Crisil Ratings

Rating Rationale

July 13, 2026 | Mumbai

Aseem Infrastructure Finance Limited

Rating placed on 'Watch Developing'

Rating Action

Name Of Instrument	Rating Outstanding with Outlook	Regulator of instrument
Rs.500 Crore Non Convertible Debentures	Crisil AA+/Watch Developing (Placed on 'Rating Watch with Developing Implications')	SEBI
Non Convertible Debentures Aggregating Rs.600 Crore	Crisil AA+/Watch Developing (Placed on 'Rating Watch with Developing Implications')	SEBI

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has placed its rating on the non convertible debentures of Aseem Infrastructure Finance Limited (AIFL) on **'Rating Watch with Developing Implications'**.

The rating action follows the announcement made by AIFL on July 06, 2026, regarding an agreement for proposed sale of its entire shareholding. The existing shareholders-National Investment and Infrastructure Fund (NIIF; 59.05%), Government of India (GoI; 30.95%) and Sumitomo Mitsui Banking Corporation (SMBC; 10%)-will transfer their stakes to TPG Nicobar Singapore Pte Ltd (TPG Nicobar). TPG Nicobar is held by TPG Rise Climate Fund (70.2%) and Clydo Investments Pte Ltd (29.8%), the wholly owned subsidiary of GIC Singapore. In the second step of the proposed sale transaction, ICICI Bank is expected to acquire a 5% stake in AIFL. The successful consummation of this transaction remains subject to requisite approvals.

The board of AIFL has also approved the sale of its entire stake in NIIF Infrastructure Finance Ltd (NIIF IFL) to National Investment and Infrastructure Fund II for ~Rs 1,750 crore, subject to the approval of the shareholders and applicable regulatory approvals.

Crisil Ratings will continue to track the progress of the sale transaction to TPG and have management discussions to understand TPG's support stance, commitment, strategic importance and long-term business and financial strategy for the company. The watch will be resolved once all requisite regulatory approvals are in place, and greater clarity emerges on the said aspects.

Nevertheless, till the transaction is consummated, the ratings will continue to factor in the significant benefits and financial flexibility arising from the current strong sponsors of AIFL. The ratings also factor in the comfortable capitalisation of AIFL, its ability to raise funds at competitive rates, given its shareholding and an experienced management team. These strengths are partially offset by moderate albeit, growing scale of operations.

AIFL was incorporated on May 23, 2019, and initiated lending operations in August 2020. With healthy growth, the company's assets under management (AUM) at Rs 18,264 crore as on March 31, 2026, with around 82% of exposure towards operational projects as against an AUM of Rs. 15,431 crore as on March 31, 2025 (Rs. 13,609 crore as on March 31, 2024). In furtherance of the transaction, the company will downsell its non-green exposures and the loan portfolio will be realigned towards the green financing strategy as per the mandate of the TPG Rise Climate Fund upon the consummation of the transaction.

Analytical Approach

Crisil Ratings has considered the standalone business and financial risk profiles of AIFL and the expectation of support from sponsors, including GoI.

Key Rating Drivers - Strengths

Significant benefits and financial flexibility on account of strong sponsors

At present, AIFL continues to benefit from the expectation of strong support by the existing sponsors. As on March 31, 2026, SOF (managed by NIIF) had 59% equity stake in AIFL and the GoI had 31%, with the balance 10% held by SMBC. NIIF is a collaborative investment platform for Indian and international investors, anchored by the GoI. It invests across asset classes such as infrastructure, private equity and other diversified sectors in India through three funds: the Master Fund, Fund of Funds and Strategic Opportunities Fund. GoI holds 49% stake in NIIF, and the rest is held by domestic and global institutional investors.

Currently, the Board of Directors of AIFL includes one nominee director from NIIF and three independent directors. Upon the successful consummation of the transaction, the Board composition may undergo a change.

Given the important role that AIFL is expected to play by offering funding assistance to infrastructure projects, it will be strategically important to GoI and should therefore receive strong support. The strategic importance and support are reflected in the sizeable equity commitments of the GoI across AIFL and NIIF IFL. AIFL also benefits from its sovereign ownership in being able to raise resources at competitive rates.

Crisil Ratings will monitor the progress of stake sale to TPG and will also engage with the latter to understand their support stance, commitment, strategic importance and long-term business and financial strategy for the company.

Comfortable capital position
AIFL has comfortable capitalisation, supported by flexibility to raise additional capital and presence of strong sponsors. Classified as an NBFC-IFC (infrastructure finance company), AIFL has to maintain minimum Tier-I and overall capital adequacy ratio (CAR) of 10% and 15%, respectively. As on March 31, 2026, these ratios stood at 16.8% and 18.7% (17.1% and 17.7% as on March 31, 2025), respectively, with networth of Rs 3,614 crore (Rs. 3,267 as on March 31, 2025).

The gearing, at 4.5 times as on March 31, 2026, is expected to reduce to below 3 times upon the consummation of the transaction given the expected increase in the networth consequent to profit from sale of the stake in NIIF IFL, internal accruals and reduction in borrowings due to downsell of loan book. However, the gearing is expected to increase gradually to about 5 times on a steady state basis over the longer term as the company will continue to grow its loan book. Crisil Ratings expects the capital profile for AIFL to remain comfortable over the medium term.

