



**Press Release**  
**WEST BENGAL INFRASTRUCTURE DEVELOPMENT FINANCE CORPORATION LIMITED**  
**February 20, 2025**  
**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1000.00	ACUITE A   Stable   Assigned	-
Bank Loan Ratings	5266.70	ACUITE A   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	6266.70	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of ‘**ACUITE A**’ (read as **ACUITE A**) on the Rs. 5266.70 Cr. bank facilities of West Bengal Infrastructure Development Finance Corporation Limited (WBIDFC). The outlook remains ‘**Stable**’.

Acuite has assigned the long-term rating of ‘**ACUITE A**’ (read as **ACUITE A**) on the Rs. 1000.00 Cr. bank facilities of West Bengal Infrastructure Development Finance Corporation Limited (WBIDFC). The outlook is ‘**Stable**’.

**Rationale for Rating**

The rating factors in the benefits to WBIDFC derived from the ownership of Government of West Bengal (holds ~100 percent) and its strategic importance in providing credit to key infrastructure projects in West Bengal. The rating also considers the experienced managerial board at WBIDFC and comfortable capitalization levels. The company’s Capital Adequacy Ratio (CAR) increased to 75.15 percent as on March 31, 2024, from 71.28 percent as on March 31, 2023. The company had reported a decline in loan book to Rs . 4790.84 Cr. as on March 31, 2024 from Rs 4869.00 Cr. as on March 31, 2023. However, the loan portfolio as at December 31, 2024 stands at Rs 4927.01Cr. WBIDFC majorly lends to its state government entities and projects and receives guarantee from GoWB for the same. WBIDFC’s asset quality stood healthy marked by GNPA of 0.00 percent as on March 31, 2024 due to prudent underwriting practices. As on December 31, 2024, the GNPA and NNPA both stand at 0.00 percent respectively. The company has reported a further improvement in GNPA from 0.95 percent for FY 2023. On account of the ownership benefits derived from the state government, the corporation enjoys strong resource raising ability at lower cost of funds thereby maintaining comfortable liquidity buffers to meet its funding requirements. These strengths are partially offset by large ticket size exposures and limited flexibility to go beyond its existing area and scope of operations.

Going forward, continued assistance from GoWB, WBIDFC’s ability to profitably grow its loan portfolio while containing any additional slippages will be a key rating monitorable.

**About the company**

WBIDFC, a wholly-owned subsidiary of Government of West Bengal (GoWB), was incorporated in 1997 with an objective to assist infrastructure development in West Bengal. The company’s primary objective is to mobilise funds from debt market and banks and on lend it to various state level enterprises, joint sector and Private sector companies. Besides Infrastructure, the company has also provided funding to the department of food and supplies among others.

**Unsupported Rating**

Not Applicable

### **Analytical Approach**

Acuité has adopted a standalone approach while assessing the business and financial risk profile of WBIDFC and has factored in benefits emanating from the ownership by Government of West Bengal. GoWB's financial assistance to WBIDFC is in the form of its ~100 per cent equity ownership and its guarantee for certain borrowings of WBIDFC. Besides financial assistance, GoWB also extends managerial assistance through Board representation.

### Strength

#### Assistance provided by Government of West Bengal

WBIDFC is an RBI registered non-deposit taking NBFC engaged in financing for infrastructure development in West Bengal. The current board comprises Dr. Abhirup Sarkar (Chairman), Mr. Manas Dhar (Managing Director) along with various professionals and bureaucrats representing Government of West Bengal (GoWB). This provides strong managerial assistance on an ongoing basis to WBIDFC. WBIDFC's funding profile is assisted by the State Government's moral obligation to assist the capitalization levels both on an ongoing basis and in the event of distress. GoWB is ~100 per cent stakeholder in the corporation and is expected to provide assistance to the corporation given its key role as a financier for infrastructure development in the state. WBIDFC's capitalization levels remained adequate at 75.15 percent as on March 31, 2024. WBIDFC's funding mix comprises equity contribution from GoWB and borrowings from banks. The Company's outstanding debt is Rs 4959.94 Cr. as on March 31, 2024. The company's borrowings comprised of bank borrowings (term loans and overdrafts). The ownership by the GoWB enables WBIDFC to borrow at fine pricing from various banks and institutions. Given the linkages with the West Bengal Government and its role in facilitating funding for several state enterprises as well as companies that play an important role in the state economy, Acuité believes that WBIDFC will continue to receive need based assistance in future as well. Since the assistance from GoWB is critical to the rating, the credit profile of West Bengal state is of key importance. Any further deterioration in the state metrics could impact the headroom to assist entities like WBIDFC, for whom it is obligated to provide assistance either on account of an explicit assistance arrangement or an implicit understanding with the lenders. The fiscal position and credit profile of West Bengal state will be a key rating sensitivity.

