

January 22, 2021

IIFL Home Finance Limited: Ratings reaffirmed; Outlook remains Negative

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper Programme	5,000	5,000	[ICRA]A1+ reaffirmed
Non-convertible Debenture Programme	3,264	3,264	[ICRA]AA(Negative) reaffirmed
Non-convertible Debenture Programme	736	-	[ICRA]AA(Negative); reaffirmed and withdrawn
Subordinated Debt programme	400	400	[ICRA]AA(Negative) reaffirmed
Subordinated Debt programme	200	-	[ICRA]AA(Negative) reaffirmed and withdrawn
Long-term bank lines	5,000	5,000	[ICRA]AA(Negative) reaffirmed
LT- Market Linked Debenture	200	200	PP-MLD[ICRA]AA(Negative) reaffirmed
Total	14,800.00	13,814.00	

*Instrument details in Annexure-1

Rationale

The ratings for IIFL Home Finance Limited are based on a consolidated view of IIFL Finance Limited and its subsidiaries (referred to as IIFL/the Group/the company), given the common senior management team and strong financial and operational synergies.

The ratings favourably factor in the Group's diversified lending portfolio with assets under management (AUM) of Rs. 40,843 crore as on September 30, 2020 (retail portfolio constituting 89%) and its widespread presence across 25 states with 2,383 branches. The ratings also consider the adequate capitalisation of the Group. With the growth being largely driven by the off-balance sheet portfolio, the company's capitalisation has remained stable with a consolidated net worth of Rs. 5,000 crore and on-book gearing of 5.8x as on September 30, 2020. Given the increasing share of the off-balance sheet portfolio, the company's capital requirement for growth could be limited. However, in the scenario of stress on the real estate lending book, the Group could need additional capital depending on the likely loss given default.

The ratings are constrained by the impact of the Covid-19 pandemic on the Group's profitability and asset quality. The asset quality has moderated on account of pandemic-related issues and slippages from the real estate book. Further, the profitability remained moderate in FY2020 and H1FY2021 largely on account of high credit provisioning and write-offs partially offset by the improvement in the net interest margins. The company's ability to manage the asset quality and control the credit costs would remain critical for maintaining the profitability.

The Negative outlook factors in the concerns over the real estate book, which accounted for 11% of the AUM as on September 30, 2020 and 90% of the net worth. The company has extended the date for commencement of commercial operations (DCCO) for ~26% of the real estate book. While the management's focus has been on reducing the real estate portfolio, a significant haircut on the sale could result in an increase in the company's gearing and a deterioration in its profitability. Further, given the concentration in the real estate book, IIFL's asset quality is exposed to large ticket slippages. Its ability to reduce the real estate lending book without a significant haircut will be a key monitorable.

The Negative outlook also factors in the funding challenges witnessed by non-banking financial companies (NBFCs) and housing finance companies (HFCs), including IIFL. While the company has been able to raise long-term bank loans and

non-convertible debentures (NCDs), assignment and securitisation accounted for ~58% of the total funds raised in FY2020 and ~63% in H1 FY2021 (excluding the special liquidity facility). Further, in terms of the investor profile, the reliance has largely been on banks. As the Group has significant retail exposures (~89% of the AUM), it has been able to assign/securitise its portfolio, which has helped meet its liquidity requirements. An improvement in the Group's ability to raise diversified funds at competitive rates will remain a key monitorable.

ICRA has reaffirmed and withdrawn the rating outstanding on non-convertible debenture programmes aggregating Rs. 736 crore and subordinated debenture of Rs. 200 crore as these instruments have been redeemed in full and there are no dues outstanding against the same in accordance with ICRA's policy on withdrawal and suspension.

