

August 01, 2023 ^(Revised)

IIFL Finance Limited: Ratings reaffirmed

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|-----------------------------------|----------------------------------|--|
| Non-convertible debenture programme | 5,000.00 | 5,000.00 | [ICRA]AA(Stable); reaffirmed |
| Non-convertible debenture programme | 4,617.27 | 4,617.27 | [ICRA]AA(Stable); reaffirmed |
| Non-convertible debenture programme | 3,514.65 | 3,514.65 | [ICRA]AA(Stable); reaffirmed |
| Non-convertible debenture programme | 393.31 | - | [ICRA]AA(Stable); reaffirmed and withdrawn |
| Subordinated debt programme | 657.00 | 657.00 | [ICRA]AA(Stable); reaffirmed |
| Subordinated debt programme | 53.00 | - | [ICRA]AA(Stable); reaffirmed and withdrawn |
| Long-term bank lines | 5,775.00 | 5,775.00 | [ICRA]AA(Stable); reaffirmed |
| Long-term principal protected equity linked debenture programme | 500.00 | 500.00 | PP-MLD[ICRA]AA(Stable); reaffirmed |
| Long-term principal protected market linked debenture programme | 364.00 | 364.00 | PP-MLD[ICRA]AA(Stable); reaffirmed |
| Commercial paper programme | 8,000.00 | 8,000.00 | [ICRA]A1+; reaffirmed |
| Commercial paper programme (IPO financing) | 500.00 | 500.00 | [ICRA]A1+; reaffirmed |
| Commercial paper programme (IPO financing) | 7,500.00 | - | [ICRA]A1+; reaffirmed and withdrawn |
| Total | 36,874.23 | 28,927.92 | |

*Instrument details are provided in Annexure I

Rationale

To arrive at the ratings, ICRA has carried out a consolidated analysis of IIFL Finance Limited and its subsidiaries, referred to as IIFL/the Group/the company, given their common senior management team and strong financial and operational synergies. Among Group entities, since IIFL Home Finance Limited is highly important for meeting IIFL Finance Limited's strategic objectives, ICRA has assigned the same ratings to both entities while following the consolidated view approach, as described in ICRA's methodology on consolidation.

The ratings favourably factor in the Group's diversified lending portfolio with assets under management (AUM) of Rs. 64,638 crore as on March 31, 2023 (retail portfolio constituting 95%) and its widespread presence across 25 states with 4,267 branches. The ratings also consider the Group's adequate capitalisation with a consolidated net worth of Rs. 10,202 crore and on-book and managed gearing of 4.0x and 6.4x, respectively, as on March 31, 2023. The capitalisation has been supported by the equity infusion of Rs. 2,200 crore by Abu Dhabi Investment Authority (ADIA) in FY2023 in IIFL Home Finance. It is further supported by the increasing share of the off-balance sheet portfolio.

Partly supported by higher write-offs and the sale of the loan book to asset reconstruction companies (ARC), the reported gross and net stage 3 declined to 1.8% and 1.1%, respectively, as on March 31, 2023 (3.2% and 1.8%, respectively, as on March 31, 2022). The company's profitability remained adequate with a return on managed assets of 2.2% in FY2023, supported by the higher volume of loan assignment and the consequent gains. IIFL's ability to manage the asset quality and control the credit costs would remain critical for maintaining the profitability.

Although the company has diversified its on-balance sheet funding to long-term bank loans, retail non-convertible debentures (NCDs), foreign currency bonds and refinance in the last 2-3 years, its reliance on assignment/securitisation/co-lending remains high.

ICRA has reaffirmed and withdrawn the rating outstanding on the NCD programme and the subordinated debt programme of Rs. 393.31 crore and Rs. 53.00 crore, respectively, as these instruments have been redeemed in full with no dues outstanding against the same. ICRA has also reaffirmed and withdrawn the rating on the Rs. 7,500-crore commercial paper programme

(IPO financing) at the request of the company and as there are no dues outstanding against the same. The ratings have been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Diversified lending book with focus on retail lending provides comfort – The Group has a diversified lending book with AUM of Rs. 64,638 crore as on March 31, 2023 (year-on-year (YoY) growth of 24%; 5-year compound annual growth rate (CAGR) of 16%). With a focus on growing its assigned book and AUM under co-lending, the off-balance sheet book has increased significantly and stood at Rs. 24,536 crore (38% of AUM) as on March 31, 2023 (Rs. 11,076 crore; 25% of AUM as on March 31, 2021). The company has tie-ups with various banks and this is likely to further increase the share of the off-balance sheet book in the medium term.

