

March 30, 2026

The Clearing Corporation of India Limited: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer Rating	-	-	[ICRA]AAA (Stable); reaffirmed
Long term – Fund-based/Non-fund based bank lines	25,000.0	45,000.0	[ICRA]AAA (Stable); reaffirmed and assigned for enhanced amount
Total	25,000.0	45,000.0	

*Instrument details are provided in Annexure I

Rationale

The rating continues to take into consideration The Clearing Corporation of India Limited's (CCIL) established position and its track record as a prominent financial market infrastructure (FMI) provider in the country. The company is the sole player for the clearing and settlement of transactions across various instruments including Government securities (G-Secs), triparty repo and forex forward instruments. CCIL is mandated by the Reserve Bank of India (RBI) as the only clearing and settlement agency for all secondary market transactions in G-Secs and forex transactions and is authorised as a payment system operator under the Payment and Settlement Systems (PSS) Act, 2007. This underscores its importance as an FMI provider in the domestic market. The rating also factors in CCIL's established risk management capabilities and technology processes, which help reduce the counterparty default risk. To further mitigate this risk, the company keeps an adequate default fund, including contributions by members and CCIL (skin in the game), to support exigencies, besides the risk-adjusted margins and collateral maintained by the members as a part of the Member Common Collateral {MCC; erstwhile Settlement Guarantee Fund (SGF)}.

Given the uptick in the stress loss estimate amid the higher volatility in the forex forward segment in recent months, the excess corpus maintained in the default fund, i.e. the difference between the stress loss estimate and the size of the default fund, has narrowed. Nevertheless, the default fund remains comfortably above the stress case loss assessment undertaken by CCIL. Additionally, the company avails lines of credit (in the form of rupee, and securities) to meet any interim liquidity risk. Further, CCIL's direct clientele includes institutions like banks, insurance companies, primary dealers (PDs) and mutual funds that operate in a regulated environment. Trades are settled through the process of multilateral netting with CCIL as the central counterparty. Thus, the capital requirement for members is considerably low. ICRA notes that CCIL has not reported any instance of default fund utilisation.

The rating considers the company's favourable financial profile with healthy profitability, comfortable net worth and the ability to further augment the default fund, if required. However, ICRA takes note of the volatility of CCIL's revenue and profitability to settlement volumes, which are susceptible to various domestic and global cues. Nonetheless, the healthy operating profit margin provides a cushion against volatility to some extent. ICRA also notes that there has been no instance of any penalty being levied on CCIL by the regulator, which reflects favourably on the adequacy of its systems and processes. Besides, the company maintains comfortable skin in the game compared to some of its global counterparts. ICRA takes note of the Memorandum of Understanding (MoU) signed by the RBI and European Securities and Markets Authority (ESMA) in January 2026. The MoU enables CCIL to reapply for recognition as a third country central counterparty (CCP)¹.

¹ Previously, ESMA had made an announcement derecognising CCIL as a third CCP with effect from April 30, 2023. ICRA had noted that the announcement did not pose a threat to CCIL's market position as it was the sole FMI mandated by the RBI for its product segments. Further, ICRA factored in the indefinite recognition provided by the French and German central banks to the banks incorporated in their jurisdiction, in October 2024, to continue trading through CCIL's platform. Additionally, an MoU was signed by the Bank of England and the RBI in December 2023, recognising CCIL as a third-country CCP.

The Stable outlook reflects ICRA's opinion that CCIL will maintain its position as a prominent FMI provider in the country, which will continue to support its operational and financial profile. Moreover, its credit profile will continue to derive comfort from the close monitoring of its operations by the RBI.

Key rating drivers and their description

Credit strengths

Sole institution for clearing and settlement of G-Secs, triparty repo and forex forward transactions – CCIL was incorporated with the objective of providing an institutional structure for the clearing and settlement of G-Secs, money market instruments and forex transactions. It is the only institution authorised by the RBI to deal in the clearing and settlement of G-Secs and forex forward transactions in India, which underscores its position as a prominent FMI provider in the country. The forex segment accounted for 40% of CCIL's total business volume in H1 FY2026, followed by G-Secs (32%) and its proprietary product, i.e. the triparty repo dealing system (TREPS; 28%). The prolonged INR-USD volatility and the introduction of long-tenor forex forward contracts led to the uptick in forex segment volumes in H1 FY2026.

