

January 27, 2025

## India Infrastructure Finance Company Limited: Update on Material Event

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated Amount (Rs. crore)	Rating Action
Non-convertible debenture	4,000.00	4,000.00	[ICRA] AAA (Stable); outstanding
Tax-free/taxable bonds	15,015.20	15,015.20	[ICRA] AAA (Stable); outstanding
Fund-based/non-fund based bank facilities	6,000.00	6,000.00	[ICRA] AAA (Stable); outstanding
Gov guaranteed bonds <sup>^</sup>	200.00	200.00	[ICRA] AAA (CE) (Stable); outstanding
<b>Total</b>	<b>25,212.20</b>	<b>25,215.20</b>	

#### Rating Without Explicit Credit Enhancement

[ICRA]AAA

\*Instrument details are provided in Annexure I; <sup>^</sup> Backed by unconditional and irrevocable guarantee from Government of India;

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and structure. ICRA's opinion on the rating without factoring in the explicit credit enhancement is also captured in the table above.

### Rationale

India Infrastructure Finance Company Limited (IIFCL) vide its two stock exchange filings dated January 23, 2025 has intimated that in accordance with the SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07 2024, an amount of Rs. 8.25 lakh and Rs 2.98 lakh had been deposited in an escrow account designated for coupon payments. However, the payment was withheld, as per the SEBI circular, due to pending KYC compliance.

The ratings of IIFCL remain unchanged as the reason for the non-payment of interest to a few investors was beyond the company's control. Specifically, the accounts in question were KYC non-compliant due to the unavailability of correct account/PAN details. There were 36 such investors. ICRA notes that the company made prior efforts, both independently and through the RTA, to contact these investors to complete the KYC details. In the absence of a response, IIFCL did not remit the interest payments to these investors in line with the requirements of the SEBI circular of May 2024. This event does not reflect the lack of ability or willingness on the part of IIFCL to service its debt obligations. The company had Rs. 3,996.99 crore worth of cash and bank balances as on January 21, 2025, in relation to Rs. 11.23 lakh of aggregate interest payments that were withheld on January 22, 2025, which was the due date of payment. Also, the payable amounts had been transferred to a separate escrow account held with a scheduled commercial bank on the due date of payment.

The table below includes the details of the instruments concerned:

Name of security	ISIN	Total amount to be paid (Rs. lakh)	Due date of payment	Amount of payment made (Rs. lakh)	Amount of payment failed (Rs. lakh)	Reasons for failure of payment	Date when the amount corresponding to the failed payment was transferred to a separate escrow account*
<b>NCD</b>	INE787H07362 INE787H07370 INE787H07339 INE787H07347	15,475.57	Jan 22, 2025	15,467.32	8.25	Withheld in accordance with SEBI Circular# due to pending KYC Compliance for want of correct bank account/ PAN details	Jan 22, 2025
<b>Tax free bonds</b>	INE787H07156 INE787H07149	14,254.73	Jan 22, 2025	14,251.75	2.98	Withheld in accordance with SEBI Circular# due to pending KYC Compliance for want of correct bank account/ PAN details	Jan 22, 2025

# SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07 2024; \* As per the SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07 2024, amount of Rs. 8.25 lakh and Rs. 2.98 lakh has been deposited in an escrow account designated for coupon payments

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#)

## Analytical approach

Analytical Approach	Comments
<b>Applicable rating methodologies</b>	<a href="#">ICRA's Credit Rating Methodology for Non-banking Finance Companies</a> <a href="#">Policy on default recognition</a>
<b>Parent/Group support</b>	The ratings derive significant strength from IIFCL's sovereign ownership (100% stake held by the GoI as on December 31, 2023), strategic importance to the GoI and the expectation of continued support from the GoI in the form of capital as well as guarantees on debt
<b>Consolidation/Standalone</b>	Standalone

## About the company

India Infrastructure Finance Company Limited (IIFCL), incorporated in January 2006, wholly owned by the Government of India (GoI), is recognised as a public financial institution for financing infrastructure projects in the country.