The AUM is diversified with home loans accounting for 34% of the portfolio, followed by gold loans (32%), business loans (14%), microfinance (15%), developer and construction finance (4%) and capital market (1%). The growth in the AUM is largely driven by the home loan, gold loan and microfinance portfolios. With the transfer of ~Rs. 1,300 crore of the book to Alternative Investment Funds (AIFs; ~Rs. 900 crore was received as investment in the units of AIFs and the balance was in cash) in FY2022, the share of construction finance and real estate declined. As on March 31, 2023, the Group had an extensive network of 4,267 branches across 25 states, which is likely to support future growth. 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 (6% of the AUM as on March 31, 2023 – including investment in AIF).

Adequate capitalisation – IIFL Finance's consolidated net worth stood at Rs. 10,202 crore as on March 31, 2023 with on-book gearing of 4.0x (managed gearing, including off-book, of 6.4x) compared to 5.6x (managed gearing, including off-book, of 8.3x) as on March 31, 2022. The capitalisation has been supported by the equity infusion of Rs. 2,200 crore in IIFL Home Finance by ADIA in FY2023. The Group's on-book leverage is further supported by the increasing share of the off-balance sheet portfolio.

On a standalone basis, the company reported a capital-to-risk weighted assets ratio (CRAR) of 20.4% with a Tier I of 12.9% as of March 31, 2023 against 23.9% and 16.0%, respectively, as on March 31, 2022. With the growth in the on-balance sheet loan book and increase in investment in subsidiaries, IIFL Finance's Tier I declined in FY2023. IIFL Home Finance's capitalisation remains strong with a Tier I of 39.2% and managed gearing of 4.5x as on March 31, 2023. IIFL Samasta Finance Limited's (IIFL Samasta) capitalisation has been supported by regular equity infusions by the Group to meet its growth plans. IIFL Samasta reported a CRAR and Tier I of 17.1% and 13.5%, respectively, as on March 31, 2023 (17.8% and 15.9%, respectively, as on March 31, 2022).

While the overall consolidated capitalisation remains adequate, IIFL Finance and IIFL Samasta could require capital to meet their growth plans in the medium term, a part of which is likely to be supported by internal accruals and growth in the off-balance sheet AUM.

Credit challenges

Asset quality and profitability exposed to portfolio vulnerability – The IIFL Group's reported gross and net stage 3 declined to 1.8% and 1.1%, respectively, as on March 31, 2023 (3.2% and 1.8%, respectively, as on March 31, 2022). The decline was supported by significant write-offs (especially in the microfinance, real estate book and the unsecured micro, small & medium enterprise (MSME) portfolio) and sale to ARCs.

IIFL's net stressed book (net stage 3 and net security receipts) stood at 3.3% of the loan book and 12.9% of the net worth as on March 31, 2023. While the real estate book declined to 4% of the AUM and 26% of the net worth as on March 31, 2023 (6% and 37%, respectively, including the investment in AIFs) from 8% and 78%, respectively, as on March 31, 2022, these exposures

remain vulnerable to slippages. Further, the extent of recovery from the AIF units and security receipts would be a key monitorable for future profitability.

IIFL Samasta's asset quality is expected to improve as ~90% of its AUM of Rs. 10,552 crore, as on March 31, 2023 (of which 8% was secured retail book), belonged to post-Covid-19 pandemic disbursements, i.e. after October 2021. Moreover, the pandemic-induced stress has been largely recognised and provided for.

The Group's ability to maintain its asset quality through business cycles, given the moderate seasoning of home loans, will remain a monitorable. However, the losses on default are expected to be limited, considering the secured nature of the portfolio with moderate loan-to-value (LTV) ratios.

