

## 15-YEAR TENURE

# IIFCL's \$500-million ECB Oversubscribed 5 Times

**New Delhi:** India Infrastructure Finance (IIFCL) on Monday said that its \$500 million external commercial borrowing (ECB) was oversubscribed five times at the lowest cost for a 15-year tenure. The state-run infrastructure financing firm said in a statement that it had advanced its ECB plan to raise up to \$500 million through the Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group, aimed at financing priority infrastructure projects across the country.

It added that the \$500 million tranche formed part of a larger fundraising plan estimated at up to \$2.5 billion.

The ECB is expected to strengthen the company's ability to finance long-term infrastructure projects, mat-

ching the amortising profile of typical infrastructure loans benchmarked to a floating rate, it said.

"The success not only strengthens IIFCL's ability to channelise long-term international capital into priority projects but also paves the way for other institutions to tap global funding more effec-



tively," said IIFCL's deputy managing director Palash Shrivastava.

The ECB will have a 15-year door-to-door tenor. MIGA will provide coverage up to 95% on principal and future interest under the arrangement, which also has elements of an embedded hedging structure. Financial closure for the first tranche is targeted in this quarter, said the statement. — **Our Bureau**

# IIFCL \$500 mn External Commercial Borrowings oversubscribed 5 times

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**NEW DELHI:** India Infrastructure Finance Company Limited (IIFCL) has moved ahead with plans to raise up to \$500 million in External Commercial Borrowings (ECB) backed by the Multilateral Investment Guarantee Agency (MIGA), a World Bank Group entity. The funding will help IIFCL support long-term infrastructure projects, aligning repayments with the amortizing structure of floating-rate infrastructure loans and avoiding fixed-rate bond-related shocks.

IIFCL Deputy Managing Director Palash Shrivastava said the strong response from global lenders highlights confidence in India's infrastructure growth. He added that the move boosts

IIFCL's capacity to mobilise long-term international capital and sets a precedent for other institutions exploring global funding avenues.

The initiative stems from discussions on creating a guarantee product under MIGA's Non-Honouring of Financial Obligations by a State-Owned Enterprise (NHFO-SOE) programme. MIGA has granted in-principle approval for a \$500 million guarantee, enabling IIFCL to raise funds without a sovereign guarantee. This tranche is part of a broader programme estimated at up to \$2.5 billion.

The ECB facility will carry a 15-year door-to-door tenor, with MIGA covering up to 95%

of principal and future interest, along with embedded hedging elements. Financial closure for the first tranche is expected this quarter. IIFCL received bids nearly five times the proposed amount from 12 major global banks (across USD, EUR and JPY), including Citi, JP Morgan, Standard Chartered, HSBC, Société Générale, SMBC, Credit Agricole-CIB, BNP Paribas, MUFG, Commerzbank, BBVA and Deutsche Bank.

The funds will support projects under the Harmonised Master List of Infrastructure Sub-Sectors, with a strong focus on sustainable and climate-aligned initiatives, aligned with MIGA's environmental and social standards. MPOST