

## Rating Rationale

November 20, 2023 | Mumbai

### IIFL Finance Limited

*Rating outlook revised to 'Positive'; Ratings Reaffirmed; rated amount enhanced for Bank Debt*

#### Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.5500 Crore (Enhanced from Rs.4000 Crore)</b>
<b>Long Term Rating</b>	<b>CRISIL AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)</b>
<b>Non Convertible Debentures Aggregating Rs.3586.3 Crore (Reduced from Rs.3686.3 Crore)<sup>^</sup></b>	<b>CRISIL AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)</b>
<b>Non Convertible Debentures Aggregating Rs.1134.88 Crore (Reduced from Rs.1513.84 Crore)<sup>^&amp;</sup></b>	<b>CRISIL AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)</b>
<b>Rs.5000 crore Non Convertible Debentures<sup>^&amp;</sup></b>	<b>CRISIL AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)</b>
<b>Rs.5 Crore Subordinated Debt</b>	<b>CRISIL AA/Stable (Withdrawn)</b>
<b>Rs.1100 Crore Long Term Principal Protected Market Linked Debentures</b>	<b>CRISIL PPMLD AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)</b>
<b>Rs.500 Crore Commercial Paper Programme(IPO Financing)</b>	<b>CRISIL A1+ (Reaffirmed)</b>
<b>Rs.8500 Crore Commercial Paper</b>	<b>CRISIL A1+ (Reaffirmed)</b>

<sup>^</sup>Interchangeable between secured and subordinated debt

&For retail bond issuance

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has revised its outlook on the long-term debt instruments and bank facilities of IIFL Finance Limited (IIFL Finance; a part of the IIFL Finance group) to '**Positive**' from 'Stable' and has reaffirmed the rating at 'CRISIL AA/CRISIL PPMLD AA'. The rating on the commercial paper has been reaffirmed at 'CRISIL A1+'.

CRISIL Ratings has **withdrawn** its rating on non-convertible debentures of Rs 478.96 crore (see 'Annexure: Details of rating withdrawn') and Rs 5 crore of subordinated debt on their redemption and receipt of the requisite documentation for the same. This is in line with the CRISIL Ratings policy on withdrawal of ratings.

The outlook revision reflects the strengthening market position of the IIFL Finance group and the expected sustained improvement in its profitability.

The ratings continue to be supported by the group's comfortable capitalisation with improved gearing, and its diversified portfolio with majority contribution from inherently less risky asset classes. However, the group has a relatively less diversified resource mix and slightly higher cost of borrowings compared with some of its peers.

The IIFL Finance group's assets under management (AUM) grew to Rs 73,066 crore as on September 30, 2023, from Rs 64,638 crore as on March 31, 2023 (Rs 51,10 crore as on March 31, 2022) driven by traction in the retail segment and its wide geographic presence. The group is in the top three entities in the gold finance segment and is among the top three non-bank players in microfinance. The housing finance business has also scaled up and the group – through its subsidiary IIFL Home – has carved a niche position for itself in this segment by delivering affordable housing finance. However, in relation to the overall market size, this portfolio remains small. The core retail segments — home, gold, microfinance, loans against property (LAP) and digital loans— remain in focus. As on September 30, 2023, retail loans formed around 95% of the AUM, while the remaining comprised loans to the commercial and real estate sectors and capital market financing.

The improvement in earnings is reflected in return on return on assets (RoA) and managed assets (RoMA) of 3.7% (annualised) and 2.5% (annualised), respectively, in the first half of fiscal 2024 vis-à-vis 3.3% and 2.3%, respectively, in fiscal 2023 (2.7% and 2.1% in fiscal 2022). This has been backed by controlled credit costs and upfront income from direct assignment (DA) transactions, and its sustenance remains a monitorable.

The group has demonstrated ability to raise capital from long-term marquee investors, such as Fairfax and the CDC group. Furthermore, during the second quarter of fiscal 2023, IIFL Home Finance Ltd (IIFL Home) raised Rs 2,200 crore as primary equity from Abu Dhabi Investment Authority (ADIA), resulting in improved gearing. The adjusted gearing stood at 3.6 times

(consolidated) as on September 30, 2023. The shift in business strategy towards an asset-light model, along with improving internal accrual, will continue to reinforce capitalisation as the group grows.

The group has limited diversity in resources and higher cost of borrowings compared with some of its peers. Banks and financial institutions (FIs) formed around 74% of its borrowings, while capital market lenders formed only 9%. Ability to diversify the funding profile at an optimal cost as the business scales up will be a key rating monitorable.