Key rating drivers and their description

Credit strengths

Diversified lending book; increasing focus on retail lending provides comfort – The Group has a diversified lending book with AUM of Rs. 40,843 crore as on September 30, 2020. Home loans accounted for 32% of the portfolio, followed by gold (28%), business loans (19%), developer and construction finance (11%), microfinance (8%) and capital market (2%). The total AUM grew by 17% on a YoY basis. The off-balance sheet book stood at Rs. 10,998 crore (27% of AUM) as on September 30, 2020. The AUM growth was largely led by a 65% YoY growth in gold loans, 28% in microfinance loans (albeit on a relatively smaller base) while home loans grew by 5%. Gold loans witnessed a sharp increase and constituted 28% of the AUM as of September 30, 2020 compared to 18% as on March 31, 2019. Business loans and construction finance and real estate witnessed a decline. Going forward, the management intends to focus on retail mortgage loans and other high-yielding loans such as gold loans and microfinance loans and reduce incremental exposure to the wholesale segment (11% of the AUM currently).

On a standalone basis, IIFL Home Finance's AUM was Rs. 19,151 crore as on September 30, 2020 (Rs. 18,495 crore as on March 31, 2020). This included home loans (Rs. 12,891 crore as on September 30, 2020), loan against property (LAP; Rs. 5,264 crore) and construction finance loans (Rs. 996 crore; lower ticket size construction finance loans).

Adequate capitalisation – IIFL Finance's consolidated net worth stood at Rs. 5,000 crore as on September 30, 2020 with on-book gearing of 5.8x (managed gearing, including off-book, of 8.0x). On a standalone basis, the company reported a CRAR of 18.7% with Tier I of 15.0% as of September 30, 2020 (17.6% and 13.1%, respectively, as on March 31, 2020). The subsidiaries remained adequately capitalised with IIFL Home Finance reporting a CRAR and Tier I of 24.3% and 19.4%, respectively, as on September 30, 2020 (23.7% and 18.4%, respectively, as on March 31, 2020) and Samasta Microfinance reporting a CRAR and Tier I of 23.9% and 19.5%, respectively, as on September 30, 2020 (25.9% and 20.9%, respectively, as on March 31, 2020). The company's solvency profile remained comfortable with Net Stage 3/Net Worth at 4.6% as on September 30, 2020. Given the increasing share of the off-balance sheet portfolio, the company's capital requirement for growth could be limited. However, in the scenario of stress on the real estate lending book, the Group could need additional capital depending on the likely loss given default.

Credit challenges

Moderation in asset quality due to Covid-19 pandemic; exposed to slippages from real estate book – The IIFL Group's reported asset quality indicators remain comfortable with gross Stage 3 at 1.81% and net Stage 3 at 0.77% as on September 30, 2020 (2.31% and 0.97%, respectively, as of March 31, 2020 and 1.96% and 0.63%, respectively, as on March 31, 2019) on account of the standstill in bucket movements. However, if the effect of the Supreme Court's interim order is not considered, the proforma gross and net Stage 3 stood at 2.77% and 1.29%, respectively, as on September 30,

2020. The company's reported asset quality has also been supported by significant write-offs, especially in the real estate book.

The company's collections, like other NBFCs, were impacted by pandemic-related issues. While the collection efficiency improved to 87% in September 2020, it remains low compared to pre-pandemic levels. Like most of its peers, the Group has high exposure to the riskier self-employed segment, which is vulnerable to pandemic-related issues. Further, IIFL's asset quality is exposed to slippages from the concentrated wholesale lending portfolio. The wholesale lending portfolio (11% of the AUM and 90% of the net worth as on September 30, 2020) comprises real estate loans with lower ticket size construction finance accounting for ~2% and corporate mortgage (higher ticket size funding for the relatively initial stages of the project) accounting for the rest (9%). The top 10 exposures in the real estate sector formed ~44% of the net worth as of September 30, 2020. Given the delays in project execution, the company has extended the DCCO for ~26% of its real estate portfolio in H1 FY2021. The Group's ability to control slippages across segments in the current environment and reduce the real estate lending book as a percentage of the net worth remains a key monitorable.

Despite the increase in the net interest margins with a change in the mix towards higher-yielding products (gold loans), the company's profitability remained moderate at ~1.1-1.2% of the average managed assets (AMA) in FY2020 and H1 FY2021. This was due to the high credit provisions and write-offs (2.5% of AMA in H1 FY2021 and 1.2% in FY2020) primarily in the real estate book. The company's ability to manage the asset quality and control the credit costs would remain critical for improving its profitability.

