

Aseem Infrastructure Finance Limited

November 17, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	9,000.00 (Enhanced from 7,000.00)	CARE AA+; Positive / CARE A1+	Reaffirmed
Long-term – Long-term instruments	250.00	CARE AA+; Positive	Reaffirmed
Non-convertible debentures	500.00	CARE AA+; Positive	Reaffirmed
Non-convertible debentures	1,500.00	CARE AA+; Positive	Reaffirmed
Commercial paper	2,000.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings of Aseem Infrastructure Finance Limited's (AIFL's) long-term and short-term instruments at 'CARE AA+; Positive / CARE A1+'. Ratings reflect strong linkages with the Government of India (GoI) and indirectly through the National Investment and Infrastructure Fund Limited (NIIFL), which is anchored by GoI and associated benefits of capital support, joint underwriting opportunities, and a shared knowledge base. Ratings also take comfort from AIFL's adequate capitalisation, experienced management team, strong asset quality with nil non-performing assets (NPAs) since inception, and ability to mobilise funds at competitive rates. Ratings are constrained by the inherent risks of infrastructure financing, including large-ticket exposures, sectoral concentration, and rising exposure to under-construction projects that carry execution risk. While the portfolio has stabilised with an average operational vintage of around six years, ongoing risk monitoring and prudent underwriting will be critical as AIFL scales up its book.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Ability to scale up operations and increase the loan portfolio with adequate sectoral diversification.
- Maintenance of stable asset quality parameters with gross non-performing assets (GNPA) below 1%.
- Demonstration of the ability of resource mobilisation at favourable terms/competitive rates.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Dilution in the strategic position of the company or weakening of linkages with the GoI through its sponsor fund or otherwise, other than envisaged.
- On an outstanding basis, increase in funding to under-construction projects beyond 40%.
- Deterioration in the asset quality of the portfolio such that the net non-performing assets (NPA) to tangible net worth (TNW) ratio exceeds 15% on a sustained basis.
- Sustained deterioration in profitability with return on average total assets (ROTA) below 0.5%.

Analytical approach: Standalone

CareEdge Ratings has analysed the standalone credit profile of AIFL, factoring in the linkages with GoI and NIIFL.

Outlook: Positive

The positive outlook considers growth in the scale of operations, ability to bring in equity capital, and improvement in financial metrics while ability to raise funds at competitive rates. CareEdge Ratings anticipates continued linkages with GoI and NIIFL, while expecting AIFL to maintain strong asset quality.

Detailed description of key rating drivers:

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Key strengths

Strong linkages with GoI through NIIFL ecosystem

AIFL maintains strong direct and indirect linkages with the GoI through the NIIFL ecosystem, reflecting its strategic role in financing long-term, capital-intensive infrastructure projects. As on June 30, 2025, NIIF Fund II/Strategic Opportunities Fund (SOF) holds 59% stake in AIFL, with GoI at 31% and Sumitomo Mitsui Banking Corporation (SMBC) at 10%.

Anchored by GoI, NIIFL manages ~US\$4.4 billion across four funds, with SOF—one of India's largest growth equity funds. AIFL's governance is supported by a board comprising of two NIIF nominee directors and three independent members. Of the ₹6,000 crore allocated to NIIF's debt platform, ~₹4,300 crore remains available for drawdown by AIFL and NIIF IFL.

Unlike NIIF IFL, which focuses exclusively on operational assets, AIFL has the mandate to finance greenfield, brownfield, and operational projects, covering the entire project lifecycle. As sponsor of NIIF IFL, AIFL holds a 30.83% stake (fully diluted) and benefits from platform synergies possible through joint underwriting, access to investors, and NIIF's sector expertise.

Given NIIFL's quasi-sovereign status, sizeable undrawn commitments (~₹4,300 crore), and demonstrated GoI backing, CareEdge Ratings expects growth capital support to remain forthcoming, underscoring AIFL's strategic importance to national infrastructure financing.

Experienced management team

The management team is experienced and is guided by qualified board of directors. Virender Pankaj, Chief Executive Officer (CEO), oversees the company's operations and has over 32 years' experience in project finance, working capital, and corporate finance, among others. He has extensive lending experience across a wide range of sectors, including roads, power, and social and industrial finance. He is supported by a seasoned leadership bench, with senior executives averaging over a decade of sectoral and functional experience. The governance framework is further strengthened by oversight from an experienced Board comprising nominee and independent directors. CareEdge Ratings believes AIFL will benefit from the management's long track record to scale up the business while, managing the asset quality.