CRISIL Ratings has also taken note of the recent measures by Reserve Bank of India (RBI) covering the Banking and NBFC sector. Firstly, on the asset side for NBFCs, there is an increase in risk weights for unsecured consumer loans (including credit card receivables), by 25 percentage points to 125% from 100% earlier. This regulation applies to all retail loans except housing loans, vehicle loans, educational loans, loans against gold and microfinance/SHG loans. The increase in risk-weighted assets will lead to a decrease in the capital adequacy ratios however it is not expected to materially impact the overall capitalization.

Secondly, the risk weights for Bank exposure to NBFCs have been increased by 25 percentage points (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%. Herein, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector are excluded. This development may potentially lead to an increase in cost of bank borrowings for the NBFC sector. This may also result in diversification of the borrowings mix with a higher share of capital market instruments and securitization, among others. The ability of NBFCs to pass on the potentially higher cost of borrowing to the customers, will be a monitorable.

For IIFL Finance, almost 95% of the consolidated AUM comprises retail loans including home loans, LAP, gold loans, digital loans and microfinance loans. Though, only 40% of the digital loan portfolio (~2% of the consolidated AUM as on September 30, 2023) will fall under the purview of this regulation. After incorporating the effect of this regulation, the overall capital adequacy ratio of the company is expected to witness a decline of 30 - 40 basis points. Nonetheless, the company's overall capital position is expected to remain comfortable. In terms of liability side impact, the cost of bank borrowing is expected to rise marginally as close to 36% of the company's standalone resource base (~15% of the consolidated borrowings) comprises term funding from banks. The magnitude of increase in the cost of funds, will be a key monitorable.

#### **Analytical Approach**

CRISIL Ratings has consolidated the business and financial risk profiles of IIFL Finance and its subsidiaries, including IIFL Home and IIFL Samasta Finance Ltd (IIFL Samasta). This is because all the companies, collectively referred to as the IIFL Finance group, have significant operational, financial and managerial integration and operate under a common brand.

*Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

#### **Key Rating Drivers & Detailed Description**

##### **Strengths:**

- **Comfortable capitalisation, supported by demonstrated ability to raise capital and shift towards an asset-light business model**

The group has demonstrated its ability to raise capital from long-term marquee investors, such as Fairfax and the CDC group in the past. IIFL Home raised Rs 2,200 crore primary equity from ADIA in the second quarter of fiscal 2023. Consequently, consolidated networth improved to Rs 11,219 crore as on September 30, 2023 (Rs 10,202 crore as on March 31, 2023, and Rs 6,470 crore as on March 31, 2022), and adjusted gearing to 3.6 times (3.9 times as on March 31, 2023, and 5.5 times as on March 31, 2022). Networth coverage for net non-performing assets (NPAs) was comfortable at 25 times as on September 30, 2023. Given the business strategy of growth with a shift towards asset-light model, capitalisation should remain comfortable over the medium term for the projected scale of operations.

On a standalone basis, IIFL Finance had a networth and gearing of Rs 5,428 crore and 3.1 times, respectively as on September 30, 2023, Tier I capital adequacy ratio (CAR) and overall CAR were 13.1% and 20.5%, respectively. Networth coverage for net NPAs was around 43 times. IIFL Home had networth and gearing of Rs 6,024 crore and 2.6 times, and Tier I and overall CAR of 40.3% and 47.6%, respectively, and networth coverage for net NPAs of around 22 times. On September 30, 2023, IIFL Samasta reported adjusted networth and gearing of Rs 1,474 crore and 5.5 times and, had a networth coverage for net NPAs of around 21.2 times. Tier I and overall CAR on the same date were 15.1% and 21.0%, respectively.

- **Strengthening market position with diversified retail lending portfolio and extensive branch network**

Consolidated AUM stood at Rs 73,006 crore as on September 30, 2023 (Rs 51,210 crore as on March 31, 2023, and Rs 44,688 crore a year earlier). IIFL Finance provides loans across various retail asset classes. Its two lending subsidiaries, IIFL Home and IIFL Samasta, are in mortgage finance and microfinance businesses, respectively. The group is among the top three non-bank players in the gold finance segment as well as microfinance segment. In the affordable housing space, the group extends loans of average ticket size of Rs 20 lakhs and within this sub-segment, it is a prominent player.