On a standalone basis, IIFL Home Finance reported gross Stage 3 of 1.6% as on March 31, 2020 (0.9% as on March 31, 2019) and net Stage 3 of 1.2% as on March 31, 2020 (0.7% as on March 31, 2019). The profit after tax (PAT) stood at Rs. 245 crore in FY2020 (PAT/AMA of 1.2%).

Continued reliance on assignment/securitisation to meet funding requirements – Post the liquidity crisis in September 2018, the company has largely been relying on the assignment/securitisation of its portfolio, which has helped meet its liquidity requirements. While the company has been able to raise long-term bank loans, NCDs and foreign currency bonds, assignment and securitisation accounted for ~58% of the total funds raised in FY2020. IIFL had availed a moratorium on its bank borrowings due to the pandemic and the resultant challenges faced by NBFCs in raising funds. Assignment and securitisation accounted for ~45% of the overall funds raised in H1 FY2021 with the short-term special liquidity facility accounting for 29%. Further, in terms of the investor profile, the reliance has largely been on banks. ICRA notes the incremental bank loan sanctions that the company received since September 2020. The resource profile, as on September 30, 2020, consisted of assignment and securitisation of ~34%, bank loans of ~30%, debentures of ~16%, external commercial borrowings of ~8%, refinance facility of ~6% and special liquidity facility of ~6%. ICRA draws comfort from the significant retail exposures (~89% of the AUM) with priority sector loans accounting for 42%, which could be securitised/assigned to generate liquidity. An improvement in the Group's ability to raise diversified funds at competitive rates compared to peers will remain a key monitorable.

High growth in loan book in past three years though large part yet to be tested for adverse economic cycles – The key segments of the Group have grown largely in the last three years, resulting in a moderately seasoned portfolio. Home loans, gold loans, micro, small & medium enterprises (MSMEs) and microfinance institutions (MFIs), which accounted for 73% of the AUM as of March 2020, witnessed a significant 3-year CAGR of 33%, 46%, 42% and 142%, respectively. While gold loans are of a shorter tenure (<1 year), home loans and MSME loans are of a longer tenure. Given the moderate seasoning of home loans and the MSME book, the Group's ability to maintain its asset quality through the current business cycles will remain a monitorable. Additionally, the MFI loans are given to marginal borrower segments, which

have been impacted in the current pandemic. Given the unsecured nature of MFI and MSME loans, the loss upon default can be high in these segments.

Liquidity position: Adequate

As on November 30, 2020, the company had on-balance sheet liquidity (in the form of cash and unencumbered fixed deposits) of Rs. 1,099 crore and undrawn bank lines/assignment/pass-through certificates (PTCs) of Rs. 3,069 crore. In addition to this, the Group has a significant pool of assets (~Rs. 4,000 crore as on December 31, 2020), which could be securitised/assigned to generate additional liquidity. The liquidity profile remains adequate in relation to the near-term debt maturities (debt obligations of ~Rs. 3,419 crore due till May 2021 for IIFL Finance consolidated).

Rating sensitivities

Positive triggers – ICRA could revise the outlook to Stable if the company is able to contain the slippages and reduce the real estate lending book without a significant haircut. An improvement in the availability of diverse sources of funding would also remain a monitorable.

Negative triggers – ICRA could downgrade the ratings if there is a weakening in the asset quality with the reported gross Stage 3 increasing to more than 5% on a sustained basis, a deterioration in the profitability with PAT/AMA of less than 1.25% and/or an increase in the on-book leverage to more than 6x on a sustained basis. Any deterioration in the funding flexibility would also be a key negative.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Rating Methodology for Housing Finance Companies ICRA's policy on withdrawal and suspension of credit rating
Parent/Group Support	Not applicable; For arriving at the ratings, ICRA has taken a consolidated view of IIFL Finance Limited and its subsidiaries, given their common senior management team and strong financial and operational synergies.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of IIFL Finance Limited.