At the standalone level, the total loan book was Rs. 57,177 crore as on September 30, 2024 against Rs. 49,066 crore as on March 31, 2024.

IIFCL, at the standalone level, reported a net profit of Rs. 894 crore on a total asset base of Rs. 62,529 crore in H1FY2024 compared with a net profit of Rs. 1076 crore on a total asset base of Rs. 59,485 crore in FY2023.

As on September 30, 2024, IIFCL's gross and net stage 3 assets stood at 1.3% and 0.4% respectively, at the standalone level (1.6% and 0.5% respectively, as on March 31, 2024). The company's capitalisation (standalone level) was characterised by a net worth of Rs. 15,116 crore and a gearing of 3.7x as on September 30, 2024.

### Key financial indicators

IIFCL	FY2022	FY2023	FY2024	H1 FY2025
Total income	4,212	4,653	5,472	3,037
PAT	514	1,076	2,028	1,005
Total managed assets	56,964	59,485	65,493	73,369
Return on managed assets	0.9%	1.9%	2.5%	2.3%
Gearing (times)	3.5	3.4	3.5	3.7
Gross stage 3	9.4%	4.8%	1.6%	1.3%
CRAR	29.0%	27.7%	28.2%	25.5%

Source: IIFCL, ICRA Research; Ratios as per ICRA calculations; 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 Rating (FY2025)				Rating History for the Past 3 Years				
	Type	Amount Rated (Rs. crore)	Date and Rating		Date and Rating in FY2024	Date and Rating in FY2023	Date and Rating in FY2022		
			Jan 27, 2025	May 13, 2024	Feb 23, 2024	Feb 24, 2023	Feb 25, 2022	Apr 20, 2021	
1 Tax-free/ taxable bonds	Long term	15,015.20	[ICRA]AA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	
2 Gov guaranteed bonds	Long term	200	[ICRA]AA(CE) (Stable)	[ICRA]AAA(CE) (Stable)	[ICRA]AAA(C E) (Stable)	[ICRA]AAA(C E) (Stable)	[ICRA]AAA(C E) (Stable)	[ICRA]AAA(C E) (Stable)	
3 Non-convertible debenture	Long term	4,000	[ICRA]AA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	
4 Fund based/non-fund based bank facilities	Long term	6,000	[ICRA]AA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	
5 Subordinated debt	Long term	0	-	-	-	-	-	[ICRA]AAA (Stable); Withdrawn	

Source: ICRA Research

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Tax-free/taxable bonds	Simple
Gov guaranteed bonds	Simple
Non-convertible debenture	Simple
Fund-based/non-fund based bank facilities	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 January 27, 2024**