Asset quality supported by risk framework; monitorable with portfolio shift

AIFL is governed by its strong internal credit risk grading framework and risk management systems owing to which the company has historically reported zero days past due (DPD). According to its policy, it does not finance projects with an internal rating below 'BBB-'. As on June 30, 2025, ~70% outstanding portfolio has an external rating of 'A-' or higher (FY25: 72%), against 84% as on March 31, 2024, with a slight uptick in the 'BBB' band due to exposure to under-construction projects. Such projects inherently carry higher implementation risks. AIFL conducts extensive due diligence on the sponsor group and risk analysis in respect of projects before considering sanctioning to mitigate risk in the implementation phase.

As the company continues its growth trajectory in terms of the book size with increase in proportion of under-construction projects, and lending to newer sectors, demonstration of sound asset quality on a sustained basis remains a key rating monitorable.

Comfortable capitalisation levels; diversification of borrowings remains key

AIFL maintains comfortable capitalisation, with capital adequacy ratio (CAR) of 18.66% and Tier-I CAR of 18.02% as on June 30, 2025, well above regulatory requirements. Net worth stood at ₹3,214 crore as on March 31, 2025, supported by equity infusions from GoI, NIIF SOF, and SMBC, and internal accruals. Gearing rose to 4.15x in FY25 (FY24: 3.90x) due to portfolio expansion but is expected to remain below 5x in the medium term.

In terms of borrowings, AIFL's borrowings remain diversified across term loans (76%), non-convertible debentures (NCDs: 10%), commercial papers (CPs; 8%), external commercial borrowing (ECB; 2%), and working capital demand loan (WC DL) (4%) as on June 30, 2025. While CPs will remain part of the borrowing strategy, their share is expected to remain moderate to ensure a balanced funding mix. Significant increase in CPs to fund long-term assets will be closely monitored.

AIFL's growth strategy depends on timely capital support from GoI, NIIFL, SMBC, and other institutional investors. While strong parentage and GoI linkages provide funding flexibility, further diversification of the liability profile at competitive rates remains a key monitorable.

Key weakness

Growing, but moderate scale of operations, profitability improves though remains moderate

AIFL commenced lending in FY21 and has grown its portfolio to ₹15,431 crore by March 31, 2025, from ₹13,609 crore (March 2024), and to ₹15,864 crore by Q1FY26, with a compounded annual growth rate (CAGR) of ~74% since FY21 to Q1FY26. The portfolio, as at June 30, 2025, has a behavioural tenor of 2.5 -3.5 years and spans diverse sectors, including renewables (green energy), roads, telecom towers, power distribution, airports, transmission, city gas distribution, water sanitation, and data centres, among others. Nevertheless, the operational portfolio has stabilised with an average operational vintage of around six years. As on June 30, 2025, its operations are concentrated with renewables and roads forming 49% and 26% assets under management (AUM), respectively.

The share of under-construction projects is at 22% of AUM as on June 30, 2025 (June 2024: 23%), reflecting AIFL's strategy to support the full project lifecycle. Exposure to such projects introduces execution risks, though these are partly mitigated by focusing on strong sponsors and projects nearing COD. Share of under-construction projects in the next 2-3 years, may be expected to increase to ~40% on an outstanding basis. Credit concentration is gradually reducing, with the top 20 borrowers' share of AUM declining to ~45% in Q1FY26 (FY23: 55.7%).

AIFL has demonstrated steady improvement in profitability since commencement of lending in FY21, supported by strong portfolio growth and contained credit costs. PAT increased from ₹20.8 crore in FY21 to ₹261.8 crore in FY25, with Q1FY26 PAT at ₹73.9 crore supported by rising yields, contained opex (~0.4% of ATA), and low credit costs. Return ratios have strengthened, with ROTA improving from 1.27% in FY21 to 1.68% in FY25. Similarly, return on net worth (RONW) improved to 8.48% in FY25 (FY24: 7.17%), adjusted RONW being higher at 11.78% after adjusting for Investment in NIIF IFL. However, earnings are exposed to the unseasoned nature of the book, rising share of under-construction projects, and sensitivity to funding costs.

