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High rating for fund: (From right) Arvind Mayaram, Secretary, Department of Economic Affairs; S.S. Mundra, CMD, Bank of Baroda, and Chanda Kochhar, MD and CEO, ICICI Bank, at the North Block in the Capital on Friday. —Kamal Narang

Infra debt funds to play key role in core sector financing needs: Mayaram

India Infradebt debentures get AAA rating from Crisil

Our Bureau

New Delhi, July 5

Infrastructure debt funds (IDFs) will play a key role in meeting the requirements of infrastructure funding, a top policymaker has said.

A higher credit rating would enable IDFs to access long-term funds for infrastructure sector at competitive rates, Arvind Mayaram, Economic Affairs Secretary, said here on Friday.

Mayaram was speaking at an event to mark the handing over of 'Crisil AAA' rating to the proposed Rs 500-crore debenture issue of India Infradebt Ltd (Infradebt), which is the country's first such fund in the NBFC format.

He said IDFs were a useful instrument for the private sector to raise funds. At least 50 per cent of the \$1-trillion funding requirement for infrastructure during the 12th Plan is expected to come from the

private sector, he pointed out. There is a great demand among the foreign investors for long-term investment in the country, Mayaram said.

Chanda Kochhar, Managing Director and CEO, ICICI Bank, later told reporters that AAA rating for Infradebt would enable it to mobilise funds at competitive rates.

ICICI Bank is one of the sponsors of Infradebt. The others are Bank of Baroda, Citigroup and LIC.

Infradebt on Friday also completed its first transaction by refinancing a road project of Zirakpur-Parwanoo section of NH-22 built by Himalayan Expressway Ltd (Jaiprakash Group)

Roopa Kudva, Managing Director and CEO, Crisil, said tight regulatory and operating framework for IDFs in the NBFC format had prompted the agency's highest rating to Infradebt.

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