Retail loans (loans of ticket size less than Rs 1 crore) accounted for 95% of the consolidated AUM as on September 30, 2023, making the portfolio highly granular. Also, 67% of the portfolio, excluding gold loan business, qualified under priority sector lending. The group has five key segments: home loans (33% of the AUM as on September 30, 2023), gold loans (32%), LAP (10%), digital loans (5%) and microfinance (12%), which together accounted for 95% of the AUM, up from 67% as on March 31, 2017. These segments will continue to drive growth over the medium term. Apart from these, there are two non-core but synergistic segments: construction and real estate (CRE) funding and capital market lending. The group has been consciously reducing the book under these segments, which together accounted for only 5% of the AUM. Under CRE, the group finances the completion of projects already funded by it and is also looking at smaller ticket

construction finance through IIFL home being synergistic to its core business of housing. In the capital market segment, the group finances retail clients of IIFL Securities Ltd. Growth is supported by a wide network of 4,596 branches as on September 30, 2023. The group leverages its distribution network to cross-sell financial products of other IIFL entities. It has made substantial investments in technology to leverage its geographical reach.

On a standalone level, IIFL Finance had AUM of Rs 29,775 crore as on September 30, 2023 (Rs 25,573 crore as on March 31, 2023, and Rs 21,109 crore a year earlier), primarily towards gold loans (80%), digital loans (12%), developer and construction finance (7%) and capital markets (2%). IIFL Home had an AUM of Rs 31,094 crore as on September 30, 2023 (Rs 28,512 crore as on March 31, 2023, and Rs 23,617 crore a year earlier), largely deployed as home loans (77%), followed by LAP (20%) and construction finance (3%). IIFL Samasta had an AUM of Rs 12,195 crore as on September 30, 2023 (Rs 10,552 crore as on March 31, 2023, and Rs 6,484 crore as on March 31, 2022).

- **Improving profitability metrics**

Consolidated RoA and RoMA improved to 3.7% and 2.5%, respectively, in the first half of fiscal 2024 from 3.3% and 2.3%, respectively, for fiscal 2022. On an absolute basis, consolidated net profit was Rs 998 crore in the first half of fiscal 2024 and Rs 1,608 crore in fiscal 2023 (Rs 1,188 crore in the previous fiscal). Earnings continue to be supported by lower credit cost (provisions and write-offs/average managed assets) and upfront income from DA transactions. Credit cost improved to 1.0% during the first half of fiscal 2024 from 1.3% in fiscal 2023 (1.5% in fiscal 2022).

On Consolidated and standalone basis, IIFL Finance's gross NPAs (GNPAs) were 1.8% and 1.6%, respectively, as on September 30, 2023 and 1.8% and 1.6% as on March 31, 2023 (3.2% and 2.9% on March 31, 2022, respectively). The spike in GNPAs during March 2022 was due to the impact of the notification released by the Reserve Bank of India on November 12, 2021. Provision coverage ratio<sup>[1]</sup> as on September 30, 2023, stood at 45% while the total provisions coverage ratio (total provisions/GNPA) was 159%.

On a standalone basis, IIFL Home and IIFL Samasta reported GNPAs of 1.9% and 2.1%, respectively, as on September 30, 2023 (2.5% and 2.1%, respectively, on March 31, 2023, and 3.6% and 3.1%, respectively, on March 31, 2022). GNPAs for the home loan segment stood at 1.7%, for the gold loan portfolio at 1.2%, LAP at 2.6%, digital loans at 3.2% and microfinance at 2.1% as on September 30, 2023

Ability to maintain delinquency and manage credit cost will remain critical for sustaining healthy profitability. Also, focus on the partnership model and the expected scale up in the co-lending book should support profitability over the medium term.

**Weakness:**

- **Limited diversity in resource profile; ability to diversify the borrowing base while reducing cost of funds is a monitorable**

As on September 30, 2023, banks and FIs constituted 74% of the group's borrowings — these were in the form of term loans (44%), refinance (17%), ECB (9%), securitisation (2%) and short-term borrowings (2%). The remaining 26% of borrowings were in the form of non-convertible debentures (24%) and commercial paper (2%). Of this, the share of capital market lenders (such as mutual funds, pension funds, trusts) was limited. IIFL Finance group has been able to tap public NCDs route however the cost of funds remains higher than some of the comparable peers. Nonetheless, the company has a comfortable liquidity profile with no negative cumulative mismatches across time buckets as per the asset liability maturity (ALM) statement dated September 30, 2023. Over the medium term, ability to diversify resource base at optimal cost will be a monitorable given the relatively higher reliance on banks and FIs for funding.

