ASEEM
INFRA FINANCE

July 14, 2026

To,
The National Stock Exchange of India Limited
Listing Department, Wholesale Debt Market
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Dear Sir/Madam,

Sub: **Regulation 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 51 read with Part B of Schedule III and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you about the following rating actions by CRISIL Ratings Limited and CARE Ratings Limited vide their release dated July 13, 2026 and July 14, 2026, respectively:

Name of Rating Agency	Name of Instrument	Rated Amount (Rs. in Crore)	Previous Rating assigned	Rating action
CRISIL Ratings Ltd.	Non-convertible Debentures	1,100	Crisil AA+ / Stable	Crisil AA+ / Watch Developing (Placed on 'Rating Watch with Developing Implications')
CARE Ratings Ltd.	Commercial Paper	2,000	CARE A1+ / Positive	CARE A1+ (RWD) Placed on Rating Watch with Developing Implications
	Long-term / Short-term bank facilities	9,000	CARE AA+ / CARE A1+ Positive	CARE AA+ / CARE A1+ (RWD) Placed on Rating Watch with Developing Implications
	Debt - Subordinate debt	250	CARE AA+ / Positive	CARE AA+ (RWD) Placed on Rating Watch with Developing Implications
	Non-convertible Debentures	2,000	CARE AA+ / Positive	CARE AA+ (RWD) Placed on Rating Watch with Developing Implications

The rating rationale as issued by CRISIL Ratings Limited and CARE Ratings Limited are annexed herewith.

Thanking you,

Yours faithfully,
For **Aseem Infrastructure Finance Limited**

NAVEEN ASHOKKUMAR MANGHANI
Digitally signed by NAVEEN ASHOKKUMAR MANGHANI
Date: 2026.07.14 20:07:02 +05'30'

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Company Secretary &
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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.

Key Rating Drivers - Weaknesses
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.

Liquidity 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.

Rating sensitivity factors
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

About the Company
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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Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

Crisil Ratings Limited ('Crisil Ratings') is a wholly-owned subsidiary of Crisil Limited ('Crisil'). Crisil Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About Crisil Limited

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It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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A list of products/activities or ratings of instruments falling under the purview of various FSRs along with the names of respective FSRs has been duly disclosed by Crisil Ratings on its website. A link to the same has been provided below for ready reference:

Crisil Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on Crisil Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: **https://www.crisilratings.com/en/home/our-business/ratings/credit-ratings-scale.html**

Aseem Infrastructure Finance Limited

July 14, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Commercial paper	RBI	2,000.00	CARE A1+ (RWD)	Placed on Rating Watch with Developing Implications
Long-term / Short-term bank facilities	RBI	9,000.00	CARE AA+ / CARE A1+ (RWD)	Placed on Rating Watch with Developing Implications
Debt - Subordinate debt	SEBI	250.00	CARE AA+ (RWD)	Placed on Rating Watch with Developing Implications
Non-convertible debentures	SEBI	2,000.00	CARE AA+ (RWD)	Placed on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has placed ratings assigned to debt instruments and bank facilities of Aseem Infrastructure Finance Limited (AIFL) under 'Rating Watch with Developing Implications'. The rating watch factors in the announcement made on July 06, 2026, by AIFL, whereby Board of Directors of the company approved the sale of company's entire stake to U.S.-based buyout firm TPG, together with consortium partners Singapore's GIC and ICICI Bank. Upon completion of the transaction, TPG Rise Climate Fund is expected to hold 70.20%, reflecting a significant controlling interest, followed by Clydo Investment PTE. Ltd (100% owned by GIC Singapore) at 29.80%. ICICI Bank Ltd is expected to hold ~5% stake in AIFL as a Step-2 of the transaction structuring. Following the proposed change in ownership, Aseem will strategically reposition its business to focus on financing green and climate infrastructure. As part of this transition, the company intends to progressively down sell its existing non-green portfolio, which currently stands at ~₹2,800 crore, while scaling up its exposure to bankable green infrastructure assets.

The proposed acquisition excludes AIFL's investment in NIIF IFL (rated 'CARE AAA; Stable'). This investment is proposed to be divested separately to NIIF Strategic Opportunities Fund (NIIF SOF) for approximately ₹1,750 crore, subject to the regulatory approvals. The proceeds from this divestment are expected to strengthen Aseem's capital profile by reducing leverage. The pace of scaling up the company's portfolio of bankable green infrastructure assets, alongside the planned run-down of its non-green portfolio, will remain a key monitorable.