The company's credit costs moderated in FY2023 to 1.8% of the average total assets (ATA) from 2.1% in FY2022, supported by the reduction in the expected credit loss. Operating expenses were higher at 3.1% of the average managed assets (AMA) in FY2023 (2.7% in FY2022) as the company is expanding its presence and focusing on growing lower ticket size loans. The profitability was partly supported by the higher volume of loan assignment and the consequent gains with IIFL reporting a profit after tax (PAT) of 2.2% of AMA in FY2023 (2.0% in FY2022). However, excluding the upfront gain on assignment, the PAT stood at 1.7% of AMA in FY2023 compared to 1.5% in FY2022. With the increase in the share of co-lending in the off-balance sheet AUM, the upfront gain on assignment could reduce, thereby impacting the return on managed assets. However, this is likely to be partly offset by the operating efficiency with the growth in the AUM. The company's ability to manage the asset quality and control the credit costs would remain critical for its profitability.

Environmental and social risks

Given the service-oriented business of IIFL Finance, its direct exposure to environmental risks as well as those emanating from regulations or policy changes is not material. While lending institutions can be exposed to environmental risks indirectly through their portfolio of assets, IIFL Finance's exposure to environmentally sensitive segments remains moderate. This is on account of the borrowers, who get impacted by climate change. Hence, moderate indirect transition risks arise from changes in regulations or policies concerning the underlying assets.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for lending institutions as material lapses could be detrimental to their reputation and could invite regulatory censure. IIFL Finance has not faced such lapses over the years, which highlights its sensitivity to such risks.

Liquidity position: Adequate

As on March 31, 2023, IIFL (consolidated) had an unencumbered cash and liquid balance of around Rs. 6,911 crore along with and undrawn cash credit limits of Rs. 347 crore. Further, it had sanctioned but unutilised bank lines of Rs. 859 crore. The liquidity profile remains adequate to meet its debt obligations of Rs. 8,646 crore over the next six months along with collections due of Rs. 11,195 crore over the same time frame.

Rating sensitivities

Positive factors – ICRA could revise the outlook to Positive or upgrade the ratings if the company reports a substantial and sustained improvement in its business performance, characterised by well-diversified growth and further improvement in the profitability, asset quality and funding diversity.

Negative factors – ICRA could downgrade the ratings or change the outlook if there is a weakening in the asset quality or a deterioration in the profitability with PAT/AMA of less than 1.25% or a substantial increase in the leverage on a sustained basis. Any deterioration in the funding flexibility would also be a key negative.

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Non-Banking Finance Companies Policy on Withdrawal of Credit Ratings Rating Approach – Consolidation |
| Parent/Group support | Not Applicable |
| Consolidation/Standalone | For arriving at the ratings, ICRA has carried out a consolidated analysis of IIFL Finance Limited and its subsidiaries (enlisted in Annexure II), given their common senior management team and strong financial and operational synergies. |

About the company

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 licence 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's consolidated net worth stood at Rs. 10,202 crore as on March 31, 2023. It reported a PAT of Rs. 1,608 crore in FY2023 on total assets of Rs. 53,001 crore compared to PAT of Rs. 1,188 crore in FY2022 on total assets of Rs. 45,910.

Key financial indicators (audited)

| IIFL Finance Limited – Consolidated | FY2022 | FY2023 |
|--------------------------------------|--------|--------|
| Total income | 7,024 | 8,447 |
| Profit after tax | 1,188 | 1,608 |
| Net worth | 6,470 | 10,202 |
| Loan book | 35,116 | 41,318 |
| AUM | 51,210 | 64,638 |
| Total assets | 45,910 | 53,001 |
| Return on managed assets | 2.0% | 2.2% |
| Return on net worth | 20.0% | 19.3% |
| Reported gearing (times) | 5.6 | 4.0 |
| Managed gearing [^] (times) | 8.3 | 6.4 |
| Gross stage 3 | 3.2% | 1.8% |
| Net stage 3 | 1.8% | 1.1% |
| Solvency (Net stage 3/Net worth) | 9.6% | 4.2% |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