<sup>[1]</sup> Provision coverage ratio = Provisions against GNPAs/GNPAs

**Liquidity: Strong**

As on September 30, 2023, the IIFL Finance group had liquidity of Rs 9,078 crore (Rs 4,358 crore of cash and equivalents, Rs 367 crore of unutilised cash credit limit and Rs 4,354 crore of undrawn sanctioned bank limits [including securitisation/DA limit]). Against this, total debt obligation was Rs 5,679 crore over the six months through March 2024.

**Environment, social and governance (ESG) profile**

CRISIL Ratings believes that the IIFL Finance group's ESG profile supports its credit risk profile.

The ESG profile of financial institutions typically factors in governance as a key differentiator between them. The sector has reasonable social impact because of its substantial employee and customer base, and it can play a key role in promoting financial inclusion. While the sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on environmental and other sustainability related factors.

The IIFL Finance group has demonstrated an ongoing focus on strengthening various aspects of its ESG profile.

**Key ESG highlights of the IIFL Finance group**

IIFL Finance has replaced incandescent lights with light-emitting diode panels across branches. Rainwater harvesting systems have been installed and wastewater is treated and re-used for domestic purposes.

Of the total workforce at IIFL Finance, gender diversity stands at 26%, as on March 31, 2023. One of the nine board members is a woman.

Of the board members, 63% are independent directors, split into the chairman and CEO positions. It has extensive investor grievance redressal disclosures and mechanism in place.

There is growing importance of ESG among investors and lenders. The group's commitment to ESG will play a key role in enhancing stakeholder confidence given the substantial share of foreign investors as well as access to domestic capital markets.

### **Outlook: Positive**

The IIFL Finance group will likely improve its earnings profile while scaling up operations and maintaining a diversified product mix. The group's capitalisation is expected to remain comfortable.

### **Rating Sensitivity factors**

#### **Upward factors**

- Sustained improvement in profitability, with RoMA reaching 2.8-3.0% on a steady state basis
- Diversification of resource profile at optimal cost of funding
- Improvement in market position along with sound asset quality

#### **Downward factors**

- Weakening asset quality, with GNPA's above 5% over an extended period, impacting profitability
- Declining capitalisation metrics, with sustained higher-than-expected gearing

### **About the Group**

IIFL Finance is the listed holding company of the IIFL Finance group and is registered as a systemically important non-deposit-taking, non-banking financial company. The IIFL Finance group offers various retail lending products, including gold loans, home loans, LAP, digital loans and microfinance loans, which are the core segments and form 95% of the AUM. The remaining comprise capital market-based lending (margin funding and loans against shares) and construction and developer finance.

On a consolidated basis, IIFL Finance had total income (net of interest expenses) and profit after tax (PAT) of Rs 5,225 crore and Rs 1,608 crore, respectively, in fiscal 2023, against Rs 4,033 crore and Rs 1,188 crore in the previous fiscal. During the first half of fiscal 2024, the group reported total income (net of interest expense) and PAT of Rs 3,085 crore and Rs 998 crore, respectively.

On a standalone basis, IIFL Finance reported total income (net of interest expenses) and PAT of Rs 2,633 crore and Rs 805 crore, respectively, in fiscal 2023 against Rs 2,491 crore and Rs 745 crore, respectively, in the previous fiscal. During the first half of fiscal 2024, total income (net of interest expenses) and PAT were Rs 1,308 crore and Rs 288 crore, respectively.

IIFL Home reported total income (net of interest expenses) and PAT of Rs 1,520 crore and Rs 790 crore, respectively, in fiscal 2023, against Rs 1,159 crore and Rs 578 crore, respectively, in fiscal 2022. During the first half of fiscal 2024, it reported total income (net of interest expense) and PAT of Rs 933 crore and Rs 477 crore, respectively.

### **Key Financial Indicators: IIFL Finance (consolidated; CRISIL Ratings-adjusted numbers)**

As on/for the period	Unit	Sep 30, 2023/ H1FY24	Mar 31, 2023/ FY23	Mar 31, 2022/ FY22
<b>Total assets</b>	<b>Rs crore</b>	<b>55,346</b>	<b>53,001</b>	<b>45,910</b>
<b>Total income (net of interest expenses)</b>	<b>Rs crore</b>	<b>3,085</b>	<b>5,225</b>	<b>4,033</b>
<b>PAT</b>	<b>Rs crore</b>	<b>998</b>	<b>1,608</b>	<b>1,188</b>
<b>GNPA</b>	<b>%</b>	<b>1.8</b>	<b>1.8</b>	<b>3.2</b>
<b>RoMA</b>	<b>%</b>	<b>2.5</b>	<b>2.3</b>	<b>2.1</b>
<b>Adjusted gearing</b>	<b>Times</b>	<b>3.6</b>	<b>3.9</b>	<b>5.5</b>