Completion of the acquisition remains subject to the fulfilment of customary closing conditions, including approvals from the Reserve Bank of India (RBI), the Competition Commission of India (CCI), and the company's lenders (banks and development financial institutions). CareEdge Ratings will closely monitor developments, envisaged support framework, and long-term growth strategy of new investors, and would take a view accordingly post completion of transaction and after evaluating the implications thereof.

Till the transaction is consummated, ratings continue to factor in the expected support from the promoters - NIIF SOF, which holds a 59% stake in AIFL, and the Government of India (GoI), which holds 31% stake. Ratings also derive strength from the experienced management team, which is expected to remain unchanged post the transaction. Ratings take comfort from the company's moderately conservative underwriting philosophy and its comfortable capitalisation levels. However, the ratings remain constrained by the company's inherent risks associated with infrastructure financing, and its moderate profitability.

As on March 31, 2026, AIFL reported assets under management (AUM) of ₹18,264 crore, registering a year-on-year growth of ~18% and a robust compound annual growth rate (CAGR) of ~61% since FY21. Disbursement growth accelerated significantly to ~52% in FY26 from ~26% in FY25, reflecting strong business momentum. Lower funding costs, and a stable portfolio yield, supported an improvement in net interest margin (NIM) to 2.69% in FY26 from 2.37% in FY25. The company also maintained healthy operating efficiency, with a cost-to-income ratio of 14.7%, while profitability strengthened, as reflected in the improvement in return on managed assets (ROMA) to 1.88% (FY25: 1.68%) and return on tangible net worth (RONW) to 10.22% (FY25: 8.48%). AIFL continues to maintain a comfortable capital position, with a capital adequacy ratio (CAR) of 18.74% and Tier-I CAR of 16.76% as on March 31, 2026. Gearing increased to 4.63x as of March 2026 from 4.15x a year earlier, primarily due to higher borrowings undertaken to support portfolio expansion. However, the proposed divestment in NIIF IFL is expected

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

to generate proceeds of ~₹1,750 crore, which should further strengthen the company's capital base. On the asset quality front, weighted average rating of the outstanding portfolio is 'A', and the Company continued to maintain a nil NPA track record, underscoring the resilience of its credit underwriting and risk management practices.

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.

Detailed description of key rating drivers

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 March 31, 2026, 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 in 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 March 31, 2026, ~62% outstanding portfolio has an external rating of 'A' or higher (March 31, 2025: 72%), 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 18.74% and Tier-I CAR of 16.76% as of March 31, 2026, well above regulatory requirements. Tangible Net worth stood at ₹3,553.33 crore as on March 31, 2026, supported by equity infusions from GoI, NIIF SOF, and SMBC, and internal accruals. Gearing rose to 4.63x in FY26 (FY25:4.15x) 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 (65%), non-convertible debentures (NCDs: 16%), commercial papers (CPs; 7%), external commercial borrowing (ECB; 5%), and working capital demand loan (WCDL) (6%) as on March 31, 2026. 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 ₹18,264 crore by March 31, 2026, from ₹15,431 crore (March 2025), with a compounded annual growth rate (CAGR) of ~60.6% since FY21 to FY26. The portfolio, as of March 31, 2026, has a behavioural tenor of 3.0 -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 seven years. As on March 31, 2026, green portfolio constituted ~76% of assets under management (AUM).

The share of under-construction projects is at 18% of AUM as on March 31, 2026 (March 25: 24%), 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 ~41% in March 31, 2026 (March 31, 2025: ~49%).

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 ₹20.80 crore in FY21 to ₹345.67 crore in FY26, supported by rising yields, contained opex (~0.4% of ATA), and low credit costs. Return ratios have strengthened, with ROMA improving from 1.27% in FY21 to 1.88% in FY26. Similarly, return on tangible net worth (RONW) improved to 10.22% in FY26 (FY25: 8.48%), adjusted RONW being higher at 13.23% 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 March 31, 2026, AIFL's asset liability management (ALM) profile had no negative cumulative mismatches till six months. Liquidity is supported by cash and liquid investments of ₹857.12 crore, and contracted inflows of ₹2390.32 crore, against scheduled debt repayments of ₹2204.09 crore over the next six months, and undrawn sanctioned lines of ₹1,714 crore. However, liquidity as on June 30, 2026 (provisional) is supported by cash and liquid investments of ₹1,848 crore and undrawn sanctioned lines of ₹1,654 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
Notching by Factoring Linkages with Government

