

IIFL Holdings Limited

September 26, 2018

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Secured NCD programme	220.00	0.00	[ICRA]AA (stable); withdrawn
Commercial Paper programme	500.00	0.00	[ICRA]A1+; withdrawn
Short Term Debt programme	1,000.00	0.00	[ICRA]A1+; withdrawn
Total	1,720.00	0.00	

Rating action

ICRA has withdrawn the rating of [ICRA]AA (stable) (pronounced ICRA double A stable) for Rs. 220 crore Secured NCD Programme of IIFL Holdings Limited. ICRA has also withdrawn the rating of [ICRA]A1+ on the Rs. 1,000 crore short term debt programme and Rs. 500 crore commercial paper programme of the company. The ratings have been withdrawn as there is no amount outstanding against the rated amounts.

Rationale

While arriving at the ratings, ICRA has taken a consolidated view of the credit profiles of key India Infoline group companies (collectively referred to as IIFL group) given their common promoters and senior management team, shared brand name, and strong financial and operation synergies.

The ratings factor in IIFL group's diversified business revenues constituted by its financing, distribution and broking operations, the group's robust risk management systems and healthy capitalisation profile backed by a strong consolidated net worth of Rs. 5,542 crore as on June 30, 2018.

On 31st January 2018, IIFL group had announced to restructure their corporate business lines. The wealth and asset management business of IIFL will be consolidated into IIFL Wealth. ICRA has taken a note of the announcement and will take an appropriate rating action, if required, subsequent to statutory and regulatory approvals. The detailed release on the event can be accessed [here](#)

Outlook: Not Applicable

Key rating drivers: Not Applicable

Analytical approach: For arriving at the ratings, ICRA has taken a consolidated view for IIFL Wealth Finance Limited along with its group company – IIFL Holdings Limited (rated [ICRA]AA(Stable)/A1+) – since both have operational linkages and share a common management.

Links to applicable criteria:

[ICRA's Credit Rating Methodology for Non-Banking Finance Companies](#)

About the company

IIFL Holdings Limited (formerly known as India Infoline Ltd.)

IIFL Holdings Limited (IIFL Holdings, formerly known as India Infoline Ltd.) was founded in 1995 by two professionals as an independent financial research provider. The name of the company was changed to IIFL Holdings Limited in FY2014 when it became a non-operating holding company. The group is engaged in equity broking, portfolio management services, depository services, investment banking, distribution of mutual funds and other financial products, commodity broking, margin funding, consumer loan funding and wealth management.

IIFL group's consolidated net worth stood at Rs. 5,066 crore as on March 31, 2018. IIFL Holdings Limited (consolidated) reported a PAT of Rs. 1,162 crore (Rs 911 crore after minority interest) in FY2018 on a total assets of Rs. 43,703 crore as compared to PAT of Rs. 822 crore (Rs 686 crore after minority interest) in FY2017 on a total asset of Rs. 33,761 crore. The company reported a PAT of Rs. 345 crore in Q1FY2019 on total assets of Rs. 45,239 crore.

Key Financial Indicators (Audited) (Consolidated for IIFL Holdings)

	FY2017	FY2018	Q1FY2018 [^]	Q1FY2019 [^]
Total Revenues	4,925	6,437	1,435	1,806
Profit after tax	822	1162	252	345
Networth	4,381	5,066	4,191	5,542
Loan Book (AUM)	25,896	37,835	27,635	39,264
Total assets	33,761	43,703	36,689	45,239
PAT/ATA*	2.90%	3.00%	3.76%	3.58%
Return on equity*	14.59%	17.70%	23.51%	25.98%
Gross NPA	1.82%	1.71%	2.04%	2.01%
Net NPA	0.58%	0.79%	0.83%	0.87%
Capital adequacy ratio	18.10%	16.20%	20.60%	19.00%
Gearing	4.32	5.02	-	-

Amounts in Rs. crore

*Annualized

[^]As per IND AS

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Type	Current Rating (FY2019)			FY2018		FY2017	FY2016
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Feb-18	Aug-17	Oct-16	Sep-15
					Sep-18			
1	Secured NCD Programme	Long Term	220	NA	[ICRA]AA(stable); Withdrawn	[ICRA]AA(stable)	[ICRA]AA(stable)	[ICRA]AA(stable)
2	Commercial Paper Programme	Short Term	500	NA	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3	Short Term Debt Programme	Short Term	1000	NA	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

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 No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Secured NCD Programme	NA	NA	NA	220.00	[ICRA]AA(stable) withdrawn
NA	Short Term Debt Programme	NA	NA	7-365 days	1,000.00	[ICRA]A1+ withdrawn
NA	Commercial Paper Programme	NA	NA	7-365 days	500.00	[ICRA]A1+ withdrawn

Source: Company Data, Data

ANALYST CONTACTS

Karthik Srinivasan

+91 22 61143444
karthiks@icraindia.com

Neha Parikh

+91 22 61143426
Neha.parikh@icraindia.com

Sahil Udani

+91 22 61143429
sahil.udani@icraindia.com

Ankur Verma

+91 22 61143427
Ankur.verma@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:

+91-124-2866928 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 6606 9999

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