

October 09, 2026

Srei Infrastructure Finance Limited: [ICRA]BBB (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator[#]
Long-term bank lines	300.00	[ICRA]BBB (Stable); assigned	RBI
Total	300.00		

**Instrument details are provided in Annexure I*

[#] SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI

Rationale

The rating takes into consideration Srei Infrastructure Finance Limited's (SIFL) adequate capitalisation profile, with a net worth of ~Rs. 908 crore and a capital-to-risk weighted assets ratio of ~89.9% as on June 30, 2026. Following the National Company Law Tribunal's (NCLT) approval of the resolution plan for SIFL and SREI Equipment Finance Limited (SEFL; subsidiary of SIFL), under the Insolvency and Bankruptcy Code (IBC) in August 2023, the ownership and management transitioned to National Asset Reconstruction Company Limited (NARCL) and India Debt Resolution Company Limited (IDRCL), the entities implementing the resolution plan. NARCL, a Government-backed asset reconstruction company promoted by public and private sector banks, along with IDRCL, which acts as the resolution and asset management partner for stressed assets acquired by NARCL, currently oversee the recovery and resolution of the residual asset portfolio of SIFL and SEFL. ICRA notes that pursuant to the approved resolution plan, all earlier liabilities of SIFL stand discharged and the company recommenced lending towards construction and mining equipment (CME) from FY2026. It is supported by an experienced management team led by Mr. Hardayal Prasad¹. Further, the company benefits from guidance and board-level oversight from NARCL and IDRCL.

SIFL has been scaling up its operations and reported assets under management (AUM) of ~Rs. 242 crore as on June 30, 2026 (Rs. ~150 crore as on March 31, 2026). ICRA takes note of the company's growth plans and expects the pace of growth to remain high with gradual diversification into segments such as supply chain financing, loan against property and other secured loans. ICRA also notes that SIFL has augmented its information technology (IT) systems, policies and processes to support its envisaged growth plans. At present, it does not have any borrowings and is largely funding its operations through its net worth and the corresponding liquidity position. As it scales up its operations, SIFL's ability to access external debt funds and progressively establish a diversified liability profile to support business growth remains monitorable. ICRA notes that the company is in discussions with various lenders and aims to raise external debt funds in the near term; this shall support its envisaged growth plans.

As on June 30, 2026, the company reported nil non-performing assets. Given the limited track record of operations and high pace of growth, loan book seasoning is low and the asset quality is yet to be established. Further, the earnings profile is evolving, given the nascent stage of operations. The company reported a net loss of ~Rs. 3 crore in Q1 FY2027 (Rs. 20 crore in FY2026) due to its relatively modest scale and operating efficiency. SIFL's ability to manage its asset quality and hence its credit costs and overall operational efficiency, as it scales up, shall be key for its credit profile.

The Stable outlook reflects ICRA's expectation that the company will continue to maintain an adequate capital profile and gradually improve its earnings profile as it scales up its operations.

¹ Previously associated with SBI Cards & Payments Services Limited and PNB Housing Finance Limited in the capacity of Managing Director and Chief Executive Officer

Key rating drivers and their description

Credit strengths

Adequate capitalisation profile – Given the current scale of operations, SIFL's capitalisation profile is adequate. It is characterised by a provisional net worth of ~Rs. 908 crore, capital adequacy of ~89.9% and nil borrowings as on June 30, 2026. ICRA notes that the company has a few investments/receivables, which are not immediately realisable. Adjusting for the same, the net worth freely available to be deployed in the lending business is estimated at Rs. 588 crore². As the company scales up its operations and raises external debt, the leverage is expected to increase. Nonetheless, ICRA expects SIFL to maintain a prudent capitalisation profile over the medium term with the gearing (managed) envisaged to remain below 4 times.

Credit challenges

Modest scale and evolving financial risk profile – Since commencing disbursements in June 2025, the company has achieved AUM of Rs. 242 crore as on June 30, 2026 (Rs. 150 crore as of March 2026). While the portfolio has demonstrated growth with a focus on financing CME, the scale of operations remains modest. ICRA takes note of SIFL's growth plans and expects the pace of growth to remain high with gradual diversification into products such as supply chain financing, loan against property and other loans.

Further, given the nascent stage of operations, the earnings profile is still evolving with SIFL reporting a net loss of ~Rs. 3 crore in Q1 FY2027 (Rs. 20 crore in FY2026). The operating efficiency is moderate at present, given the relatively modest scale, and is expected to improve as the company scales up its operations. SIFL's ability to manage its asset quality and hence its credit costs and operational efficiency, as it scales up, shall be key for its credit profile. ICRA notes that the company has augmented its IT systems, policies and processes, and is pursuing calibrated growth and customer selection in this regard. As on June 30, 2026, it reported nil non-performing assets.

Ability to raise external debt funds and develop a diversified resource profile – At present, the company does not have any borrowings and is largely funding its operations through its net worth and the corresponding liquidity position. SIFL's ability to access external debt funds and progressively establish a diversified liability profile to support business growth remains monitorable. ICRA notes that the company is in discussions with various lenders and aims to raise external debt funds in the near term; this shall support its envisaged growth plans.

Liquidity position: Adequate

As on June 30, 2026, the company held a free cash and bank balance and liquid investments³ of ~Rs. 230 crore (~Rs. 325 crore as on March 31, 2026). As per the asset-liability management statement as on June 30, 2026, it did not have any cumulative mismatches since it does not have any external debt on its balance sheet. The on-book liquidity is expected to moderate to Rs. 50-60 crore in the near term as SIFL increases its disbursements. Factoring in the expected collections from advances and free on-book liquidity, the liquidity profile is expected to remain adequate.