ICRA notes CCIL's importance in the G-Sec, money and forex markets as it guarantees the financial settlement of trades and bears counterparty risk. The RBI announced the Retail Direct Scheme in FY2022, enabling retail participation in G-Secs and sovereign gold bonds. Here too, CCIL was authorised to open accounts, receive/remit and refund funds, act as an aggregator and the receiving office for primary auctions, and undertake corporate actions, etc, on behalf of the RBI. In FY2024, RBI Retail Direct account holders were given an option to buy Floating Rate Savings Bonds using the extant mechanism provided by CCIL to retail customers for trading in G-Secs and sovereign gold bonds.

Established risk management systems and technology platform – CCIL's operations are underpinned by its established risk management capabilities and technology processes. The same is evident from the company's history of not utilising the default fund since inception. As a Qualifying Central Counterparty, CCIL has to comply with the principles for financial market infrastructures and its compliance with the same is overseen by the RBI. Further, its risk management policy is placed before the RBI for approval.

CCIL uses a delivery versus payment (DvP) mode of settlement for G-Secs, i.e. it releases the security on the receipt of funds, and it releases funds on the receipt of security, which helps reduce the counterparty default risk. The company has also adopted settlement on payment versus payment (PvP) basis for the forex segment (from FY2015) to reduce the settlement risk arising from time zone differences. CCIL's real-time risk management system generates various alerts at different collateral utilisation levels and puts the member in the risk reduction mode in certain segments at a high margin utilisation level. However, as it is the sole institution for the clearing and settlement of G-Secs and forex transactions, it does not disable the trading terminal of the participating members. In case of a temporary shortfall, the member is expected to make good the transaction/settlement by 9:00 am on T+1 day along with penalty. Failure to do so, coupled with concerns regarding the member's status as a going concern, can lead to the member being declared a defaulter. CCIL has a policy specifying the waterfall of funds that can be utilised to make good the loss and complete the settlement process in such a scenario. Besides, its business operations are backed by an established information technology (IT) infrastructure and a business contingency plan (BCP) for disaster recovery of its IT systems and other operating environments.

Adequately sized default fund and member common contribution – CCIL's key objective is to guarantee the clearing and settlement of trades, which exposes it to counterparty risk besides operating risk. To mitigate these risks, it has a mechanism whereby an adequate default fund, including contributions by members and CCIL (skin in the game), is maintained to support exigencies, besides the risk-adjusted margins and collateral maintained by the members as a part of the MCC. The company collects the initial margin, mark-to-market (MTM) margin, volatility margin and concentration margin (specifically in the derivatives segment), which collectively represent the MCC. Further, the segment-wise stress case loss (i.e. loss under worst case scenario minus margin provided) for the top 2 players (along with affiliates) over the last six months is calculated. This

represents the default fund (it is the primary component of the default fund). The participating members contribute to the default fund in proportion to the risk they bring to the system. Additionally, CCIL gives ~25% of the members' aggregate contribution to the default fund from its net worth. Given the increase in the stress loss estimates in recent months, especially in the forex forwards segment, CCIL is also deliberating on introducing an additional margin for clients with stress loss above a certain threshold, thereby limiting the incremental default fund quantum. The proposal is under consideration and may be implemented if the current volatility and elevated stress loss estimates continue for a prolonged period.

As on September 30, 2025, CCIL's MCC stood at Rs. 12.5 lakh crore and the default fund was Rs. 16,060 crore compared to Rs. 12.6 lakh crore and Rs. 11,928 crore, respectively, as on September 30, 2024 (Rs. 12.6 lakh crore and Rs. 14,697 crore, respectively, as on March 31, 2025). Its contribution to the default fund was Rs. 3,100 crore as of September 2025 compared to Rs. 2,600 crore as of September 2024. Historically, the default fund remained materially above the stress case estimated by the company. However, the higher volatility in the currency market in recent years resulted in an uptick in the stress loss estimates. Thus, the excess corpus maintained in the default fund, i.e. the difference between the stress loss estimate and the size of default fund, has narrowed. Nevertheless, it remains above the stress case loss assessment undertaken by CCIL. Any dip in the company's own contribution to the default fund can be immediately made good by the transfer of funds from the general reserve (Rs. 2,035 crore as on September 30, 2025).