Acuité believes that the company will continue to benefit from strong financial and managerial assistance from the State Government on an ongoing basis over the medium term.

### Weakness

#### Risks inherent in big ticket lending:

WBIDFC's mandate is to offer financial assistance for infrastructure development. The company's loan book had improved to Rs. 4869.00 Cr. as on March 31, 2023 from Rs 4424.09 Cr. as on March 31, 2022. The company's loan book has seen decline to Rs 4790.84 Cr. as on March 31, 2024. The company's loan book as at December 31, 2024 stood at Rs 4927.01 Cr. The company's asset quality remained healthy with GNPA of 0.95 percent as on March 31, 2023 (1.20 percent as on March 31, 2022 and 0.36 percent as on March 31, 2021). The company has reported a further improvement in GNPA of 0.00 percent as on March 31, 2024. And as at December 31, 2024, the GNPA and NNPA both continue to remain at 0.00 percent respectively. Besides the risk of delinquency in large exposures, WBIDFC is also exposed to the risk of prepayments or delays in offtake in respect of sanctioned exposures. Since any improvement in operating performance is linked to growth in the loan book, the company will have to maintain a healthy pipeline of disbursements. It has been observed during FY2023-24, that there has been a divergence between the sanctions and the disbursements. This is attributable to sanctions to Government entities which remained undrawn mainly on account of funding arrangements being made by these entities from alternative sources like budgetary assistance.

Acuité believes that the company's ability to manage the risks inherent in the wholesale lending segment will remain a key rating sensitivity.

#### Limited operational flexibility amidst an intensely competitive landscape:

WBIDFC's objective is to extend financial assistance to the infrastructure development in the state of West Bengal. The company has primarily focused on lending to Public sector, Private sector entities and entities owned and managed by Government of West Bengal. The company's resource base comprises equity from GoWB and funding from banks and institutions. Currently on a networth base of Rs. 1379.73 Cr., the company is geared at 3.59 times as on March 31, 2024. As the borrowings increase, the overall cost of funds will be increasingly linked to the interest rates on these incremental debts. The likelihood of raising debt through GoWB guarantees is linked to the Government's willingness to extend further guarantees. Since WBIDFC is required to pay guarantee commission to the Government for any guarantees, it adds to the cost of funding through that route. Hence, the company has always endeavored to raise funds on the strength of its standalone credit profile. The ability to access funds at competitive rates will be a key determinant of its future cost of funding. WBIDFC's mandate of lending to Infrastructure projects/ entities in the State of West Bengal limits the lendable options in an intensely competitive environment.

Acuité believes that against the above competitive backdrop and limited flexibility to go beyond its existing area and scope of operations, WBIDFC will have to maintain a healthy roster of highly rated Private and Public sector borrowers to sustain its profitability and growth.

### ESG Factors Relevant for Rating

WBIDFC is a wholly-owned subsidiary of Government of West Bengal (GoWB), primary objective is to mobilise funds from debt market and banks and lend it to various state level enterprises, joint sector and Private sector companies. Some of the material governance issues for the financial services sector are policies and practices

with regard to business ethics, board diversity and independence, compensation structure for board and KMPs, role of the audit committee and shareholders' rights. On the social aspect, some of the critical issues for the sector are the contributions financial inclusion and social development, responsible financing including environmentally friendly projects and policies around data privacy. The industry, by nature has a low exposure to environmental risks. WBIDFC board of directors comprises of Chairman , Managing Director, Independent Director and three directors.

### Rating Sensitivity

- Credit profile, ownership benefit from Government of West Bengal
- Profitability and asset quality metrics
- Changes in regulatory environment

### Liquidity Position

#### Adequate

The company's total debt stood at Rs. 4959.94 Cr. as on March 31, 2024 comprising term loans & overdraft facilities from Banks. The company had maintained cash and cash equivalents of ~Rs. 972.39 Cr. as on March 31, 2024 and Rs 680.48 Cr as on December 31, 2024.