[^]Including off-balance sheet portfolio

| IIFL Finance Limited – Standalone | FY2022 | FY2023 |
|-----------------------------------|--------|--------|
| Total income | 4,107 | 4,089 |
| Profit after tax | 746 | 805 |
| Net worth | 4,427 | 5,115 |
| Loan book | 13,479 | 15,055 |
| AUM | 21,109 | 25,573 |
| Total assets | 23,137 | 24,082 |
| Return on managed assets | 2.6% | 2.4% |
| Return on net worth | 18.1% | 16.9% |
| Reported gearing (times) | 3.7 | 3.4 |

| IIFL Finance Limited – Standalone | FY2022 | FY2023 |
|-----------------------------------|--------|--------|
| Managed gearing^ (times) | 5.4 | 5.8 |
| Tier I | 16.0% | 12.9% |
| CRAR | 23.9% | 20.38% |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

^Including off-balance sheet portfolio

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Sr. No. | Instrument | Current Rating (FY2024) | | | Chronology of Rating History for the Past 3 Years | | | | |
|---------|-----------------------------|-------------------------|--------------------------|---|---|---------------------------------|---------------------------------|----------------------------------|---------------------|
| | | Type | Rated Amount (Rs. crore) | Amount Outstanding As of Jun 30, 2023 (Rs. crore) | Date & rating in FY2024 | Date & Rating in FY2023 | Date & Rating in FY2022 | Date & Rating in FY2021 | |
| | | | | | Aug 01, 2023 | Aug 03, 2022 | Oct 06, 2021 | Jan 22, 2021 | Apr 21, 2020 |
| 1 | Non-convertible debenture | Long term | 5,000.00 | 924.19 | [ICRA]AA(Stable) | [ICRA]AA(Stable) | - | - | - |
| 2 | Non-convertible debenture | Long term | 3,514.65 | 992.92 | [ICRA]AA(Stable) | [ICRA]AA(Stable) | [ICRA]AA(Stable) | [ICRA]AA (Negative) | [ICRA]AA (Negative) |
| 3 | Non-convertible debenture | Long term | 4,617.27 | - | [ICRA]AA(Stable) | [ICRA]AA(Stable) | [ICRA]AA(Stable) | [ICRA]AA (Negative) | [ICRA]AA (Negative) |
| 4 | Non-convertible debenture | Long term | 393.31 | - | [ICRA]AA(Stable); withdrawn | [ICRA]AA(Stable) | [ICRA]AA(Stable) | [ICRA]AA (Negative) | [ICRA]AA (Negative) |
| 5 | Non-convertible debenture | Long term | - | - | - | [ICRA]AA (Stable); withdrawn | [ICRA]AA (Stable) | [ICRA]AA (Negative) | [ICRA]AA (Negative) |
| 6 | Non-convertible debenture | Long term | - | - | - | - | [ICRA]AA (Stable); withdrawn | [ICRA]AA (Negative) | [ICRA]AA (Negative) |
| 7 | Non-convertible debenture | Long term | - | - | - | - | - | [ICRA]AA(Negative); withdrawn | [ICRA]AA (Negative) |
| 8 | Non-convertible debenture | Long term | - | - | - | - | - | [ICRA]AA(Negative); withdrawn | [ICRA]AA (Negative) |
| 9 | Subordinated debt programme | Long term | 657.00 | 165.00 | [ICRA]AA(Stable) | [ICRA]AA(Stable) | [ICRA]AA(Stable) | [ICRA]AA (Negative) | [ICRA]AA (Negative) |
| 10 | Subordinated debt programme | Long term | 53.00 | - | [ICRA]AA(Stable); withdrawn | [ICRA]AA(Stable) | [ICRA]AA(Stable) | [ICRA]AA (Negative) | [ICRA]AA (Negative) |
| 11 | Subordinated debt programme | Long term | - | - | - | [ICRA]AA (Stable); withdrawn | [ICRA]AA (Stable) | [ICRA]AA (Negative) | [ICRA]AA (Negative) |
| 12 | Subordinated debt programme | Long term | - | - | - | - | - | [ICRA]AA(Negative); withdrawn | [ICRA]AA (Negative) |
| 13 | Long-term bank lines | Long term | 5,775.00 | 5,132.36 | [ICRA]AA(Stable) | [ICRA]AA(Stable) | [ICRA]AA(Stable) | [ICRA]AA (Negative) | [ICRA]AA (Negative) |

