

March 27, 2026

## Infina Finance Private Limited: Ratings reaffirmed

### 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	1,000.00	[ICRA]AA+ (Stable)/[ICRA]A1+; reaffirmed
Commercial paper programme	10,000.00	10,000.00	[ICRA]A1+; reaffirmed
<b>Total</b>	<b>11,000.00</b>	<b>11,000.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

Kotak Mahindra Capital Company Limited (KMCC), a wholly-owned subsidiary of Kotak Mahindra Bank Limited {KMBL; rated [ICRA]AAA (Stable)}, entered into definitive agreements on March 21, 2026 for the sale of a part of its shareholding in Infina Finance Private Limited (Infina), an associate company of the bank. Accordingly, 30.99% of KMCC's stake was divested to Derive Trading and Resorts Private Limited and Bright Star Investments Private Limited (9.90%), the estate of Rakesh Jhunjunwala through its trusts (12.10%), and the promoter family of KMBL (8.99%). Pursuant to the transaction (which concluded on March 24, 2026), KMCC's shareholding in Infina has reduced to 19.00% from 49.99%, resulting in Infina ceasing to be an associate company of KMBL.

The stake dilution was necessitated by the [Reserve Bank of India's \(RBI\) December 2025 guidelines](#), under which banks and their group entities, including associates, are restricted from undertaking loan against share (LAS) activities. As LAS was Infina's core business, the bank reduced its shareholding to ensure regulatory compliance. ICRA takes note of the above transaction, and the ratings continue to derive comfort from the 78.00% stake held by the Kotak family (promoter of KMBL) and Kotak Mahindra Bank Group (comprising KMBL along with its subsidiaries and associates). ICRA notes that the transaction is not expected to result in any material change in Infina's business model or strategic direction. While the incoming investors will be jointly represented on the board with one seat, the existing board and senior management team will continue, supporting continuity in governance and operations.

The ratings factor in the strong ownership with closely-held entities of the Kotak family (promoter of KMBL) holding a 59.00% stake and KMCC holding 19.00%. The Kotak family has strong financial flexibility by virtue of its ~26% stake in KMBL (valued at ~Rs. 95,541 lakh crore as on March 25, 2026). 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 part of the Kotak group. Further, it benefits from the experience of Kotak group in the lending business. ICRA expects the Kotak family and KMBL combined to continue to hold a majority stake in Infina. 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 LAS (81%). This exposes its earnings to the volatility in capital markets as demand for LAS could be impacted by market cycles. However, Infina ventured into the corporate real estate (CRE) and loan against property (LAP) segments in H2 FY2025, which accounted for 14% and 3% of the loan book, respectively, as on December 31, 2025. The loan book is concentrated with the top 20 loans accounting for 48% of the portfolio and 98% of the net worth as on December 31, 2025. 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 the Kotak family and Kotak Mahindra Bank Group, if required.

## Key rating drivers and their description

### Credit strengths

**Support from shareholders** – Closely-held entities of the Kotak family held 59.00% stake in Infina, as on March 24, 2026, while KMCC (wholly-owned subsidiary of KMBL) held 19.00%. Infina enjoys considerable financial flexibility in raising funds at competitive rates by being a part of the Kotak group. The company gains from the strong oversight and experience of the shareholders through board representation. Infina's senior management had been with other Kotak Mahindra Bank group entities before joining the company. ICRA expects support from the shareholders to be forthcoming if required. The Kotak family has strong financial flexibility by virtue of its ~26% stake in KMBL (valued at ~Rs. 95,541 lakh crore as on March 25, 2026). ICRA expects the Kotak family and KMBL combined to continue to hold a majority stake in Infina.

**Strong capitalisation supported by internal accruals** – The company's capitalisation remains strong with a net worth of Rs. 2,871 crore as on December 31, 2025 and a modest gearing of 1.57 times. The Tier I capital adequacy ratio stood at 36.0% as on December 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 its 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 (5.8%) due to lower realised gains on investments. Infina reported a PAT of Rs. 143 crore in 9M FY2026. 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 segments should diversify the revenue profile over the medium term. Operating expenses and credit costs are likely to increase with the expansion into new segments, resulting in a decline in PAT/AMA. 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. 5,812 crore as on December 31, 2025 from Rs. 4,414 crore as on March 31, 2025. It mainly comprises larger-ticket promoter funding and high-net-worth individual (HNI) LAS. The loan book remains concentrated with the top 20 exposures accounting for a sizeable portion (48% of the portfolio and 98% of the net worth as on December 31, 2025). Given the LAS-focussed portfolio, the loan book size and collateral value remain exposed to the inherent volatility in 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 the LAS segment.

The company ventured into the CRE and LAP segments in FY2025, which accounted for 14% and 3% of the loan book, respectively, as on December 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.