### **Key financial indicators: IIFL Finance (standalone; CRISIL Ratings-adjusted numbers)**

As on / for the period	Unit	Sep 30, 2023/ H1FY24	Mar 31, 2023/ FY23	Mar 31, 2022/ FY22
<b>Total assets</b>	<b>Rs crore</b>	<b>24,160</b>	<b>24,082</b>	<b>23,136</b>
<b>Total income (net of interest expenses)</b>	<b>Rs crore</b>	<b>1,308</b>	<b>2,633</b>	<b>2,491</b>
<b>PAT</b>	<b>Rs crore</b>	<b>288</b>	<b>805</b>	<b>745</b>
<b>GNPA</b>	<b>%</b>	<b>1.7</b>	<b>1.3</b>	<b>2.9</b>
<b>RoMA</b>	<b>%</b>	<b>1.6</b>	<b>2.4</b>	<b>2.6</b>
<b>Adjusted gearing</b>	<b>Times</b>	<b>3.1</b>	<b>3.4</b>	<b>3.7</b>

**Any other information:** Not applicable

### **Note on complexity levels of the rated instrument:**

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

**Annexure - Details of Instrument(s)**

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level	Rating assigned with outlook
INE530B07104	Non-convertible debentures	30-Jun-21	8.33%	30-Jun-28	125	Simple	CRISIL AA/Positive
INE530B07104	Non-convertible debentures	30-Jun-21	8.33%	30-Jun-29	125	Simple	CRISIL AA/Positive
INE530B07104	Non-convertible debentures	30-Jun-21	8.33%	30-Jun-30	125	Simple	CRISIL AA/Positive
INE530B07104	Non-convertible debentures	30-Jun-21	8.33%	30-Jun-31	125	Simple	CRISIL AA/Positive
INE530B07195	Non-convertible debentures	21-Jan-22	8.50%	21-Jan-32	10	Simple	CRISIL AA/Positive
INE530B07203	Non-convertible debentures	24-Mar-22	8.60%	24-Mar-32	50	Simple	CRISIL AA/Positive
INE530B07203	Non-convertible debentures	24-Mar-22	8.60%	24-Mar-32	10	Simple	CRISIL AA/Positive
INE530B08128	Subordinated debt	24-Mar-22	9.35%	24-Mar-32	50	Complex	CRISIL AA/Positive
INE866I07CD6	Non-convertible debentures	07-Feb-19	9.75%	07-Feb-24	636.81	Complex	CRISIL AA/Positive
INE866I07CF1	Non-convertible debentures	07-Feb-19	10.20%	07-Feb-24	126.47	Complex	CRISIL AA/Positive
INE866I08279	Subordinated debt	07-Feb-19	10.00%	07-Feb-29	31.02	Complex	CRISIL AA/Positive
INE866I08295	Subordinated debt	07-Feb-19	10.50%	07-Feb-29	15.45	Complex	CRISIL AA/Positive
INE866I08303	Subordinated debt	06-Sep-19	10.00%	06-Jun-25	25.93	Complex	CRISIL AA/Positive
INE866I08311	Subordinated debt	06-Sep-19	Zero Coupon	06-Jun-25	5.78	Complex	CRISIL AA/Positive
INE530B07237	Non-convertible debentures	01-Nov-22	9.45%	01-Nov-32	550	Simple	CRISIL AA/Positive
INE530B08136	Subordinated debt	26-Jul-22	9.65%	26-Jul-32	235	Complex	CRISIL AA/Positive
INE530B07328	Non-convertible debentures	06-Apr-23	8.5%	15-Apr-24	125	Simple	CRISIL AA/Positive
INE530B08151	Subordinated debt	08-May-23	9.2%	08-May-33	175	Complex	CRISIL AA/Positive
NA	Non-convertible debentures <sup>#**</sup>	NA	NA	NA	1039.84	Simple	CRISIL AA/Positive
INE530B07146	Non-convertible debentures <sup>&amp;</sup>	14-Oct-21	8.50%	14-Oct-24	94.08	Simple	CRISIL AA/Positive
INE530B07153	Non-convertible debentures <sup>&amp;</sup>	14-Oct-21	Zero Coupon	14-Oct-24	57.31	Simple	CRISIL AA/Positive
INE530B07161	Non-convertible debentures <sup>&amp;</sup>	14-Oct-21	8.42%	14-Oct-26	147.25	Simple	CRISIL AA/Positive
INE530B07179	Non-convertible debentures <sup>&amp;</sup>	14-Oct-21	8.75%	14-Oct-26	136.08	Simple	CRISIL AA/Positive
INE530B07187	Non-convertible debentures <sup>&amp;</sup>	14-Oct-21	Zero Coupon	14-Oct-26	29.31	Simple	CRISIL AA/Positive
INE530B08094	Subordinate debt <sup>&amp;</sup>	24-Mar-21	10%	24-Jun-28	274.69	Complex	CRISIL AA/Positive
INE530B08102	Subordinate debt <sup>&amp;</sup>	24-Mar-21	9.60%	24-Jun-28	328.02	Complex	CRISIL AA/Positive
INE530B08110	Subordinate debt <sup>&amp;</sup>	24-Mar-21	Zero Coupon	24-Jun-28	68.14	Complex	CRISIL AA/Positive
INE530B07260	Non-convertible debentures <sup>&amp;</sup>	24-Jan-23	9	24-Jan-28	118.9332	Simple	CRISIL AA/Positive
INE530B07294	Non-convertible debentures <sup>&amp;</sup>	24-Jan-23	8.75	24-Jan-26	57.2141	Simple	CRISIL AA/Positive
INE530B07302	Non-convertible debentures <sup>&amp;</sup>	24-Jan-23	Zero Coupon	24-Jan-25	30.0680	Simple	CRISIL AA/Positive
INE530B07252	Non-convertible debentures <sup>&amp;</sup>	24-Jan-23	8.50	24-Jan-25	45.6339	Simple	CRISIL AA/Positive