| Sr. No. | Instrument | Current Rating (FY2024) | | | Chronology of Rating History for the Past 3 Years | | | | |
|---------|---|-------------------------|--------------------------|---|---|----------------------------|----------------------------|---|-------------------------------|
| | | Type | Rated Amount (Rs. crore) | Amount Outstanding As of Jun 30, 2023 (Rs. crore) | Date & rating in FY2024 | Date & Rating in FY2023 | Date & Rating in FY2022 | Date & Rating in FY2021 | |
| | | | | | Aug 01, 2023 | Aug 03, 2022 | Oct 06, 2021 | Jan 22, 2021 | Apr 21, 2020 |
| 14 | Long-term principal protected equity linked debenture programme | Long term | 500.00 | - | PP-MLD[ICRA] AA(Stable) | PP-MLD[ICRA] AA(Stable) | PP-MLD[ICRA] AA(Stable) | PP-MLD[ICRA] AA (Negative) | PP-MLD[ICRA] AA (Negative) |
| 15 | Long-term principal protected market linked debenture programme | Long term | 364.00 | 50.00 | PP-MLD[ICRA] AA(Stable) | PP-MLD[ICRA] AA(Stable) | PP-MLD[ICRA] AA(Stable) | PP-MLD[ICRA]AA (Negative) | PP-MLD[ICRA] AA(Negative) |
| 16 | Long-term principal protected market linked debenture programme | Long term | - | - | - | - | - | PP-MLD[ICRA] AA (Negative); withdrawn | PP-MLD[ICRA] AA (Negative) |
| 17 | Commercial paper programme | Short term | 8,000.00 | - | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ |
| 18 | Commercial paper programme (IPO financing) | Short term | 500.00 | - | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ |
| 19 | Commercial paper programme (IPO financing) | Short term | 7,500.00 | - | [ICRA]A1+; withdrawn | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ |

Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|---------------------------------|
| Bank lines | Very Simple |
| Non-convertible debenture programme | Very Simple/Simple [^] |
| Subordinated debt programme | Very Simple |
| Long-term principal protected equity linked debenture programme | Complex |
| Long-term principal protected market linked debenture programme | Complex |
| Commercial paper programme | Very Simple |
| Commercial paper programme (IPO financing) | Very Simple |

[^]The applicable indicator is 'Very Simple' for ISINs with a fixed rate payout and 'Simple' for ISINs with a fixed rate payout and a call option

