

IIFL FINANCE LIMITED

(Formerly known as IIFL Holdings Limited)

Public Issue of Secured Redeemable NCDs

Tranche II Issue Opens	Monday, 27 th September, 2021
Tranche II Issue Closes	Monday, 18 th October, 2021 *

**The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Finance Committee, thereof, subject to relevant approvals. In the event of an early closure or extension of this Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper and regional daily where the registered office of the Company is situated with wide circulation on or before such earlier or initial date of Issue closure. On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details, please refer to our section titled “General Terms of the Issue” on page 256 of the Shelf Prospectus and page 253 of the Tranche II Prospectus.*

Issuer Overview:

- ▶ IIFL Finance Limited (“**IIFL**” or the “**Company**”) is a Systemically Important Non-deposit accepting Non-Banking Financial Company (“**NBFC-ND-SI**”) registered with the RBI, catering to the credit requirements of a diverse customer base with its plethora of products;
- ▶ IIFL offerings include home loans, gold loans, business loans including loans against property and medium and small enterprise financing, micro finance, construction and real estate finance and capital market finance; catering to both retail and corporate clients;
- ▶ Subsidiaries of the Company are IIFL Home Finance Limited and IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited).

Widespread Network

As of June 30, 2021, the Company has a widespread network of 2,682 branches spanning the length and breadth of the country and the Company has a strong workforce of 22,638 employees as of August 31, 2021.

Strong Growth

As at June 30, 2021 and March 31, 2021, consolidated Assets Under Management were Rs. 43,160.23 crores and Rs. 44,688.03 crores respectively. The Company has maintained consistent low level of NPAs over the years of operation and continue to focus on maintaining good quality of assets with GNPA of 2.21% and NNPA of 1.02% as a percentage of our consolidated Loan Book as on June 30, 2021. Additionally, as on June 30, 2021, 85.95% of the Company’s consolidated Loan Book is secured with adequate collaterals which helps mitigate risks further.

Lead Managers to the Issue:

- Edelweiss Financial Services Limited,
- IIFL Securities Limited* and
- Equirus Capital Private Limited

** IIFL Securities Limited is deemed to be the Company's associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue.*

Terms and Conditions in connection with the Secured NCDs:

Issuer	IIFL Finance Limited
Tranche II Issue Opens	Monday, 27 th September, 2021
Tranche II Issue Closes	Monday, 18 th October, 2021 *
Registrar	Link Intime India Pvt Limited
Trustee	Catalyst Trusteeship Limited
Allotment	First Come First Serve Basis-and on the date of oversubscription, on a proportionate basis
Issue Price	Rs. 1,000 per NCD
Face Value	Rs. 1,000 per NCD
Minimum Application	Rs. 10,000/- only
Base Issue	Rs. 100 Crores
Option to Retain Oversubscription Amount	Rs.900 Crores
Tranche II Issue Size	Rs. 1,000 Crores
Nature of Indebtedness	Secured Redeemable NCDs
Credit Ratings	"CRISIL AA/Stable" by CRISIL and "BWR AA+/Negative" by Brickwork
Issuance mode of the instrument	In dematerialised form only
Listing On	BSE Limited and National Stock Exchange of India Limited
Depositories	CDSL and NSDL
Trading mode of the instrument	Compulsorily in dematerialised form

**with an option to close earlier and/ or extend upto a period as may be determined by the Company*

Specific terms for each of the Secured NCDs:

Series	I	II	III*	IV	V	VI	VII
Frequency of Interest Payment	Annual	Cumulative	Annual	Cumulative	Monthly	Annual	Cumulative
Minimum Application	₹ 10,000 (10 NCDs) across all Series						
Face Value of NCDs (₹/ NCD)	₹1,000						
In Multiples of thereafter (₹)	₹ 1,000 (1 NCD)						
Tenor (months)	24	24	36	36	60	60	60
Coupon (% per annum) for NCD Holders in Category I, II, III & IV	8.25%	NA	8.50%	NA	8.42%	8.75%	NA
Effective Yield (per annum) for NCD Holders in Category I, II, III & IV	8.25%	8.25%	8.49%	8.50%	8.75%	8.75%	8.75%
Mode of Interest Payment	Through various mode available						
Amount (₹ / NCD) on Maturity for NCD Holders in Category I, II, III & IV	₹1,000	₹1,171.80	₹1,000	₹1,277.60	₹1,000	₹1,000	₹1,521.41
Maturity / Redemption Date (Months from the Deemed Date of Allotment)	24	24	36	36	60	60	60
Put and Call Option	NA						

Note: *Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.