INE530B07278	Non-convertible debentures <sup>&amp;</sup>	24-Jan-23	Zero Coupon	24-Jan-28	37.8570	Simple	CRISIL AA/Positive
INE530B07286	Non-convertible debentures <sup>&amp;</sup>	24-Jan-23	Zero Coupon	24-Jan-26	24.1343	Simple	CRISIL AA/Positive
INE530B07310	Non-convertible debentures <sup>&amp;</sup>	24-Jan-23	8.65	24-Jan-28	158.2677	Simple	CRISIL AA/Positive
INE530B07336	Non-convertible debentures <sup>&amp;</sup>	28-Jun-23	8.35	28-Jun-25	46.9841	Simple	CRISIL AA/Positive
INE530B07344	Non-convertible debentures <sup>&amp;</sup>	28-Jun-23	8.50	28-Jun-26	123.5840	Simple	CRISIL AA/Positive
INE530B07351	Non-convertible debentures <sup>&amp;</sup>	28-Jun-23	Zero Coupon	28-Jun-26	8.9101	Simple	CRISIL AA/Positive
INE530B07369	Non-convertible debentures <sup>&amp;</sup>	28-Jun-23	Zero Coupon	28-Jun-28	37.5150	Simple	CRISIL AA/Positive
INE530B07377	Non-convertible debentures <sup>&amp;</sup>	28-Jun-23	9.00	28-Jun-28	131.9425	Simple	CRISIL AA/Positive
INE530B07385	Non-convertible debentures <sup>&amp;</sup>	28-Jun-23	8.65	28-Jun-28	88.9121	Simple	CRISIL AA/Positive
INE530B07393	Non-convertible debentures <sup>&amp;</sup>	28-Jun-23	Zero Coupon	28-Jun-25	14.2375	Simple	CRISIL AA/Positive
NA	Non-convertible debentures <sup>&amp;***</sup>	NA	NA	NA	4075.8065	Simple	CRISIL AA/Positive
INE530B07112	Long-term principal protected market linked debentures	07-Sep-21	GSEC LINKED	07-Sep-24	100	Highly Complex	CRISIL PPMLD AA/Positive
INE530B07229	Long-term principal protected market linked debentures	02-Sep-22	GSEC LINKED	02-Sep-24	115	Highly Complex	CRISIL PPMLD AA/Positive
INE530B07245	Long-term principal protected market-linked debentures	25-Nov-22	GSEC LINKED	25-Jul-24	26	Highly Complex	CRISIL PPMLD AA/Positive
NA	Long-term principal protected market linked debentures <sup>**</sup>	NA	NA	NA	859	Highly Complex	CRISIL PPMLD AA/Positive
NA	Commercial paper programme (IPO financing)	NA	NA	7-30 days	500	Simple	CRISIL A1+
NA	Commercial paper	NA	NA	7-365 days	8500	Simple	CRISIL A1+
NA	Term loan - 1	NA	NA	22-Mar-26	312.34	NA	CRISIL AA/Positive
NA	Term loan - 2	NA	NA	31-Dec-25	720	NA	CRISIL AA/Positive
NA	Term loan - 3	NA	NA	31-Aug-25	87.42	NA	CRISIL AA/Positive
NA	Term loan - 4	NA	NA	31-Dec-25	66.67	NA	CRISIL AA/Positive
NA	Term loan - 5	NA	NA	30-Sep-26	79.96	NA	CRISIL AA/Positive
NA	Term loan - 6	NA	NA	28-Feb-25	600	NA	CRISIL AA/Positive
NA	Term loan - 7	NA	NA	25-Jan-25	43.49	NA	CRISIL AA/Positive
NA	Term loan - 8	NA	NA	30-Mar-25	223.68	NA	CRISIL AA/Positive
NA	Term loan - 9	NA	NA	01-Mar-27	91.67	NA	CRISIL AA/Positive
NA	Term loan - 10	NA	NA	29.June-27	85.71	NA	CRISIL AA/Positive
NA	Term loan - 11	NA	NA	1-Dec-25	250	NA	CRISIL AA/Positive
NA	Term loan - 12	NA	NA	22-Aug-24	75	NA	CRISIL AA/Positive
NA	Term loan - 13	NA	NA	29-Feb-28	500	NA	CRISIL AA/Positive