Experienced management
AIFL's senior management team comprises personnel with several years of experience in the infrastructure finance space and across critical business functions. Mr. Virender Pankaj, the Chief Executive Officer (CEO), oversees the operations. He has over 30 years of experience in lending to sectors such as power, roads, social and industrial finance. The management has also put in place strong risk management systems, processes and policies.

<u>Key Rating Drivers - Weaknesses</u>
Moderate, albeit growing, scale of operations
AIFL commenced operations in August 2020 and has a moderately seasoned loan portfolio. Overall AUM stood at Rs. 18,264 crore as on March 31, 2026 as against Rs. 15,431 crore as on March 31, 2025 (Rs 13,609 crore as on March 31, 2024). As on March 31, 2026, the company's portfolio was spread across 168 special purpose vehicles (SPV's) with 82% exposure towards operational projects out of the outstanding AUM. Going forward, the non-green linked portfolio of the company will be downsized along with the realignment of the loan book towards the green financing strategy of TPG upon consummation of the transaction.

The company has gradually added greenfield as well as brownfield projects in it's portfolio, in addition to the growth in operational projects. However, operational projects will retain a major share. The dedicated and experienced team and adequate risk management systems and processes should help the company grow its loan book responsibly.

AIFL had Nil gross stage 3 assets (GS3) as on March 31, 2026. In addition, the company has not reported any days past due (DPDs) since starting of operations. However, the asset quality needs to be seen over a longer period, given the high concentration in the loan book and the inherent nature of the infrastructure funding business. Though exposure to risk will be lower in the initial stage - as has been the case till now - with focus on operational or near operational projects, as the company diversifies into under-construction projects, its ability to maintain adequate asset quality on a steady-state basis and successfully scale up the business will be monitorable.

<u>Liquidity</u> Strong
As per the structural asset liability management (ALM) statement as on June 30, 2026, AIFL had a cumulative positive mismatch in the buckets of up to 6 months. The liquidity of the company is comfortable with cash and liquid investments of Rs 1,848 crore (provisional) and unutilised bank lines of Rs 1,654 crore as on June 30, 2026 which were sufficient to cover outflows (including operating expenditures) for the next three months.

<u>Rating sensitivity factors</u>
Upward factors
- Enhanced strategic importance to the GoI
- Building a leading market position across diversified sectors, while maintaining healthy asset quality and improving earnings profile on a sustained basis

Downward factors
- Decline in strategic importance to or support received from the sponsors.
- Significant weakening in asset quality and profitability exerting pressure on capitalisation, reflected in gearing increasing to, and remaining above, 5 times for a prolonged period

<u>About the Company</u>
AIFL, incorporated in May 2019, is registered as an NBFC-IFC with the Reserve Bank of India. The company commenced operations from August 2020, and funds infrastructure projects. As on March 31, 2026, the company had an AUM of Rs 18,264 crore with renewables projects constituting ~76% of the book, with other major sectors being roads (15%) and smaller exposure to segments such as transmission, logistics etc.

The company reported a profit after tax of Rs. 346 crore and a total income of Rs. 1,664 crore for the fiscal 2026. For fiscal 2025, AIFL reported a PAT of Rs 262 crore and total income of Rs 1,466 crore (Rs 205 crore and Rs 1,196 crore, respectively, in the fiscal 2024).

Key Financial Indicators

As on / for the period ended Mar 31	Unit	2026	2025
Total assets	Rs crore	20,139	16,689
Total income	Rs crore	1,664	1,466
Profit after tax	Rs crore	346	262
Gross stage 3	%	Nil	Nil
Overall capital adequacy ratio	%	18.7	17.7
Return on Assets	%	1.9	1.7

Any other information: Not applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Please note:
More details including a list of activities or instruments, along with the names of respective financial sector regulators (FSRs) whose purview they fall under, is available in 'Annexure – List of Instruments and Names of Regulators' below.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook	Regulator Of Instrument
INE0AD507085	Non Convertible Debentures	14-Jul-22	8.25	14-Jul-27	250.00	Simple	Crisil AA+/Watch Developing	SEBI
INE0AD507119	Non Convertible Debentures	10-May-23	8.30	10-May-28	150.00	Simple	Crisil AA+/Watch Developing	SEBI
INE0AD507218	Non Convertible Debentures	27-Apr-26	8.2907	27-Jun-29	250.00	Simple	Crisil AA+/Watch Developing	SEBI
NA	Non Convertible Debentures#	NA	NA	NA	450.00	Simple	Crisil AA+/Watch Developing	SEBI

 # Yet to be issued

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST		--		--	29-08-25	Crisil A1+	30-08-24	Crisil A1+	04-08-23	Crisil A1+	--
			--		--		--	31-07-24	Crisil A1+		--	--
Non Convertible Debentures	LT	1100.0	Crisil AA+/Watch Developing	06-01-26	Crisil AA+/Stable	29-08-25	Crisil AA+/Stable	30-08-24	Crisil AA+/Stable	04-08-23	Crisil AA+/Stable	Crisil AA+/Stable
			--		--		--	31-07-24	Crisil AA+/Stable		--	--
Short Term Debt	ST		--		--		--		--	04-08-23	Withdrawn	Crisil A1+

All amounts are in Rs.Cr.

Annexure: List of instruments and names of regulators of the instruments
As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria
[Basics of Ratings (including default recognition, assessing information adequacy)]
[Criteria for Finance and Securities companies (including approach for financial ratios)]
[Criteria for factoring parent, group and government linkages]

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