Sustaining profitability while scaling operations and managing rising exposure to under-construction projects will remain a key monitorable.

Liquidity: Strong

As on June 30, 2025, AIFL's asset liability management (ALM) profile had no negative cumulative mismatches up to one year bucket. The company's current liquidity philosophy is to maintain high-quality liquid assets (HQLA) funds of 2-3 months of gross normalized cash outflows. Liquidity is supported by cash and liquid investments of ₹643 crore, contracted inflows of ₹4,333 crore, against scheduled debt repayments of ₹3,768 crore over the next one year, and undrawn sanctioned lines of ₹1,961 crore. This indicates a comfortable liquidity position to meet debt obligations in the near term. AIFL's liquidity position is also supported by its direct and indirect (NIIFL) linkages with the GoI to benefit the company in providing funding diversification, access to capital markets and an enhanced ability to raise resources at competitive rates.

Applicable criteria

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Short Term Instruments](#)

[Non Banking Financial Companies](#)

[Factoring Linkages with Govt](#)

[Withdrawal Policy](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Non-banking financial company (NBFC)

Incorporated as an infrastructure finance company under the NBFC category (NBFC-IFC), AIFL was created in May 2019 for lending across phases of infrastructure projects, with a mix of operational and under-construction projects. The Reserve Bank of India (RBI) granted a certificate of registration (COR) to AIFL on January 28, 2020, and the company has initiated lending operations in Q2FY21. AIFL is a subsidiary of the National Investment and Infrastructure Fund II (NIIF Fund II) managed by the NIIFL (a GoI-anchored fund). In March 2022, SMBC infused capital of ₹317.09 crore in AIFL. Following the capital raise,

shareholding pattern underwent a change and thereafter has remained unchanged. As on March 31, 2024, NIIF Fund II holds a 59% stake in AIFL, followed by the GoI (31%), and SMBC (10%).

Standalone Financials of AIFL

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total income	1,195.70	1,465.89	379.07
PAT	205.33	261.84	73.94
Interest coverage (times)	1.32	1.34	1.38
Total assets	14,571.67	16,636.16	NA
Net NPA (%)	0.00	0.00	0.00
ROTA (%)	1.50	1.68	NA

A: Audited UA: Unaudited; Note: these are latest available financial results; NA: Not available

Status of non-cooperation with previous CRA: Not applicable

Any other information:

Disclosure of Interest of Independent/Non-Executive Directors of CareEdge Ratings:

Name of Director	Designation of Director
V. Chandrasekaran	Non-Executive - Independent Director

V Chandrasekaran is an independent director on the Board of Aseem Infrastructure Finance Limited and is non-executive independent director of CareEdge Ratings. Non-executive independent directors of CareEdge Ratings are not part of CareEdge Ratings' rating committee and do not participate in the rating process.

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of Instrument	ISIN	Date of issuance	Coupon Rate	Maturity Date	Size of Issue (₹, crore)	Rating Assigned and Rating Outlook
Debt-Subordinate Debt	INE0AD508018	17-Jul-25	8.13%	16-Jul-32	100.00	CARE AA+; Positive
Debt-Subordinate Debt	Proposed	-	-	-	150.00	CARE AA+; Positive
Debentures-Non-convertible debentures	Proposed	-	-	-	1,080.00	CARE AA+; Positive
Debentures-Non-convertible debentures	INE0AD507036	10-May-21	7.70%	08-May-26	100.00	CARE AA+; Positive
Debentures-Non-convertible debentures	INE0AD507127	02-May-25	7.78%	02-May-30	100.00	CARE AA+; Positive