### Outlook: Stable

### Other Factors affecting Rating

None

### Key Financials - Standalone / Originator

Particulars	Unit	FY24 (Actual)	FY23 (Actual)
Total Assets	Rs Cr.	6366.10	6700.50
Total Income*	Rs Cr.	107.98	242.03
PAT	Rs Cr.	58.75	73.35
Networth	Rs Cr.	1379.73	1320.02
Return on Average Assets (ROAA)	(%)	0.90	1.13
Return on Net Worth (RoNW)	(%)	4.35	5.72
Total Debt/Tangible Net Worth (Gearing)	Times	3.59	4.04
Gross NPA's	(%)	0.00	0.95
Net NPA's	(%)	0.00	0.44

\*Total income equals to Net Interest Income plus other income

### Status of non-cooperation with previous CRA (if applicable):

Not Applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](https://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
02 Aug 2024	Secured Overdraft	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	187.46	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	300.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	450.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	56.23	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	220.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	899.99	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	228.23	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	464.86	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	359.93	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	1000.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	312.54	ACUITE A (Reaffirmed & Withdrawn)
	Term Loan	Long Term	393.77	ACUITE A (Reaffirmed & Withdrawn)
	Term Loan	Long Term	180.00	ACUITE A (Reaffirmed & Withdrawn)
	Term Loan	Long Term	271.77	ACUITE A (Reaffirmed & Withdrawn)
	Term Loan	Long Term	100.01	ACUITE A (Reaffirmed & Withdrawn)
	Term Loan	Long Term	50.00	ACUITE A (Reaffirmed & Withdrawn)
	Term Loan	Long Term	135.14	ACUITE A (Reaffirmed & Withdrawn)
	Term Loan	Long Term	90.07	ACUITE A (Reaffirmed & Withdrawn)
	Term Loan	Long Term	50.00	ACUITE Not Applicable (Withdrawn)
	Secured Overdraft	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	300.00	ACUITE A   Stable (Reaffirmed)

05 May 2023	Term Loan	Long Term	50.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	450.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	400.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	1000.00	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	1000.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	600.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	450.00	ACUITE A   Stable (Reaffirmed)
04 Feb 2022	Secured Overdraft	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Secured Overdraft	Long Term	300.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	50.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	450.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	400.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	1000.00	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	500.00	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	600.00	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	450.00	ACUITE A   Stable (Assigned)



## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	440.02	Simple	ACUITE A   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	400.00	Simple	ACUITE A   Stable   Assigned
Punjab National Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	500.00	Simple	ACUITE A   Stable   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	ACUITE A   Stable   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	ACUITE A   Stable   Reaffirmed
Bank of India	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	ACUITE A   Stable   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	100.00	Simple	ACUITE A   Stable   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	20 Jun 2018	Not avl. / Not appl.	31 Mar 2025	18.73	Simple	ACUITE A   Stable   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	26 Feb 2020	Not avl. / Not appl.	28 Feb 2027	180.00	Simple	ACUITE A   Stable   Reaffirmed
Bank of India	Not avl. / Not appl.	Term Loan	23 Oct 2019	Not avl. / Not appl.	31 Jul 2027	192.40	Simple	ACUITE A   Stable   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	19 Mar 2021	Not avl. / Not appl.	30 Apr 2033	850.00	Simple	ACUITE A   Stable   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Term Loan	23 Mar 2021	Not avl. / Not appl.	30 Jun 2033	450.00	Simple	ACUITE A   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	22 Mar 2021	Not avl. / Not appl.	30 Apr 2033	464.86	Simple	ACUITE A   Stable   Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	10 Jun 2021	Not avl. / Not appl.	30 Apr 2033	359.89	Simple	ACUITE A   Stable   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Term Loan	25 Nov 2021	Not avl. / Not appl.	30 Jun 2029	965.00	Simple	ACUITE A   Stable   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	26 Mar 2021	Not avl. / Not appl.	30 Sep 2026	145.80	Simple	ACUITE A   Stable   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Aug 2029	600.00	Simple	ACUITE A   Stable   Assigned

### \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr.No.	Company Name
1	West Bengal Infrastructure Development Finance Corporation Limited
2	Government of West Bengal

## Contacts

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