

IL&FS Securities Services Limited

July 10, 2018

Summary of rated instruments

Instrument*	Current Rated Amount (Rs. crore)	Rating Outstanding
Commercial paper programme	1,200.00	[ICRA]A1+
Short-term bank lines	350.00	[ICRA]A1+
Total	1,550.00	

Material Event

On June 26, 2018, IndusInd Bank announced that it has signed a definitive share purchase agreement (SPA) with Infrastructure Leasing and Financial Services Limited (IL&FS), the promoter of IL&FS securities services Limited (ISSL) and other minority shareholders to acquire entire 100% shareholding in ISSL. The acquisition was initially announced in March 2017 and IndusInd Bank received the approval from the Reserve Bank of India (RBI) for the same in month year

The indicative time period of completing the deal is 3 months. The transaction is subject to conditional on regulatory approval. The deal is subject to receipt of no objection certificate from exchanges and its onward submission to SEBI. Further, the SEBI approval letter has to be submitted back to the exchanges for transfer of shares. Post this, there would be change of control from Infrastructure Leasing and Financial Services to IndusInd bank. The name of the company would also be changed after MCA clearance and other regulatory department clearances. The company has informed that the management and other operations will remain the same.

Impact of the Material Event

The transaction in subject to the receipt of certain regulatory approvals, including the exchanges and the final approval from the Securities and Exchange Board of India (SEBI). The transfer of shareholding to IndusInd Bank would happen post the receipt of approvals and the entire process is expected to be completed over the next three months. In ICRA's opinion, the transaction is not expected to have a material impact on the company's credit profile with the company's operation expected to remain unchanged. ICRA would continue to monitor the developments and take an appropriate rating action, when required.

The previous detailed rating rationale is available on the following link: [Click here](#)

Key financial indicators (audited)

	FY 2016	FY 2017	FY 2018
Fee income (other than broking)	69.08	76.19	92.99
Net interest income	52.34	56.97	37.93
Other non-interest income	5.52	12.32	5.82
Operating income	126.94	145.49	136.74
Total operating expenses	62.92	69.87	66..34
Profit before tax	64.35	77.40	70.40
Profit after tax	39.15	51.02	45.08
Net worth	277.59	289.30	221.19
Cost to income ratio	49.57%	48.03%	48.52%
Return on net worth	14.10%	17.64%	20.38%

Amounts in Rs. crore

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