Rating sensitivities

Positive factors – Significant improvement in the scale and earnings profile, while keeping credit costs under control, could positively impact the rating.

Negative factors – Inability to profitably scale up the operations or significant deterioration in the asset quality could put pressure on the rating. Further inability to raise funds at competitive rates or a stretched liquidity position could lead to pressure on the rating.

² ~Rs. 788 crore including Rs. 200 crore receivable from SEFL

³ including investments in short tenure debt oriented mutual fund schemes

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-banking Finance Companies (NBFCs)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

SIFL is a middle layer non-banking financial company (NBFC), which was granted an NBFC-investment and credit company (NBFC-ICC) licence in February 2025. Following this, it commenced disbursements in the construction and mining equipment (CME) financing segment. As of June 2026, the company was operating in 14 states through 21 branches and has built a CME loan portfolio with AUM of approximately Rs. 242 crore. It plans to launch supply chain financing products in FY2027 and has already recruited a Chief Supply Chain Finance Officer to lead this business vertical. Going forward, SIFL also intends to diversify its lending portfolio by introducing commercial vehicle loans, micro, small and medium enterprise loan against property (MSME LAP) and unsecured MSME loans.

Key financial indicators

SIFL	FY2025	FY2026	Q1 FY2027*
Total income	33	41	11
Profit after tax (PAT)	100	(20)	(3)
Total managed assets	1,057	1,201	1,206
Return on managed assets	9.5%	-1.8%	-1.1%
Managed gearing (times)	0.0	0.0	0.0
Capital-to-risk weighted assets ratio	131.3%	92.4%	89.9%
Gross NPA	0.0%	0.0%	0.0%
Net NPA	0.0%	0.0%	0.0%

Source: Company, ICRA Research; Amount in Rs. crore; Total managed assets = Total assets + Impairment allowance + Off-book portfolio; Managed gearing = (On-book borrowings + Off-book portfolio)/Net worth; * Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Oct 09, 2026	FY2026		FY2025		FY2024	
Instrument				Date	Rating	Date	Rating	Date	Rating
Long-term bank lines	Long term	300.00	[ICRA]BBB (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term bank lines – Fund based – Others	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	Financial sector regulator [#]
NA	Long-term bank lines	NA	NA	NA	300.00	[ICRA]BBB (Stable)	RBI

Source: Company

[#] SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI

[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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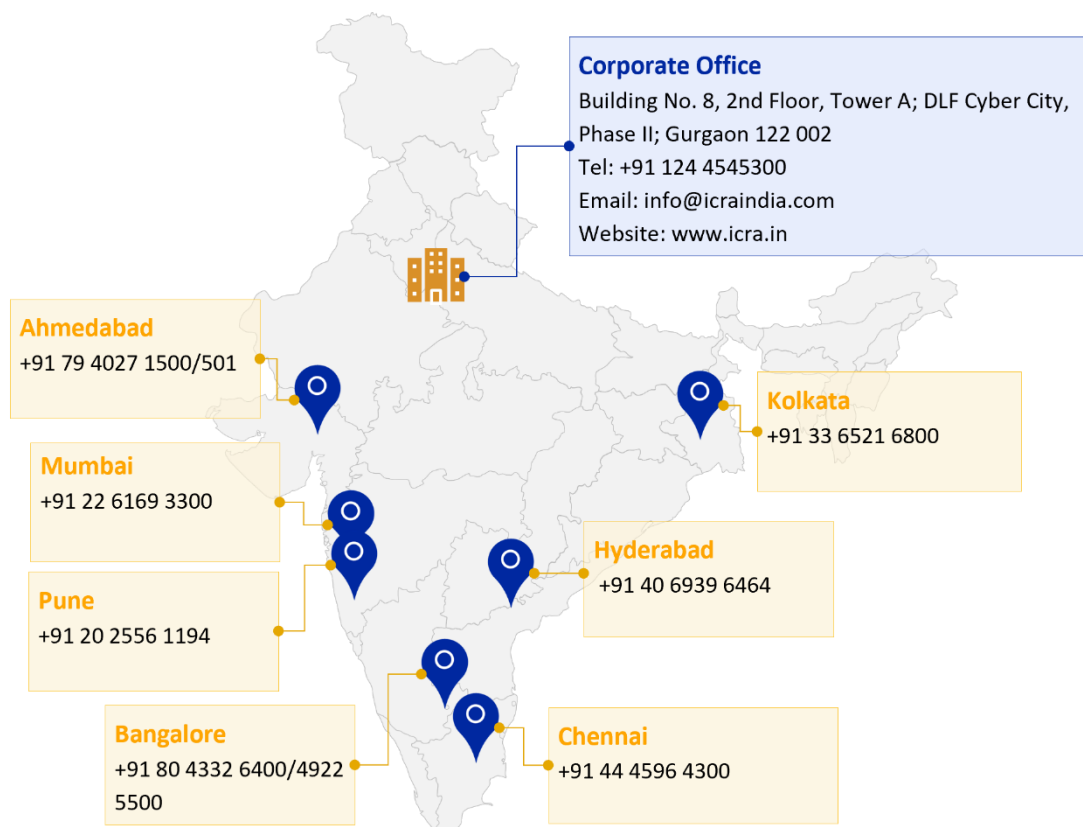


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