About the company and industry

Industry classification

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

AIFL is incorporated as an infrastructure finance company under the NBFC category (NBFC-IFC). AIFL was created in May 2019 with the objective of lending across phases of infrastructure projects, with a mix of operational and under-construction projects. The 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 National Investment and Infrastructure Fund Limited (NIIFL, a GoI-anchored fund). As on March 31, 2026, on a fully diluted basis, NIIF Fund II (or NIIF SOF) held 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)	March 31, 2026 (A)
Total income	1,195.70	1,465.93	1,663.60
Profit after tax (PAT)	205.33	261.84	345.67
Assets under management (AUM)	13,284.00	15,431.00	18,264.00
On-book gearing (x)	3.90	4.15	4.63
AUM / tangible net worth (TNW) (x)	4.49	4.80	5.14
Gross non-performing assets (NPA) / gross stage 3 (%)	Nil	Nil	Nil
Return on managed assets (ROMA) (%)	1.50	1.68	1.88
Capital adequacy ratio (CAR) (%)	20.64	17.73	18.74

A: Audited; Note: these are latest available financial results

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	RBI	Simple	Proposed	-	-	-	2000.00	CARE A1+ (RWD)
Debt-Subordinate Debt	SEBI	Complex	INE0AD508026	06-Nov-25	8.05%	29-Oct-32	150.00	CARE AA+ (RWD)
Debt-Subordinate Debt	SEBI	Complex	INE0AD508018	17-Jul-25	8.13%	16-Jul-32	100.00	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	INE0AD507192	10-Oct-25	7.68%	08-Oct-27	250.00	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	INE0AD507135	31-Jul-25	7.73%	28-Dec-28	2.50	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	INE0AD507143	31-Jul-25	7.70%	27-Mar-29	2.50	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	INE0AD507150	31-Jul-25	7.73%	31-Aug-26	250.00	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	INE0AD507168	31-Jul-25	7.70%	24-Dec-26	250.00	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	INE0AD507184	18-Aug-25	7.73%	16-Aug-30	120.00	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	INE0AD507176	18-Aug-25	7.64%	18-Jan-29	95.00	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	INE0AD507176	27-Nov-25	7.64%	18-Jan-29	100.00	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	INE0AD507036	10-May-21	7.70%	08-May-26	100.00	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	INE0AD507127	02-May-25	7.78%	02-May-30	100.00	CARE AA+ (RWD)
Debentures-Non-convertible debentures	SEBI	Simple	Proposed	-	-	-	730.00	CARE AA+ (RWD)
Fund-based/Non-fund-based-LT/ST	RBI	Simple	-	-	-	06-Oct-33	4,560.00	CARE AA+ / CARE A1+ (RWD)
Fund-based/Non-fund-based-LT/ST	RBI	Simple	Proposed	-	-	-	4,440.00	CARE AA+ / CARE A1+ (RWD)

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 2026-2027	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
1	Debentures-Non-convertible debentures	LT	500.00	CARE AA+ (RWD)	-	1)CARE AA+; Positive (17-Nov-25) 2)CARE AA+; Positive (09-May-25) 3)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)
2	Debentures-Non-convertible debentures	LT	1500.00	CARE AA+ (RWD)	-	1)CARE AA+; Positive (17-Nov-25) 2)CARE AA+; Positive (09-May-25) 3)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)
3	Commercial Paper-Commercial Paper (Standalone)	ST	2000.00	CARE A1+ (RWD)	-	1)CARE A1+ (17-Nov-25) 2)CARE A1+ (09-May-25) 3)CARE A1+	1)CARE A1+ (28-Jan-25) 2)CARE A1+ (09-Oct-24)	1)CARE A1+ (08-Jan-24)

						(03-Apr-25)		
4	Fund-based/Non-fund-based-LT/ST	LT/ST	9000.00	CARE AA+ / CARE A1+ (RWD)	-	1)CARE AA+; Positive / CARE A1+ (17-Nov-25) 2)CARE AA+; Positive / CARE A1+ (09-May-25) 3)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)	-
5	Debt-Subordinate Debt	LT	250.00	CARE AA+ (RWD)	-	1)CARE AA+; Positive (17-Nov-25) 2)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: 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.

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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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