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 | Instrument Name | Date of Issuance | Coupon Rate | Maturity | Rated Amount (Rs. crore) | Current Rating and Outlook |
|--------------|---|------------------|-------------|-------------|--------------------------|-----------------------------|
| INE866I07CK1 | Non-convertible debenture | 6-Sep-2019 | 9.50% | 6-Dec-2022 | 33.45 | [ICRA]AA(Stable); withdrawn |
| INE866I07CL9 | Non-convertible debenture | 6-Sep-2019 | 9.85% | 6-Dec-2022 | 11.09 | [ICRA]AA(Stable); withdrawn |
| INE866I07CM7 | Non-convertible debenture | 6-Sep-2019 | 9.85% | 6-Dec-2022 | 64.59 | [ICRA]AA(Stable); withdrawn |
| INE866I07CD6 | Non-convertible debenture | 7-Feb-2019 | 9.75% | 6-Sep-2022 | 171.11 | [ICRA]AA(Stable); withdrawn |
| INE866I07CF1 | Non-convertible debenture | 7-Feb-2019 | 10.20% | 6-Sep-2022 | 113.07 | [ICRA]AA(Stable); withdrawn |
| INE866I08279 | Non-convertible debenture | 7-Feb-2019 | 10.00% | 7-Feb-2029 | 30.76 | [ICRA]AA(Stable) |
| INE866I08295 | Non-convertible debenture | 7-Feb-2019 | 10.50% | 7-Feb-2029 | 15.45 | [ICRA]AA(Stable) |
| INE866I08303 | Non-convertible debenture | 6-Sep-2019 | 10.00% | 6-Jun-2025 | 25.93 | [ICRA]AA(Stable) |
| INE866I08311 | Non-convertible debenture | 6-Sep-2019 | 10.50% | 6-Jun-2025 | 5.78 | [ICRA]AA(Stable) |
| INE530B07203 | Non-convertible debenture | 24-Mar-2022 | 8.60% | 24-Mar-2032 | 60.00 | [ICRA]AA(Stable) |
| INE530B08128 | Non-convertible debenture | 24-Mar-2022 | 9.35% | 24-Mar-2032 | 50.00 | [ICRA]AA(Stable) |
| INE530B07211 | Non-convertible debenture | 15-Jul-2022 | 9.00% | 15-Jul-2032 | 10.00 | [ICRA]AA(Stable) |
| INE530B07195 | Non-convertible debenture | 21-Jan-2022 | 8.50% | 21-Jan-2032 | 10.00 | [ICRA]AA(Stable) |
| INE530B08136 | Non-convertible debenture | 26-Jul-2022 | 9.65% | 26-Jul-2032 | 235.00 | [ICRA]AA(Stable) |
| INE530B07237 | Non-convertible debenture | 1-Nov-2022 | 9.45% | 1-Nov-2029 | 550.00 | [ICRA]AA(Stable) |
| Not Placed | Non-convertible debenture - unallocated | NA | NA | NA | 2,521.73 | [ICRA]AA(Stable) |
| Not Placed | Non-convertible debenture - unallocated | NA | NA | NA | 4,617.27 | [ICRA]AA(Stable) |
| INE530B07252 | Non-convertible debenture | 24-Jan-2023 | 8.50% | 24-Jan-2025 | 45.63 | [ICRA]AA(Stable) |
| INE530B07302 | Non-convertible debenture | 24-Jan-2023 | 8.50% | 24-Jan-2025 | 30.07 | [ICRA]AA(Stable) |
| INE530B07294 | Non-convertible debenture | 24-Jan-2023 | 8.75% | 24-Jan-2026 | 57.21 | [ICRA]AA(Stable) |
| INE530B07286 | Non-convertible debenture | 24-Jan-2023 | 8.75% | 24-Jan-2026 | 24.13 | [ICRA]AA(Stable) |
| INE530B07310 | Non-convertible debenture | 24-Jan-2023 | 8.65% | 24-Jan-2028 | 158.27 | [ICRA]AA(Stable) |
| INE530B07260 | Non-convertible debenture | 24-Jan-2023 | 9.00% | 24-Jan-2028 | 118.93 | [ICRA]AA(Stable) |
| INE530B07278 | Non-convertible debenture | 24-Jan-2023 | 9.00% | 24-Jan-2028 | 37.86 | [ICRA]AA(Stable) |
| INE530B07336 | Non-convertible debenture | 28-Jun-23 | 8.35% | 28-Jun-25 | 46.98 | [ICRA]AA(Stable) |
| INE530B07393 | Non-convertible debenture | 28-Jun-23 | 8.35% | 28-Jun-25 | 14.24 | [ICRA]AA(Stable) |
| INE530B07344 | Non-convertible debenture | 28-Jun-23 | 8.50% | 28-Jun-26 | 123.58 | [ICRA]AA(Stable) |
| INE530B07351 | Non-convertible debenture | 28-Jun-23 | 8.50% | 28-Jun-26 | 8.91 | [ICRA]AA(Stable) |