NA	Term loan - 14	NA	NA	31-Dec-25	250	NA	CRISIL AA/Positive
NA	Cash credit	NA	NA	14-Dec-27	15	NA	CRISIL AA/Positive
NA	Working capital demand loan	NA	NA	29-Feb-28	200	NA	CRISIL AA/Positive
NA	Proposed long-term bank loan facility*	NA	NA	NA	1899.06	NA	CRISIL AA/Positive

# Interchangeable between secured and subordinated debt

\*\* Not yet issued

&amp; For retail bond issuance

\*Interchangeable with short-term bank loan facility

**Annexure - Details of rating withdrawn**

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level	Ratings
INE530B07021	Non-convertible debentures	08-May-20	9.00%	08-May-23	100	Simple	Withdrawn
INE866107CO3	Subordinated debt	17-Sep-19	9.90%	17-Jan-23	5	Complex	Withdrawn
INE530B07120	Non-convertible debentures&	14-Oct-21	8.30%	14-Oct-23	307.53	Simple	Withdrawn
INE530B07138	Non-convertible debentures&	14-Oct-21	8.30%	14-Oct-23	71.43	Simple	Withdrawn

&amp; For retail bond issuance

**Annexure – List of entities consolidated**

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
IIFL Finance Ltd	Full	Parent
IIFL Home Finance Ltd	Full	Subsidiary
IIFL Samasta Finance Ltd	Full	Subsidiary

**Annexure - Rating History for last 3 Years**

Instrument	Type	Current		2023 (History)		2022		2021		2020		Start of 2020 Rating
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Fund Based Facilities	LT	5500.0	CRISIL AA/Positive	14-06-23	CRISIL AA/Stable	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	14-12-20	CRISIL AA/Negative	--
			--	26-05-23	CRISIL AA/Stable	11-03-22	CRISIL A1+ / CRISIL AA/Stable	--	--	06-11-20	CRISIL AA/Negative	--
			--	06-03-23	CRISIL AA/Stable	--	--	--	--	26-06-20	CRISIL AA/Negative	--
			--	07-02-23	CRISIL AA/Stable	--	--	--	--	18-04-20	CRISIL AA/Stable	--
			--	06-01-23	CRISIL AA/Stable	--	--	--	--	--	--	--
Commercial Paper	ST	8500.0	CRISIL A1+	14-06-23	CRISIL A1+	28-06-22	CRISIL A1+	31-03-21	CRISIL A1+	14-12-20	CRISIL A1+	CRISIL A1+
			--	26-05-23	CRISIL A1+	11-03-22	CRISIL A1+	--	--	06-11-20	CRISIL A1+	--
			--	06-03-23	CRISIL A1+	--	--	--	--	26-06-20	CRISIL A1+	--
			--	07-02-23	CRISIL A1+	--	--	--	--	18-04-20	CRISIL A1+	--
			--	06-01-23	CRISIL A1+	--	--	--	--	--	--	--
Commercial Paper Programme(IPO Financing)	ST	500.0	CRISIL A1+	14-06-23	CRISIL A1+	28-06-22	CRISIL A1+	31-03-21	CRISIL A1+	14-12-20	CRISIL A1+	--
			--	26-05-23	CRISIL A1+	11-03-22	CRISIL A1+	--	--	06-11-20	CRISIL A1+	--
			--	06-03-23	CRISIL A1+	--	--	--	--	26-06-20	CRISIL A1+	--
			--	07-02-23	CRISIL A1+	--	--	--	--	18-04-20	CRISIL A1+	--
			--	06-01-23	CRISIL A1+	--	--	--	--	--	--	--
Non Convertible	LT	9721.18	CRISIL AA/Positive	14-06-23	CRISIL AA/Stable	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	14-12-20	CRISIL AA/Negative	--