About the company

IIFL Home Finance Limited is a wholly-owned subsidiary of IIFL Finance Limited and registered with National Housing Bank (NHB) as a housing finance company. Incorporated in 2006, it offers home loans, loan against property and construction finance loans.

IIFL Home Finance's net worth stood at Rs. 1,780 crore as on March 31, 2020 (Rs. 1,574 crore as on March 31, 2019). It reported a PAT of Rs. 245 crore on total assets of Rs. 14,497 crore in FY2020 compared to Rs. 306 crore and Rs. 14,600 crore, respectively, in FY2019.

IIFL Finance Limited

IIFL Finance was a listed non-operating holding company with India Infoline Finance, a systemically important, non-deposit accepting non-banking financial company (NBFC-ND-SI), as its subsidiary. As a part of a merger scheme with the receipt of an NBFC licence by IIFL Finance Limited, India Infoline Finance was merged with IIFL Finance Limited with effect

from March 30, 2020. 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's consolidated net worth stood at Rs. 5,000 crore as on September 30, 2020. It reported a PAT of Rs. 503 crore in FY2020 on total assets of Rs. 34,341 crore compared to Rs. 796 crore and Rs. 33,239 crore, respectively, in FY2019. The company reported a PAT of Rs. 245 crore in H1 FY2021 on total assets of Rs. 35,314 crore as on September 30, 2020.

Key financial indicators (standalone for IIFL Home Finance Limited)

	FY2018 (Audited)	FY2019 (Audited)	FY2020 (Audited)
Profit after tax	231	306	245
Net worth	1,197	1,574	1,780
Loan book (AUM)	14,321	18,158	18,495
Gross NPA	0.72%	0.88%	1.60%
Net NPA	0.54%	0.67%	1.22%
Capital adequacy ratio	17.17%	21.02%	23.71%

Amounts in Rs. crore

Key financial indicators (consolidated for IIFL Finance Limited)

	FY2019 (Audited)	FY2020 (Audited)	6M FY2021 (Unaudited)
Total revenues	5,085	4,821	2,810
Profit after tax	796	503	245
Net worth	4,359	4,766	5,000
Loan book (AUM)	34,904	37,951	40,843
Total assets	33,239	34,341	35,314
PAT/AMA	2.0%*	1.2%	1.1%
Return on equity	15.0%*	11.0%	10.0%
Gross NPA	2.0%	2.3%	1.8%
Net NPA	0.6%	1.0%	0.8%
Gearing	6.2	5.8	5.8

Amounts in Rs. Crore

* For FY2019, in the absence of comparable data for FY2018 (merger was effective April 01, 2018), Return on Equity and PAT/AMA has been calculated on the Networth and Managed Assets as on March 31, 2019

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

Current Rating (FY2021)					Rating History for the Past 3 Years						
Instrument	Type	Amount Rated	Amount Outstanding	Jan-22-2021	FY2020	FY2019	FY2018				
					Nov-29-2019	Dec-03-2018	Jun-22-2018	Feb-14-2018	Aug-11-2017	Aug-08-2017	
1	Commercial Paper Programme	Short Term	5,000.00	NA	[ICRA]A1+; reaffirmed	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Long-term Bank Lines Programme	Long Term	5,000.00	1,988	[ICRA]AA(Negative) reaffirmed	[ICRA]AA(ne gative)	[ICRA]AA(st able)	[ICRA]AA(sta ble)	[ICRA]AA(sta ble)	[ICRA]AA(st able)	[ICRA]AA(s table)
3	NCD Programme	Long Term	3,264.00	535	[ICRA]AA(Negative) reaffirmed	[ICRA]AA(ne gative)	[ICRA]AA(st able)	[ICRA]AA(sta ble)	[ICRA]AA(sta ble)	[ICRA]AA(st able)	[ICRA]AA(s table)
4	NCD Programme	Long Term	736	-	[ICRA]AA(Negative) reaffirmed and withdrawn	[ICRA]AA(ne gative)	[ICRA]AA(st able)	[ICRA]AA(sta ble)	[ICRA]AA(sta ble)	[ICRA]AA(st able)	[ICRA]AA(s table)
5	Subordinated Debt Programme	Long Term	400.00	237.00	[ICRA]AA(Negative) reaffirmed	[ICRA]AA(ne gative)	[ICRA]AA(st able)	[ICRA]AA(sta ble)	[ICRA]AA(sta ble)	[ICRA]AA(st able)	[ICRA]AA(s table)
6	Subordinated Debt Programme	Long Term	200.00	-	[ICRA]AA(Negative) reaffirmed and withdrawn	[ICRA]AA(ne gative)	[ICRA]AA(st able)	[ICRA]AA(sta ble)	[ICRA]AA(sta ble)	[ICRA]AA(st able)	[ICRA]AA(s table)
7	Long-term Principal Protected Market Linked Debenture Programme	Long Term	200.00	Nil	PP-MLD[ICRA]AA(Negative) reaffirmed	PP-MLD[ICRA]A A(negative)	PP-MLD[ICRA]A A(stable)	PP-MLD[ICRA]A A(stable)	PP-MLD[ICRA]A A(stable)	PP-MLD[ICRA]A A(stable)	PP-MLD[ICRA]AA(stable)