Liabilities remain concentrated with ~86% of the borrowings from CP as of December 2025. The dependence on CP 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 February 28, 2026, Infina had a free cash and bank balance and liquid investments of Rs. 969 crore against total debt outstanding of Rs. 2,273 crore maturing in the next five 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 February 28, 2026. 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 a part of the Kotak 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 family and Kotak Mahindra Bank Group or a significant deterioration in the credit risk profile of the support provider.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Non-banking Finance Companies</a>
Parent/Group support	Support provider: Kotak family and 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 up in 2006 when certain strategic investments were divested, with Infina deriving huge capital gains. The promoters of Kotak Mahindra Bank Limited have a 59% stake in the company. Further, Kotak Mahindra Capital Company Limited (KMCC), a wholly-owned subsidiary of KMBL, has a 19% stake in the company.

### Key financial indicators (audited)

Infina Finance Private Limited	FY2024	FY2025	9M FY2026 <sup>^</sup>
Total income	467	533	455
Profit/(loss) after tax	229	192	143
Total managed assets	4,501	5,523	NA
Return on average managed assets	5.8%	3.8%	NA
Gross gearing (times)	0.75	1.00	1.57
Gross stage 3	0.0%	0.0%	0.0%
CRAR	55.3%	48.6%	36.4%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; <sup>^</sup>Provisional

**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								
Instrument	Type	Amount rated (Rs. crore)	FY2026		FY2025		FY2024		FY2023		
			March 27, 2026	Date	Date	Rating	Date	Rating	Date	Rating	
<b>Fund based – Others</b>	Long term/ Short term	1,000.00	[ICRA]AA+ (Stable)/ [ICRA]A1+	Jun 02, 2025	[ICRA]AA+ (Stable)/ [ICRA]A1+	-	-	-	-	-	-
<b>Commercial paper</b>	Short term	10,000.00	[ICRA]A1+	Jun 02, 2025	[ICRA]A1+	Jun 03, 2024	[ICRA] A1+	Apr 26, 2023	[ICRA] A1+	Apr 06, 2022	[ICRA] A1+
				-	-	-	-	Oct 06, 2023	[ICRA] A1+	-	-
				-	-	-	-	Nov 23, 2023	[ICRA] A1+	-	-
<b>Commercial paper (IPO financing)</b>	Short term			Jun 02, 2025	[ICRA]A1+; withdrawn	Jun 03, 2024	[ICRA] A1+	Apr 26, 2023	[ICRA] A1+	Apr 06, 2022	[ICRA] A1+
				-	-	-	-	Oct 06, 2023	[ICRA] A1+	-	-
				-	-	-	-	Nov 23, 2023	[ICRA] A1+	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term fund based – Others	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**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE879F14KL7	Commercial paper programme	Mar 25, 2025	8.02	Mar 24, 2026	50	[ICRA]A1+
INE879F14KL7	Commercial paper programme	Mar 25, 2025	8.02	Mar 24, 2026	75	[ICRA]A1+
INE879F14KQ6	Commercial paper programme	Apr 25, 2025	7.27	Mar 26, 2026	100	[ICRA]A1+
INE879F14KU8	Commercial paper programme	May 23, 2025	7.25	May 22, 2026	100	[ICRA]A1+
INE879F14KU8	Commercial paper programme	May 23, 2025	7.25	May 22, 2026	100	[ICRA]A1+
INE879F14LH3	Commercial paper programme	Aug 22, 2025	7.15	Jun 09, 2026	200	[ICRA]A1+
INE879F14LJ9	Commercial paper programme	Aug 22, 2025	6.80	Mar 13, 2026	50	[ICRA]A1+
INE879F14LK7	Commercial paper programme	Aug 26, 2025	6.80	Mar 11, 2026	150	[ICRA]A1+
INE879F14LN1	Commercial paper programme	Sep 18, 2025	7.28	Sep 11, 2026	100	[ICRA]A1+
INE879F14LU6	Commercial paper programme	Oct 30, 2025	7.18	May 11, 2026	100	[ICRA]A1+
INE879F14LV4	Commercial paper programme	Oct 30, 2025	7.18	Jun 05, 2026	100	[ICRA]A1+
INE879F14LX0	Commercial paper programme	Nov 14, 2025	6.98	Mar 10, 2026	100	[ICRA]A1+
INE879F14LY8	Commercial paper programme	Nov 18, 2025	7.25	Nov 17, 2026	25	[ICRA]A1+
INE879F14LZ5	Commercial paper programme	Nov 19, 2025	7.18	May 26, 2026	75	[ICRA]A1+
INE879F14LZ5	Commercial paper programme	Nov 19, 2025	7.18	May 26, 2026	100	[ICRA]A1+
INE879F14MA6	Commercial paper programme	Nov 20, 2025	7.18	May 07, 2026	100	[ICRA]A1+
INE879F14MB4	Commercial paper programme	Nov 24, 2025	7.18	Apr 30, 2026	150	[ICRA]A1+
INE879F14MC2	Commercial paper programme	Dec 04, 2025	7.40	Nov 30, 2026	250	[ICRA]A1+
INE879F14MD0	Commercial paper programme	Dec 15, 2025	6.81	Mar 16, 2026	100	[ICRA]A1+
INE879F14ME8	Commercial paper programme	Dec 15, 2025	7.45	Dec 14, 2026	200	[ICRA]A1+
INE879F14ME8	Commercial paper programme	Dec 15, 2025	7.45	Dec 14, 2026	50	[ICRA]A1+
INE879F14MF5	Commercial paper programme	Dec 18, 2025	6.81	Mar 18, 2026	100	[ICRA]A1+
INE879F14MG3	Commercial paper programme	Dec 19, 2025	7.45	Nov 12, 2026	150	[ICRA]A1+
INE879F14MH1	Commercial paper programme	Dec 24, 2025	6.78	Mar 25, 2026	100	[ICRA]A1+
INE879F14MI9	Commercial paper programme	Jan 16, 2026	7.38	Apr 17, 2026	25	[ICRA]A1+
INE879F14MJ7	Commercial paper programme	Jan 19, 2026	7.78	Jan 18, 2027	300	[ICRA]A1+
INE879F14MK5	Commercial paper programme	Jan 22, 2026	7.95	Apr 20, 2026	250	[ICRA]A1+
INE879F14ML3	Commercial paper programme	Feb 04, 2026	8.00	Feb 01, 2027	200	[ICRA]A1+
INE879F14MM1	Commercial paper programme	Feb 04, 2026	8.00	Feb 03, 2027	200	[ICRA]A1+
INE879F14MN9	Commercial paper programme	Feb 13, 2026	7.77	Feb 12, 2027	150	[ICRA]A1+
INE879F14MO7	Commercial paper programme	Feb 24, 2026	7.71	Feb 23, 2027	100	[ICRA]A1+
Not yet placed	Commercial paper programme	NA	NA	NA	6,150.00	[ICRA]A1+
NA	Long term/Short term fund based – Others	-	-	-	1,000.00	[ICRA]AA+ (Stable)/ [ICRA]A1+

