February 08, 2024

IIFL Finance Limited: Ratings withdrawn for PTCs issued under two gold loan securitisation transactions

Summary of rating action

Trust Name	Instrument*	Initial Amount (Rs. core)	Amount after Previous Rating Exercise (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Liquid Gold Series 3 Dec 2020	PTC Series A	500.00	67.60	0.00	[ICRA]AAA(SO); Withdrawn
Liquid Gold Series 4	PTC Series A	300.00	65.59	0.00	[ICRA]AAA(SO); Withdrawn

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under two gold loan securitisation transactions, originated by IIFL Finance Limited {IIFL; rated [ICRA]AA(Stable)/[ICRA]A1+} as tabulated above. All the payouts to the investors in the above-mentioned instrument have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of previous rating exercise for both the transactions is available at the following link: Click here

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

IIFL Finance, a listed non-operating holding company had India Infoline Finance Limited {a systematically important, non-deposit accepting non-banking financial company (NBFC-ND-SI)} as its subsidiary. As a part of a merger scheme, India Infoline Finance was merged with IIFL Finance with effect from March 30, 2020 following the receipt of an NBFC license by IIFL Finance. IIFL along with its subsidiaries, IIFL Home Finance (registered as a housing finance company) and Samasta Microfinance Limited (registered as an NBFC-MFI) offers home loans, loan against property, MSME loans, gold loans, microfinance and real estate loans.

IIFL Finance Limited reported a PAT of Rs. 1,608 crore in FY2023 on total AUM of Rs. 64,638 crore compared to PAT of Rs. 1,188 crore in FY2022 on total AUM of Rs. 51,210 crore.

Key financial indicators (consolidated for IIFL Finance Limited)

	FY2022	FY2023	H1FY2024
Total Income	7,024	8,447	4,904
Profit after tax (PAT)	1,188	1,608	998
AUM	51,210	64,638	73,066
Gross Stage 3	3.2%	1.8%	1.8%
Net Stage 3	1.8%	1.1%	1.0%

Amounts in Rs. crore; Source: Company & ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					February 08, 2024	December 21, 2023	December 29, 2022	December 28, 2021	December 22, 2020	December 17, 2020
1	Liquid Gold Series 3 Dec 2020	PTC Series A	500.00	0.00	[ICRA]AAA(SO); withdrawn	[ICRA]AAA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)

Sr. No.	Trust Name	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					February 08, 2024	December 21, 2023	December 29, 2022	December 28, 2021	February 22, 2021	February 17, 2021
2	Liquid Gold Series 4	PTC Series A	300.00	0.00	[ICRA]AAA(SO); withdrawn	[ICRA]AAA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Liquid Gold Series 3 Dec 2020	PTC Series A	Moderately Complex
Liquid Gold Series 4	PTC Series A	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Trust Name	Instrument Type	Date of Issuance	Coupon Rate	Maturity Date*	Amount Rated (Rs. crore)	Current Rating and Outlook
INE0FWE15015	Liquid Gold Series 3 Dec 2020	PTC Series A	December 2020	7.72%	December 2023	0.00	[ICRA]AAA(SO); Withdrawn
INE0GSX15011	Liquid Gold Series 4	PTC Series A	February 2021	7.72%	February 2024	0.00	[ICRA]AAA(SO); Withdrawn

**Scheduled maturity at transaction initiation; may change on account of prepayments*

Source: *Company*

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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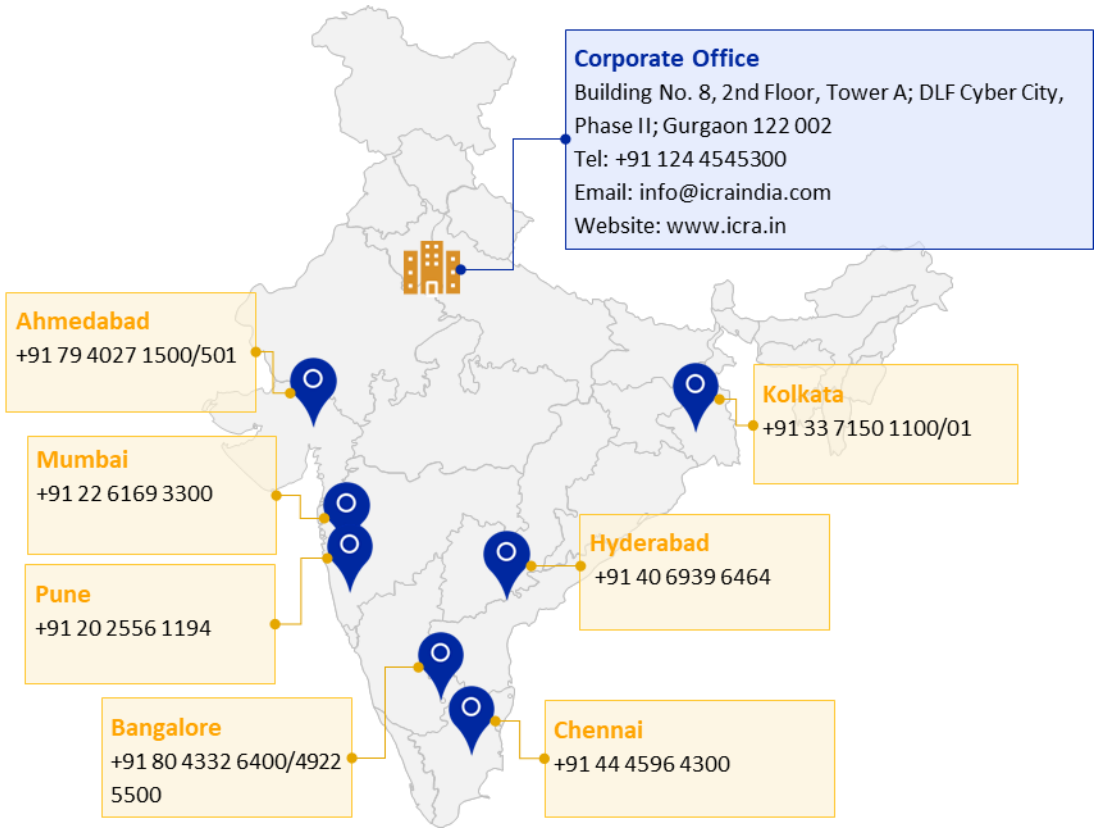

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