| ISIN | Instrument Name | Date of Issuance | Coupon Rate | Maturity | Rated Amount (Rs. crore) | Current Rating and Outlook |
|--------------|---|------------------|-------------|-------------|--------------------------|-----------------------------|
| INE530B07385 | Non-convertible debenture | 28-Jun-23 | 8.65% | 28-Jun-28 | 88.91 | [ICRA]AA(Stable) |
| INE530B07377 | Non-convertible debenture | 28-Jun-23 | 9.00% | 28-Jun-28 | 131.94 | [ICRA]AA(Stable) |
| INE530B07369 | Non-convertible debenture | 28-Jun-23 | 9.00% | 28-Jun-28 | 37.52 | [ICRA]AA(Stable) |
| Not Placed | Non-convertible debenture unallocated^ | – | NA | NA | 4,075.81 | [ICRA]AA(Stable) |
| INE866I08121 | Subordinated programme debt | 31-Aug-2012 | 12.15% | 30-Aug-2022 | 5.00 | [ICRA]AA(Stable); withdrawn |
| INE866I08121 | Subordinated programme debt | 31-Aug-2012 | 12.15% | 31-Aug-2022 | 15.00 | [ICRA]AA(Stable); withdrawn |
| INE866I08162 | Subordinated programme debt | 5-Nov-2012 | 12.20% | 4-Nov-2022 | 23.00 | [ICRA]AA(Stable); withdrawn |
| INE866I08170 | Subordinated programme debt | 24-May-2013 | 12.10% | 24-May-2023 | 10.00 | [ICRA]AA(Stable); withdrawn |
| INE866I08246 | Subordinated programme debt | 17-Nov-2021 | 8.70% | 19-Nov-2027 | 100.00 | [ICRA]AA(Stable) |
| INE530B08144 | Subordinated programme debt | 31-Mar-2023 | 9.45% | 27-Dec-2032 | 30.00 | [ICRA]AA(Stable) |
| INE530B08144 | Subordinated programme debt | 27-Dec-2022 | 9.45% | 27-Dec-2032 | 35.00 | [ICRA]AA(Stable) |
| Not Placed | Subordinated programme debt - unallocated | – | NA | NA | 492.00 | [ICRA]AA(Stable) |
| INE866I08253 | Long-term principal protected market linked debenture programme | 28-Aug-2018 | 9.35% | 25-Aug-2028 | 50.00 | PP-MLD[ICRA] AA(Stable) |
| Not Placed | Long-term principal protected market linked debenture programme – unallocated | NA | NA | NA | 314.00 | PP-MLD[ICRA] AA(Stable) |
| Not Placed | Long-term principal protected equity linked debenture programme | NA | NA | NA | 500.00 | PP-MLD[ICRA] AA(Stable) |
| Not Placed | Long-term bank lines – fund-based | NA | NA | NA | 5,775.00 | [ICRA]AA(Stable) |
| INE530B14BR1 | Commercial paper | 9-Jun-2023 | 8.05% | 7-Sep-2023 | 285.00 | [ICRA]A1+ |
| Not Placed | Commercial paper | NA | NA | 7-365 days | 7,715.00 | [ICRA]A1+ |
| Not Placed | Commercial paper (IPO) | NA | NA | 7-30 days | 7,500.00 | [ICRA]A1+; withdrawn |
| Not Placed | Commercial paper (IPO) | NA | NA | 7-30 days | 500.00 | [ICRA]A1+ |

Source: Company

^For public issuance

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

| Company Name | Ownership | Consolidation Approach |
|-----------------------------------|-----------|------------------------|
| IIFL Home Finance Limited | 79.59% | Full consolidation |
| IIFL Samasta Finance Limited | 99.51% | Full consolidation |
| IIHFL Sales Limited^ | 100% | Full consolidation |
| IIFL Open Fintech Private Limited | 51.02% | Full consolidation |

Source: IIFL Finance Limited

^Step-down subsidiary, fully owned by IIFL Home Finance Limited

Corrigendum

Document dated August 01, 2023, has been corrected with revisions as detailed below:

- The table from 'Rating history for past three years' section on page No. 6 is revised.
- The complexity indicator for Subordinated debt programme is changed from 'Simple' to 'Very Simple' in the 'Complexity level of the rated instrument' section on page No. 8 of the document.

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Neha Parikh
+91 22 6114 3426
neha.parikh@icraindia.com

Harsh Mange
+91 22 6114 3400
harsh.mange@icraindia.com

Anil Gupta
+91 124 4545 314
anilg@icraindia.com

Jui J. Kulkarni
+91 22 6114 3427
jui.kulkarni@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2023 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.