Amount in Rs. crore

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Borrowing Date	Coupon / Yield (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE477L07701	Non-convertible Debenture Programme	3-Nov-16	8.90%	3-Nov-21	5	[ICRA]AA(Negative)
INE477L07800	Non-convertible Debenture Programme	6-Dec-17	8.20%	6-Apr-21	15	[ICRA]AA(Negative)
INE477L07800	Non-convertible Debenture Programme	29-Dec-17	8.20%	6-Apr-21	12	[ICRA]AA(Negative)
INE477L07826	Non-convertible Debenture Programme	14-Mar-18	8.70%	30-Apr-21	10	[ICRA]AA(Negative)
INE477L07826	Non-convertible Debenture Programme	9-Apr-18	8.70%	30-Apr-21	43	[ICRA]AA(Negative)
INE477L07AC2	Non-convertible Debenture Programme	15-May-18	8.96%	15-May-21	28	[ICRA]AA(Negative)
INE477L07AC2	Non-convertible Debenture Programme	15-May-18	8.96%	15-Nov-21	28	[ICRA]AA(Negative)
INE477L07AC2	Non-convertible Debenture Programme	15-May-18	8.96%	13-May-22	28	[ICRA]AA(Negative)
INE477L07842	Non-convertible Debenture Programme	15-May-18	8.80%	25-May-21	26	[ICRA]AA(Negative)
INE477L07859	Non-convertible Debenture Programme	28-Jun-18	9.20%	28-Jun-21	200	[ICRA]AA(Negative)
INE477L07867	Non-convertible Debenture Programme	29-Jun-18	9.25%	19-May-21	50	[ICRA]AA(Negative)
INE477L07875	Non-convertible Debenture Programme	29-Jun-18	9.25%	5-Aug-21	25	[ICRA]AA(Negative)
INE477L07909	Non-convertible Debenture Programme	24-Jul-18	9.38%	24-Jan-22	50	[ICRA]AA(Negative)
INE477L07982	Non-convertible Debenture Programme	20-Dec-18	10.33%	19-Dec-25	15	[ICRA]AA(Negative)
INE477L07677	Non-convertible Debenture Programme	30-Sep-16	9.40%	20-Apr-20	250	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07719	Non-convertible Debenture Programme	3-Nov-16	9.15%	8-Oct-19	8	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07727	Non-convertible Debenture Programme	5-Jan-17	8.85%	12-May-20	64	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07735	Non-convertible Debenture Programme	5-Jan-17	8.85%	7-Apr-20	11	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07743	Non-convertible Debenture Programme	5-Jan-17	8.85%	12-Nov-19	5	[ICRA]AA(Negative); reaffirmed and withdrawn