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE787H09079	Taxable Bonds*	12-Aug-09	8.12%	12-Aug-24	600	[ICRA]AAA (Stable)
INE787H09087	Taxable Bonds*	24-Aug-09	8.12%	24-Aug-24	400	[ICRA]AAA (Stable)
INE787H09095	Taxable Bonds*	03-Nov-09	8.55%	03-Nov-24	1,000	[ICRA]AAA (Stable)
INE787H07081	Tax-free Bonds	15-Nov-12	7.38%	15-Nov-27	100	[ICRA]AAA (Stable)
INE787H07115	Tax-free Bonds	21-Nov-12	7.38%	21-Nov-27	50	[ICRA]AAA (Stable)
INE787H07149	Tax-free Bonds	22-Jan-13	(7.36/7.86) %	22-Jan-28	761	[ICRA]AAA (Stable)
INE787H07172	Tax-free Bonds	26-Mar-13	(7.02/7.52) %	26-Mar-28	46.6	[ICRA]AAA (Stable)
INE787H07198	Tax-free Bonds	23-Aug-13	8.26%	23-Aug-28	630.3	[ICRA]AAA (Stable)
INE787H07214	Tax-free Bonds	30-Aug-13	8.46%	30-Aug-28	1,159.70	[ICRA]AAA (Stable)
INE787H07255	Tax-free Bonds	05-Sep-13	8.48%	05-Sep-28	1,129.70	[ICRA]AAA (Stable)
INE787H07289	Tax-free Bonds	12-Nov-13	8.38%	12-Nov-28	303.5	[ICRA]AAA (Stable)
INE787H07289	Tax-free Bonds	12-Nov-13	8.38%	12-Nov-28	8.9	[ICRA]AAA (Stable)
INE787H07297	Tax-free Bonds	12-Nov-13	8.63%	12-Nov-28	157.1	[ICRA]AAA (Stable)
INE787H07339	NCD	22-Jan-14	8.48%	22-Jan-29	6.8	[ICRA]AAA (Stable)
INE787H07362	NCD	22-Jan-14	8.73%	22-Jan-29	141.1	[ICRA]AAA (Stable)
INE787H07396	Tax-free Bonds	27-Mar-14	8.55%	27-Mar-29	1,595.80	[ICRA]AAA (Stable)
INE787H07396	Tax-free Bonds	27-Mar-14	8.55%	27-Mar-29	12.3	[ICRA]AAA (Stable)
INE787H07099	Tax-free Bonds	15-Nov-12	7.41%	15-Nov-32	340	[ICRA]AAA (Stable)
INE787H07123	Tax-free Bonds	21-Nov-12	7.41%	21-Nov-32	21	[ICRA]AAA (Stable)
INE787H07156	Tax-free Bonds	22-Jan-13	(7.4/7.9) %	22-Jan-33	1,156.40	[ICRA]AAA (Stable)
INE787H07180	Tax-free Bonds	26-Mar-13	(7.08/7.58) %	26-Mar-33	23.3	[ICRA]AAA (Stable)
INE787H07206	Tax-free Bonds	23-Aug-13	8.19%	23-Aug-33	2	[ICRA]AAA (Stable)
INE787H07222	Tax-free Bonds	30-Aug-13	8.37%	30-Aug-33	26.5	[ICRA]AAA (Stable)
INE787H07305	Tax-free Bonds	12-Nov-13	8.50%	12-Nov-33	15.9	[ICRA]AAA (Stable)
INE787H07305	Tax-free Bonds	12-Nov-13	8.50%	12-Nov-33	186.9	[ICRA]AAA (Stable)
INE787H07313	Tax-free Bonds	12-Nov-13	8.75%	12-Nov-33	242.1	[ICRA]AAA (Stable)
INE787H07347	NCD	22-Jan-14	8.66%	22-Jan-34	754.4	[ICRA]AAA (Stable)
INE787H07370	NCD	22-Jan-14	8.91%	22-Jan-34	544.3	[ICRA]AAA (Stable)
INE787H07404	Tax-free Bonds	27-Mar-14	8.55%	27-Mar-34	126	[ICRA]AAA (Stable)
INE787H07404	Tax-free Bonds	27-Mar-14	8.55%	27-Mar-34	12.6	[ICRA]AAA (Stable)
INE787H07438	Tax-free Bonds	27-Mar-14	8.80%	27-Mar-34	128.7	[ICRA]AAA (Stable)
INE787H08071	NCD	26-Oct-23	7.69%	26-Oct-38	2000	[ICRA]AAA (Stable)
INE787H08089	NCD	08-Dec-23	7.67%	08-Dec-38	1000	[ICRA]AAA (Stable)
NA^	Tax-free/taxable bonds	NA	NA	NA	332.30	[ICRA]AAA (Stable)
INE787H08048	NCD	12-Mar-22	7.17%	14-Mar-32	1,500.00	[ICRA]AAA (Stable)
INE787H08055	NCD	31-May-23	7.46%	31-May-33	500	[ICRA]AAA (Stable)
INE787H08063	NCD	18-Sep-23	7.53%	18-Sep-38	2,000.00	[ICRA]AAA (Stable)
NA^	GoI Guaranteed Bonds	-	-	-	200	[ICRA]AAA (CE) (Stable)
NA^	Fund based/non fund based				6,000.00	[ICRA]AAA (Stable)

Source: IIFCL, ICRA Research; ^ Yet to be placed; \*To be withdrawn later

[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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