Source: Company; Data as on February 28, 2026

[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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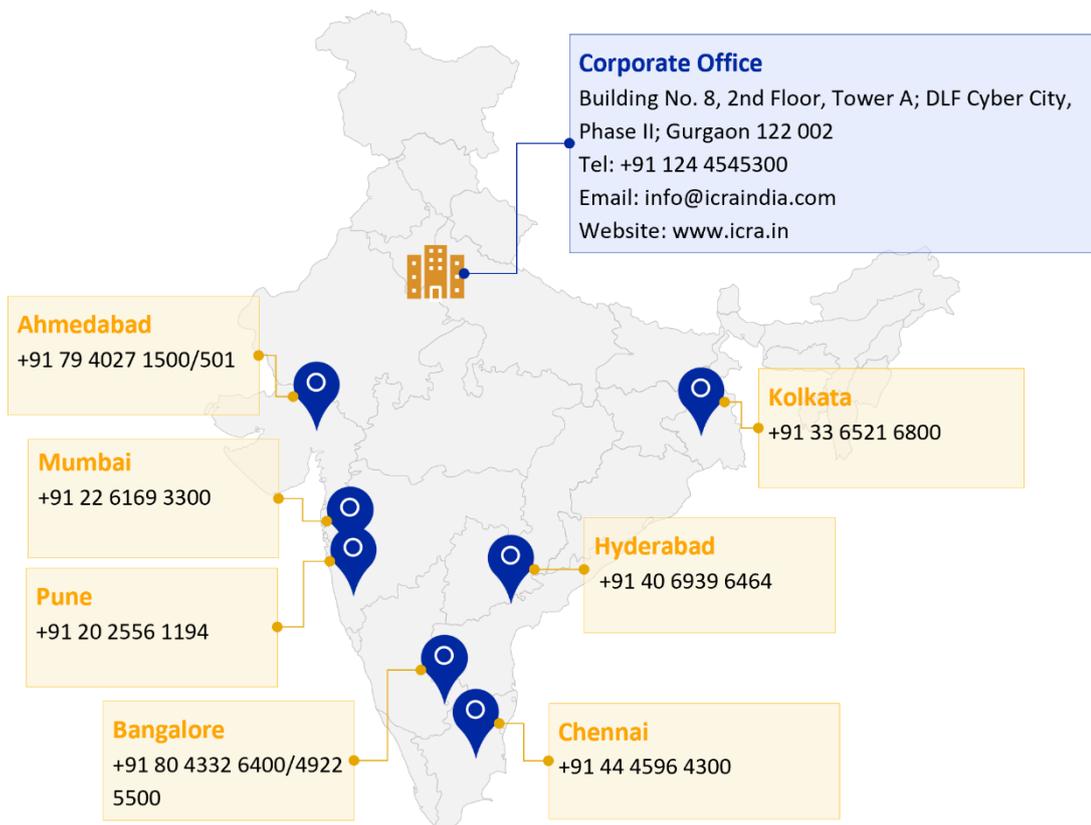
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