

Inland Waterways Authority of India

August 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Bonds*	1,000.00	CARE AAA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

*These are the Government of India (GoI) fully serviced bonds raised by Inland Waterways Authority of India (IWAI). The GoI is meeting the debt obligations on these bonds directly through its annual budget allocation under a designated head. The rating assigned to these bonds does not reflect IWAI's ability to repay on a standalone basis.

Rationale and key rating drivers

Reaffirmation of the rating assigned to the Government of India (GoI) fully serviced bonds raised by the Inland Waterways Authority of India (IWAI) continues to factor in GoI's obligation to repay the principal and the interest amount by making suitable budgetary provisions per the office memorandum dated October 03, 2016, issued by the Department of Economic Affairs, Ministry of Finance, GoI.

The rating also draws comfort from the payment mechanism stipulated through a Memorandum of Understanding (MoU) signed between the Ministry of Ports, Shipping and Waterways (MoPSW; erstwhile Ministry of Shipping), and IWAI.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

Not applicable

Negative factors

- Budgetary allocations by the GoI lower than the payment obligations.
- Non-adherence or breach of payment structure mechanism.

Analytical approach:

Standalone, while factoring notching-up as bonds of IWAI are fully serviced by GoI and considering the payment of principal and interest obligations of the said bonds by the GoI by making suitable budgetary provisions.

Outlook: Stable

The 'Stable' outlook on the bonds reflects the underlying credit quality of the GoI.

Detailed description of key rating drivers:

Key strengths

Obligation of debt servicing lies directly with the GoI

The long-term bonds raised by IWAI have been christened as 'Government of India fully-serviced bonds'. The Ministry of Finance, GoI, vide its office memoranda dated October 03, 2016, and October 18, 2016, had approved the raising of extra budgetary resources (EBR) and mandated IWAI to raise ₹1,000 crore under the said EBR scheme for the development of inland waterways and shipping infrastructure. Per the aforementioned office memorandum, the repayment of principal and interest of the above EBR will be met by the GoI by making suitable budgetary provisions in the demand of the respective ministries and departments as and when the need arises. The GoI is directly responsible for servicing the debt obligations and it does not involve external additional support. Such budgetary provisions have been evidenced in the last few years.

MoU between the MoPSW and IWAI

Per the MoU dated September 11, 2017, signed between MoPSW and IWAI for raising of GoI fully-serviced bonds, the funds raised through these bonds will be utilised for the implementation of the ongoing infrastructure projects. IWAI will inform MoPSW 30 days before the due date about the maturity and MoPSW will ensure that at least five days before the due date of interest or principal repayment, sufficient funds are transferred in IWAI's designated bank account for the debt service payment. The presence of MoU streamlines the fund transfer to the designated account while ensuring adherence to payment timelines.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Liquidity: Strong

The company's liquidity is strong, since the repayment of said bonds will be fulfilled by the GoI through suitable budgetary provisions.

Assumptions/Covenants

Name of Instrument	Detailed Explanation
A. Financial covenants	Not available
B. Non-financial covenants	
I. The primary responsibility of servicing the debt obligations is with GOI itself and it is not in the nature of external additional support	
II. The following structure payment mechanism is deployed	
Trigger Date	Action Point
(T-30)th Day	IWAI to inform MoPSW in writing regarding the due date of the payment of interest and/or principal amount so that necessary arrangements could be made.
(T-15)th Day	The designated account of IWAI is to be funded from MoPSW to the tune of interest/principal obligations on the bonds.
(T-5)th Day	Last date to deposit of requisite funds in the designated account.
*T being due date for payment of interest/repayment of principal. In event of mentioned day not being a business day, it will be taken to indicate next business day.	

Environment, social, and governance (ESG) risks

Not applicable

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Government Support](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

About the company and industry**Industry classification**

Macro-economic Indicator	Sector	Industry	Basic Industry
Services	Services	Transport services	Transport-related services

Established on October 27, 1986, under the Inland Waterways Authority Act of India, 1985, IWAI is responsible for the development, maintenance, and regulation of waterways declared as 'National Waterways' (NWs). It also advises the Ministry of Shipping on all matters regarding inland waterways transportation (IWT). IWAI primarily undertakes projects for the development and maintenance of IWT infrastructure on NWs through grants received from the MoPSW.

IWAI has a well-defined organisation structure and is managed by board members (whole-time and part-time). In addition, the board has full-time experienced members who individually look after the functions of finance, technical, and traffic. In April 2016, the GoI declared 106 new waterways as NWs apart from the existing five waterways.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (P)
Total operating income^	114.96	782.65	337.84
Capital grants received	544.31	1010.50	1127.23
Revenue grants received	76.33	76.50	76.50
PBILDIT	-67.86	554.01	77.08
PAT	-168.24	-239.15	-260.45
Overall gearing (times)	0.40	0.39	0.31
Interest coverage (times)	NM	7.25	1.01

A: Audited P: Provisional NM: Not meaningful; Note: these are latest available financial results

^Including revenue grant and funds transferred from IWAI fund.

Status of non-cooperation with previous CRA:

Not applicable

Any other information:

Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Bonds*	INE896W08012	03-Mar-2017	7.90	03-Mar-2027	340.00	CARE AAA; Stable
Bonds*	INE896W08020	13-Oct-2017	7.47	13-Oct-2027	660.00	CARE AAA; Stable

*GoI Fully Serviced Bonds

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Bonds	LT	1000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (27-Aug-24)	1)CARE AAA; Stable (29-Aug-23)	1)CARE AAA; Stable (02-Sep-22)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Bonds	Simple

Annexure-5: 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.

Contact us

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