ISIN	Instrument Name	Borrowing Date	Coupon / Yield (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE477L07750	Non-convertible Debenture Programme	17-Mar-17	8.64%	12-May-20	18	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07768	Non-convertible Debenture Programme	27-Jul-17	8.10%	17-Aug-20	115	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07776	Non-convertible Debenture Programme	5-Sep-17	7.50%	5-Sep-19	30	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07784	Non-convertible Debenture Programme	21-Nov-17	8.10%	21-Nov-19	51	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07818	Non-convertible Debenture Programme	14-Mar-18	8.65%	5-Oct-20	50	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07AC2	Non-convertible Debenture Programme	15-May-18	8.96%	15-Nov-19	28	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07AC2	Non-convertible Debenture Programme	15-May-18	8.96%	15-May-20	28	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07AC2	Non-convertible Debenture Programme	15-May-18	8.96%	15-Nov-20	28	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07818	Non-convertible Debenture Programme	29-Jun-18	9.25%	5-Oct-20	20	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L07974	Non-convertible Debenture Programme	21-Dec-18	9.87%	20-Nov-20	30	[ICRA]AA(Negative); reaffirmed and withdrawn
NA	Non-convertible Debenture Programme Unallocated	NA	NA	NA	2,729	[ICRA]AA(Negative)
INE477L08030	Subordinated Debt Programme	24-Jul-15	10.50%	26-Jul-21	10	[ICRA]AA(Negative)
INE477L08030	Subordinated Debt Programme	24-Jul-15	10.50%	26-Jul-21	7	[ICRA]AA(Negative)
INE477L08048	Subordinated Debt Programme	10-Aug-15	10.50%	10-Aug-21	10	[ICRA]AA(Negative)
INE477L08055	Subordinated Debt Programme	21-Jan-16	9.30%	25-Jan-22	10	[ICRA]AA(Negative)
INE477L08063	Subordinated Debt Programme	12-Feb-16	9.30%	11-Feb-22	10	[ICRA]AA(Negative)
INE477L08071	Subordinated Debt Programme	30-May-16	9.30%	29-May-23	15	[ICRA]AA(Negative)
INE477L08089	Subordinated Debt	27-Jul-17	8.85%	27-Jul-27	75	[ICRA]AA(Negative)

ISIN	Instrument Name	Borrowing Date	Coupon / Yield (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
	Programme					
INE477L08097	Subordinated Debt Programme	27-Jul-17	8.93%	14-Apr-23	100	[ICRA]AA(Negative)
INE477L08105	Subordinated Debt programme	28-Feb-18	9.05%	28-Feb-28	10	[ICRA]AA(Negative)
INE477L08113	Subordinated Debt Programme	18-Jun-18	9.85%	16-Jun-28	40	[ICRA]AA(Negative)
INE477L08022	Subordinated Debt programme	4-Apr-14	12.00%	2-Apr-20	20	[ICRA]AA(Negative); reaffirmed and withdrawn
INE477L08014	Subordinated Debt programme	4-Apr-14	12.00%	2-Apr-20	180	[ICRA]AA(Negative); reaffirmed and withdrawn
NA	Subordinated Debt Programme Unallocated	NA	NA	NA	163	[ICRA]AA(Negative)
NA	LT - Market Linked Debenture Unallocated	NA	NA	NA	200	PP-MLD[ICRA]AA (Negative)
NA	Commercial Paper	NA	NA	7-365 Days	5,000	[ICRA]A1+
NA	Long-term Bank Lines - Fund Based/ CC	NA	NA	NA	100.0	[ICRA]AA(Negative)
NA	Long-term Bank Lines – Fund-based Term Loans	NA	NA	NA	1,888.00	[ICRA]AA(Negative)
NA	Long-term Bank Lines-Unallocated	NA	NA	NA	3,012.00	[ICRA]AA(Negative)

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
IIFL Home Finance Limited	100%	Full Consolidation
Samasta Microfinance Limited [^]	99.09%	Full Consolidation
Clara Developers Private Limited*	100%	Full Consolidation

* With effect from July 27, 2020, Clara Developers Private Limited ceased to be the subsidiary of the Company.

[^]Of this, stake of IIFL finance stood at 74.09%; balance being held by IIFL Home Finance

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