Additional Incentive to existing NCD(s)/Bond(s) holders and/or are Equity Shareholder(s):

All Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, IIFL Home Finance Limited as the case may be, and/or are equity shareholder(s) of IIFL Finance Limited as the case may be, on the Deemed Date of Allotment and applying in Series I, Series III, Series V and/or Series VI shall be eligible for **additional incentive of 0.25% p.a.** provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for payment of respective coupons, in respect of Series I, Series III, Series V and/or Series VI.

For all Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, IIFL Home Finance Limited as the case may be, and/or are equity shareholder(s) of IIFL Finance Limited as the case may be, on the Deemed Date of Allotment applying in Series II, Series IV and/or VII, the maturity amount at redemption along with the additional yield would be ₹ 1,177.30 per NCD, ₹ 1,286.45 per NCD and/or ₹ 1,539.00 per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series II, Series IV and/or Series VII.

The additional incentive will be maximum of 0.25% p.a. for all Category of Investors in the proposed Issue, who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, IIFL Home Finance Limited as the case may be, and/or are equity shareholder(s) of IIFL Finance Limited as the case may be, on the Deemed Date of Allotment.

On any relevant Record Date, the Registrar and/or our Company shall determine the list of the Primary holder(s) of this Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in

the Register of NCD Holders) and make the requisite payment of additional incentive.

The additional incentive will be given only on the NCDs allotted in this Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this Issue, additional incentive will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

Investment Considerations:

- **Effective Yield** - 8.75% p.a. highest yield for monthly, annual and cumulative series with tenor of 60 months
- **Tenor and Frequency** - Tenors of 24, 36 and 60 months available with various interest payment options like monthly, annual and at maturity
- **Additional Incentive** – Additional coupon incentive of 0.25% to existing NCD(s)/Bond(s) holders and/or Equity shareholders
- **Liquidity**
 - Proposed to be listed on BSE and NSE. (BSE shall be the Designated Stock Exchange)
 - Trading will be in dematerialized form only
- **Taxation** - No TDS since the holding will be in demat mode
- **Safety** - Instrument rated CRISIL AA/Stable by CRISIL Ratings and BWR AA+/Negative by Brickwork Ratings are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
- **Allotment on first come first serve basis** -. Allotment in the public issue of debt securities will be made on the basis of date of upload of each application into the electronic book of stock exchange. However, on the date of oversubscription, the allotment will be made to the applicants on proportionate basis. For further details refer to section titled “Issue Related Information” of the Tranche II Prospectus dated September 21, 2021

Allocation to category of the overall issue size:

Category	Investor type	Allocation
Category I	Institutional Portion	10% of the Tranche II Issue Size
Category II	Non-Institutional Portion	10% of the Tranche II Issue Size
Category III	High Net Worth Individual Investors Portion	40% of the Tranche II Issue Size
Category IV	Retail Individual Investors Portion	40% of the Tranche II Issue Size

Application in the Issue:

Applicants shall apply in this Issue in dematerialized form only, through valid Application Form filled in by the Applicant along with attachment, as applicable. Further, applications shall be made through UPI (for applications upto Rs. 2 lakhs) and ASBA facility only.

Investor Category:

Category I (QIB / Institutional Investors)

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of Rs.250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than Rs. 5,000 million as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II (Corporate / Non Institutional Investors)

- Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons

Category III (High Net Worth Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above Rs. 10,00,000 across all options of NCDs in this Issue

Category IV (Retail Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs. 10,00,000 across all Series of NCDs in this Tranche II Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.

For further details, refer Shelf Prospectus dated February 24, 2021 and Tranche II Prospectus dated September 22, 2021 available on Company, Lead Managers and Stock Exchanges website.

DISCLAIMER:

IIFL Finance Limited (“Company”), subject to market conditions, and other considerations, is proposing a public issue of secured redeemable non-convertible debentures and had filed a Shelf Prospectus dated February 24, 2021 (“Shelf Prospectus”) and has filed the Tranche II Prospectus dated September 22, 2021 (“Tranche II Prospectus” and together with Shelf Prospectus the “Prospectus”) with the Registrar of Companies, Maharashtra at Mumbai, BSE Limited (“BSE”), National Stock Exchange of India Limited (“NSE”) and Securities and Exchange Board of India (“SEBI”). The Shelf Prospectus and Tranche II Prospectus are available on the website of the Company at <https://www.iifl.com/>, on the website of BSE at www.bseindia.com, on the website of NSE at www.nseindia.com, on the website of the lead managers at www.edelweissfin.com, www.iiflcap.com and www.equirus.com, and on the website of SEBI at www.sebi.gov.in. Investors proposing to participate in the Issue should note that investment in the NCDs involves a high degree of risk and for details in relation to the same, refer to the Shelf Prospectus and Tranche II Prospectus, including the sections titled “Risk Factors” and “Material Developments” both beginning on page 34 of the Tranche II Prospectus. The Issuer and the Lead Managers accept no responsibility for statements made otherwise than in the Prospectus or in the advertisement or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

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