Debtures												
			--	26-05-23	CRISIL AA/Stable	11-03-22	CRISIL AA/Stable	--	06-11-20	CRISIL AA/Negative	--	
			--	06-03-23	CRISIL AA/Stable		--	--	26-06-20	CRISIL AA/Negative	--	
			--	07-02-23	CRISIL AA/Stable		--	--	18-04-20	CRISIL AA/Stable	--	
			--	06-01-23	CRISIL AA/Stable		--	--		--	--	
<b>Subordinated Debt</b>	LT	5.0	Withdrawn	14-06-23	CRISIL AA/Stable	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	14-12-20	CRISIL AA/Negative	--
			--	26-05-23	CRISIL AA/Stable	11-03-22	CRISIL AA/Stable	--	06-11-20	CRISIL AA/Negative	--	
			--	06-03-23	CRISIL AA/Stable		--	--	26-06-20	CRISIL AA/Negative	--	
			--	07-02-23	CRISIL AA/Stable		--	--	18-04-20	CRISIL AA/Stable	--	
			--	06-01-23	CRISIL AA/Stable		--	--		--	--	
<b>Long Term Principal Protected Market Linked Debentures</b>	LT	1100.0	CRISIL PPMLD AA/Positive	14-06-23	CRISIL PPMLD AA/Stable	28-06-22	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	14-12-20	CRISIL PPMLD AA r /Negative	--
			--	26-05-23	CRISIL PPMLD AA/Stable	11-03-22	CRISIL PPMLD AA r /Stable	--	06-11-20	CRISIL PPMLD AA r /Negative	--	
			--	06-03-23	CRISIL PPMLD AA/Stable		--	--	26-06-20	CRISIL PPMLD AA r /Negative	--	
			--	07-02-23	CRISIL PPMLD AA/Stable		--	--	18-04-20	CRISIL PPMLD AA r /Stable	--	
			--	06-01-23	CRISIL PPMLD AA r /Stable		--	--		--	--	

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	15	HDFC Bank Limited	CRISIL AA/Positive
Proposed Long Term Bank Loan Facility*	399.06	Not Applicable	CRISIL AA/Positive
Proposed Long Term Bank Loan Facility*	1500	Not Applicable	CRISIL AA/Positive
Term Loan	223.68	Canara Bank	CRISIL AA/Positive
Term Loan	85.71	Bandhan Bank Limited	CRISIL AA/Positive
Term Loan	500	Punjab and Sind Bank	CRISIL AA/Positive
Term Loan	66.67	Bajaj Finance Limited	CRISIL AA/Positive
Term Loan	75	DCB Bank Limited	CRISIL AA/Positive
Term Loan	250	Union Bank of India	CRISIL AA/Positive
Term Loan	91.67	Bajaj Finance Limited	CRISIL AA/Positive
Term Loan	79.96	The Karnataka Bank Limited	CRISIL AA/Positive
Term Loan	43.49	IDBI Bank Limited	CRISIL AA/Positive
Term Loan	87.42	Indian Overseas Bank	CRISIL AA/Positive
Term Loan	312.34	Canara Bank	CRISIL AA/Positive
Term Loan	720	National Bank For Agriculture and Rural Development	CRISIL AA/Positive
Term Loan	250	Canara Bank	CRISIL AA/Positive
Term Loan	600	State Bank of India	CRISIL AA/Positive
Working Capital Demand Loan	200	The Hongkong and Shanghai Banking Corporation Limited	CRISIL AA/Positive



\*Interchangeable with short-term bank loan facility

## Criteria Details

<b>Links to related criteria</b>
<a href="#">CRISILs Bank Loan Ratings - process, scale and default recognition</a>
<a href="#">Rating Criteria for Finance Companies</a>
<a href="#">CRISILs Criteria for rating short term debt</a>
<a href="#">CRISILs Criteria for Consolidation</a>

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