Name of Instrument	ISIN	Date of issuance	Coupon Rate	Maturity Date	Size of Issue (₹, crore)	Rating Assigned and Rating Outlook
Debentures-Non-convertible debentures	INE0AD507135	31-Jul-25	7.73%	28-Dec-28	2.50	CARE AA+; Positive
Debentures-Non-convertible debentures	INE0AD507143	31-Jul-25	7.70%	27-Mar-29	2.50	CARE AA+; Positive
Debentures-Non-convertible debentures	INE0AD507150	31-Jul-25	7.73%	31-Aug-26	250.00	CARE AA+; Positive
Debentures-Non-convertible debentures	INE0AD507168	31-Jul-25	7.70%	24-Dec-26	250.00	CARE AA+; Positive
Debentures-Non-convertible debentures	INE0AD507176	18-Aug-25	7.64%	18-Jan-29	95.00	CARE AA+; Positive
Debentures-Non-convertible debentures	INE0AD507184	18-Aug-25	7.73%	16-Aug-30	120.00	CARE AA+; Positive
Commercial Paper-Commercial Paper (Standalone)	INE0AD514222	10-Jul-25	7.05%	29-Jun-26	225.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE0AD514222	10-Jul-25	7.05%	29-Jun-26	75.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE0AD514248	13-Aug-25	6.43%	12-Nov-25	200.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE0AD514255	28-Aug-25	6.60%	27-Nov-25	100.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE0AD514255	28-Aug-25	6.60%	27-Nov-25	100.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE0AD514255	28-Aug-25	6.60%	27-Nov-25	25.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE0AD514263	29-Aug-25	6.60%	28-Nov-25	200.00	CARE A1+
Commercial Paper-	INE0AD514271	04-Sep-25	6.60%	04-Dec-25	100.00	CARE A1+

Name of Instrument	ISIN	Date of issuance	Coupon Rate	Maturity Date	Size of Issue (₹, crore)	Rating Assigned and Rating Outlook
Commercial Paper (Standalone)						
Commercial Paper-Commercial Paper (Standalone)	INE0AD514271	04-Sep-25	6.60%	04-Dec-25	100.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE0AD514271	04-Sep-25	6.60%	04-Dec-25	25.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE0AD514271	04-Sep-25	6.60%	04-Dec-25	100.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	Proposed	-	-	-	750.00	CARE A1+
Bank Facilities-Fund-based/Non-fund-based-LT/ST	-	-	-	Dec-31	5,190.00	CARE AA+; Positive / CARE A1+
Bank Facilities-Fund-based/Non-fund-based-LT/ST	Proposed	-	-	-	3,810.00	CARE AA+; Positive / CARE A1+
Debentures-Non-convertible debentures	INE0AD507028	10-May-21	7.25%	09-May-25	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	-	-	-	-	-	1)Withdrawn (22-Nov-22) 2)CARE AA+; Stable / CARE A1+ (22-Nov-22) 3)CARE AA+; Stable / CARE A1+

								(12-Aug-22)
2	Debentures-Non-convertible debentures	LT	500.00	CARE AA+; Positive	1)CARE AA+; Positive (09-May-25) 2)CARE AA+; Positive (03-Apr-25)	1)CARE AA+; Positive (28-Jan-25) 2)CARE AA+; Positive (09-Oct-24)	1)CARE AA+; Positive (08-Jan-24) 2)CARE AA+; Positive (09-Oct-23)	1)CARE AA+; Stable (22-Nov-22) 2)CARE AA+; Stable (12-Aug-22)
3	Debentures-Non-convertible debentures	LT	1500.00	CARE AA+; Positive	1)CARE AA+; Positive (09-May-25) 2)CARE AA+; Positive (03-Apr-25)	1)CARE AA+; Positive (28-Jan-25) 2)CARE AA+; Positive (09-Oct-24)	1)CARE AA+; Positive (08-Jan-24) 2)CARE AA+; Positive (09-Oct-23)	1)CARE AA+; Stable (22-Nov-22)
4	Commercial Paper-Commercial Paper (Standalone)	ST	2000.00	CARE A1+	1)CARE A1+ (09-May-25) 2)CARE A1+ (03-Apr-25)	1)CARE A1+ (28-Jan-25) 2)CARE A1+ (09-Oct-24)	1)CARE A1+ (08-Jan-24)	-
5	Fund-based/Non-fund-based-LT/ST	LT/ST	9000.00	CARE AA+; Positive / CARE A1+	1)CARE AA+; Positive / CARE A1+ (09-May-25) 2)CARE AA+; Positive / CARE A1+ (03-Apr-25)	1)CARE AA+; Positive / CARE A1+ (28-Jan-25) 2)CARE AA+; Positive / CARE A1+ (09-Oct-24)	-	-
6	Debt-Subordinate Debt	LT	250.00	CARE AA+; Positive	1)CARE AA+; Positive (09-May-25)	-	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non-convertible debentures	Simple
3	Debt-Subordinate Debt	Complex
4	Fund-based/Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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