31-2023	8.1000%	Oct-31-2035	600	[ICRA]AAA (Stable)
INE537P07786#	**Non-convertible debenture**	Jun-28-2024	7.9900%	Jun-28-2036	900	[ICRA]AAA (Stable)
INE537P07802	**Non-convertible debenture**	Aug-13-2024	7.9500%	Aug-13-2039	150	[ICRA]AAA (Stable)
INE537P07844 (reissue)	**Non-convertible debenture**	Apr-09-2025	7.9400%	Sep-20-2030	1,000	[ICRA]AAA (Stable)
INE537P07851	**Non-convertible debenture**	Jun-02-2025	7.4500%	Jun-26-2030	2,250	[ICRA]AAA (Stable)
INE537P07877	**Non-convertible debenture**	Nov-27-2025	7.3900%	May-27-2031	1,650	[ICRA]AAA (Stable)
INE537P07885	**Non-convertible debenture**	Feb-23-2026	7.6100%	Aug-25-2031	800	[ICRA]AAA (Stable)
INE537P07893	**Non-convertible debenture**	Mar-17-2026	7.5600%	Apr-17-2031	250	[ICRA]AAA (Stable)
INE537P07836 (reissue)	**Non-convertible debenture**	Apr-09-2025	7.9300%	Dec-06-2034	205	[ICRA]AAA (Stable)
INE537P07869	**Non-convertible debenture**	Aug-28-2025	7.6000%	Aug-28-2037	1,500	[ICRA]AAA (Stable)
NA	**Non-convertible debenture***	NA	NA	NA	2,345.40	[ICRA]AAA (Stable)
INE537P08024	**Subordinated debt**	Jan-18-2018	8.4500%	May-18-2028	250	[ICRA]AAA (Stable)
INE537P08032	**Subordinated debt**	Aug-04-2021	7.3700%	Aug-04-2031	300	[ICRA]AAA (Stable)
INE537P08040	**Subordinated debt**	Dec-23-2024	8.2300%	Dec-23-2034	290	[ICRA]AAA (Stable)
NA	**Subordinated debt***	NA	NA	NA	910	[ICRA]AAA (Stable)
NA	**Commercial paper***	NA	NA	NA	500	[ICRA]A1+

*Source: Company; *Yet to be placed/unutilised; ^ Tenure of 10-year NCDs with staggered equal annual redemption from seventh to tenth year; @ Tenure of 10-year NCDs with staggered equal annual redemption from sixth to tenth year; $ Tenure of 12-year NCDs with staggered equal annual redemption from eighth to twelfth year; # Tenure of 12-year NCDs with staggered equal annual redemption from eighth to twelfth year*

Annexure II: List of entities considered for consolidated analysis

Not applicable

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