The available corpus maintained in the default fund comfortably covers the cumulative stress case loss across all segments of Rs. 10,227 crore, assessed by CCIL, as on September 30, 2025 (Rs. 5,658 crore as on September 30, 2024). However, continued volatility and increase in settlement volumes may pose additional requirement for default in the coming quarters. Basis the existing free reserves and projected profitability, CCIL can continue to maintain its share of ~25% in the default fund without any external capital, even if the stress loss estimates were to double from the existing levels. The methodology for assessing the stress loss estimates is also subject to regulatory inspections.

Institutional client base alleviates credit risks – CCIL's clientele includes institutions like banks, insurance companies, PDs and mutual funds that operate in a regulated environment. Further, as trades are settled through the process of multilateral netting with CCIL as the central counterparty, the funding requirement for members is considerably lower, thereby reducing the risk of fund/security shortfall with the members. The effectiveness of the company's risk management capabilities is evident from the fact that the available liquidity backup, in the form of committed bank lines to plug temporary funding shortfalls, has remained largely unutilised over the years.

Comfortable capitalisation and healthy financial profile – CCIL continues to maintain a comfortable capital profile, characterised by a net worth of Rs. 6,825 crore as on September 30, 2025. This includes the Rs. 3,100-crore settlement reserve fund, which has been set aside to meet settlement obligations in the event of any defaults. The net worth also comprises a general reserve of Rs. 2,035 crore, which can be utilised to augment/replenish the default fund, if required. Further, CCIL maintains a contingency fund (included in net worth) of Rs. 1,085 crore to absorb any non-default losses.

CCIL has reported healthy profitability, with a 5-year average net profit margin (net profit/net operating income) of 58% and an average return on net worth (RoNW) of 12.4% for FY2021-FY2025. The net profit margin was 59.6% in H1 FY2026 while the RoNW was 15.8%. ICRA notes that CCIL's fee income is linked to the movement in settlement volumes and remains constrained due to the cap on the maximum fees charged, which may be subject to rationalisation (lower fees or higher capping limits) with increasing volumes. In addition, CCIL's interest income is directly linked to systemic interest rates and is, therefore, expected to remain susceptible to fluctuations, with tailwinds during periods of firm interest rates. At the consolidated level, the company has sustained healthy profitability, with a 5-year average net profit margin of 56.0% and an average RoNW of 12.4% during FY2021-FY2025; the consolidated net profit margin was 57.6% in H1 FY2026 while the RoNW was 15.7%.

Credit challenges

Need to continuously upgrade risk management systems – As an FMI provider, CCIL facilitates the clearing, settlement and recording of monetary and other financial transactions, thereby strengthening the markets it serves. Given its critical role in fostering financial stability in the market, its ability to continuously strengthen and upgrade its systems and processes in line with technological developments in the financial services sector and the evolving regulatory landscape, remains critical.

Competition from new players, albeit unlikely in the near-to-medium term – CCIL benefits from being the sole player for the clearing and settlement of transactions in G-Secs, money markets and forex forward instruments in India. However, there are no explicit regulatory barriers to the entry of new players in these segments. The emergence of new players in any of these segments could impact CCIL’s market share and profitability. However, given its demonstrated track record and established position across key segments, the prospects of a new participant achieving comparable acceptance and scale remain low in the near-to-medium term. Moreover, the requirement to secure multiple regulatory approvals, the proprietary nature of the dealing systems, and CCIL’s well-established IT and risk management capabilities act as additional constraints on competitive intensity.

Liquidity position: Superior

CCIL’s key objective is to guarantee the clearing and settlement of trades. Accordingly, it has a mechanism, whereby a sizeable default fund, to support exigencies, is maintained in highly liquid investment avenues such as Treasury bills and fixed deposits with leading banks. Additionally, the rated bank facilities represent the liquidity lines maintained by CCIL for guaranteeing settlement and payment obligations in the event of default by a participating member. However, there has been minimal utilisation of these lines in the past in the absence of any default by participating members. As on September 30, 2025, the default fund aggregated Rs. 16,060 crore. Besides, ICRA notes that CCIL had unencumbered on-balance sheet liquidity funded from own funds (cash and bank balance and liquid investments) of about Rs. 1,428 crore (excluding funds earmarked for default fund of MCC, contingency fund and general reserve) while it remains largely debt free. The company also enjoys a rupee line of credit of Rs. 10,500 crore from various banks to meet any shortfall in the members’ accounts during the settlement of transactions across the product segments. It also has a sanctioned Rs. 9,000-crore repo line from banks to meet interim liquidity requirements. Additionally, it enjoys a securities line of credit from banks, amounting to Rs. 2,000 crore, to meet any shortfall in securities on account of default by a member.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Pressure on CCIL’s rating may arise if there is an adverse change in its market position as a key institution for the clearing and settlement of transactions in G-Secs, triparty repo and forex instruments in India due to a change in the RBI’s regulatory stance regarding the entry of other players as clearing and settlement agencies in this segment.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Stockbroking and allied services
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidation

About the company

The Clearing Corporation of India Limited (CCIL) was set up at the initiative of the RBI in 2001 to provide an institutional structure for the clearing and settlement of transactions undertaken in G-Secs, money market instruments and forex products. CCIL's principal promoters are State Bank of India (SBI), Life Insurance Corporation of India, Bank of Baroda, HDFC Bank and ICICI Bank. As of December 2025, commercial banks (public, private and foreign banks) held 67.2% in CCIL while the balance was held by financial institutions (10.0%) and primary dealers/non-banking financial companies (NBFCs)/insurance companies (22.8%).

At the standalone level, CCIL reported a net profit of Rs. 518 crore on net operating income (NOI) of Rs. 868 crore compared to Rs. 419 crore and Rs. 705 crore, respectively, in H1 FY2025. It reported a net profit of Rs. 841 crore on NOI of Rs. 1,426 crore in FY2025 compared to Rs. 773 crore and Rs. 1,273 crore, respectively, in FY2024. As on September 30, 2025, CCIL's capitalisation was characterised by a net worth of Rs. 6,825 crore.

Key financial indicators (audited)

CCIL	Standalone			Consolidated		
	FY2024	FY2025	H1 FY2026*	FY2024	FY2025	H1 FY2026*
Net operating income (NOI)	1,273	1,426	868	1,341	1,510	927
Profit after tax (PAT)	773	841	518	788	858	534
Net worth	5,489	6,320	6,825	5,638	6,530	7,101
Reported total assets	22,283	26,907	29,896	22,463	27,160	30,219
Gearing (times)	0.0	0.0	0.0	0.0	0.0	0.0
Return on average net worth	15.1%	14.2%	15.8%	15.0%	14.1%	15.7%

Source: Company and ICRA Research; All ratios as per ICRA's calculations; *Provisional; 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 (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Mar 30, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Issuer Rating	Long term	-	[ICRA]AAA (Stable)	Feb 10, 2025	[ICRA]AAA (Stable)	Feb 19, 2024	[ICRA]AAA (Stable)	Mar 17, 2023	[ICRA]AAA (Stable)
Fund-based/Non-fund based bank lines – Others	Long term	45,000	[ICRA]AAA (Stable)	Feb 10, 2025	[ICRA]AAA (Stable)	Feb 19, 2024	[ICRA]AAA (Stable)	Mar 17, 2023	[ICRA]AAA (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer Rating	Not applicable
Fund-based/Non-fund based bank lines	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
NA	Issuer Rating	-	-	-	-	[ICRA]AAA (Stable)
NA	Fund-based/Non-fund based bank lines	-	-	-	45,000	[ICRA]AAA (Stable)

Source: Company; NA: Not applicable

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

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership as on December 31, 2025	Consolidation approach
CCIL	Holding company	Full consolidation
ClearCorp Dealing Systems (India) Limited	100%	Full consolidation
Legal Entity Identifier India Limited	100%	Full consolidation
CCIL IFSC Limited	57%*	Full consolidation

Source: Company; *The balance is held by participating banks operating in GIFT City

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