

Rating Rationale

March 12, 2024 | Mumbai

IIFL Finance Limited

Long-term rating placed on 'Watch Developing'; Short-term rating reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.5500 Crore
Long Term Rating	CRISIL AA/Watch Developing (Placed on 'Rating Watch with Developing Implications')
Non Convertible Debentures Aggregating Rs.2823.02 Crore ^{&}	CRISIL AA/Watch Developing (Placed on 'Rating Watch with Developing Implications')
Non Convertible Debentures Aggregating Rs.1134.88 Crore ^{\$&}	CRISIL AA/Watch Developing (Placed on 'Rating Watch with Developing Implications')
Rs.5000 Crore Non Convertible Debentures ^{\$&}	CRISIL AA/Watch Developing (Placed on 'Rating Watch with Developing Implications')
Rs.1100 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA/Watch Developing (Placed on 'Rating Watch with Developing Implications')
Rs.300 Crore Perpetual Bonds	CRISIL AA-/Watch Developing (Placed on 'Rating Watch with Developing Implications')
Rs.500 Crore Commercial Paper Programme(IPO Financing)	CRISIL A1+ (Reaffirmed)
Rs.8500 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

[&] 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 placed its 'CRISIL AA/CRISIL PPMLD AA/CRISIL AA-' ratings on the bank facilities and debt instruments of IIFL Finance Ltd (IIFL Finance) on 'Rating watch with Developing Implications'. Short term rating has been reaffirmed at 'CRISIL A1+'.

The rating action follows the directive issued by the Reserve Bank of India (RBI) on March 04, 2024, ordering IIFL Finance to cease and desist from sanctioning and disbursing gold loans, or assigning/securing/selling any of its gold loans. However, the RBI has allowed the company to continue servicing its existing gold loan portfolio, through usual collection and recovery processes.

CRISIL Ratings understands that IIFL Finance is in continuous engagement with the RBI and the restriction imposed would be reviewed upon completion of a special audit by the regulator in due course. The chairman of the board of IIFL Finance, who is also an independent director, has stated that the company has addressed all the gaps cited by the regulator and has is fully compliant with all RBI requirements as on March 11, 2024. In light of this issue and the impending special audit, CRISIL Ratings will continue to closely monitor the developments pertaining to this restriction and the time taken for revocation of the same.

At this juncture, the fast-liquidating nature of the gold loan portfolio is expected to support the short-term liquidity position of the company. This is further augmented by a commitment of \$200 million (~Rs 1,560 crore) liquidity line by Fairfax India – which has been a long-term strategic investor in IIFL Finance and currently holds 15.1% in the company.

In the near term, this restriction on the gold loan business will lead to reduction in overall AUM, while other key businesses of the group viz, home loans, microfinance, loan against property and others, are not directly impacted by this RBI directive. However, the issues raised by the regulator bring forth questions on the operational processes and compliances. These developments could have a second order impact on fund raising for the group given the confidence sensitive nature of the funding environment for NBFCs - which could, in turn, impact growth in the other segments, and will remain a key monitorable. In a scenario where this restriction is not lifted for a prolonged period, the company's business risk profile and profitability could be impacted in the medium to long run. The watch shall be resolved once greater clarity emerges on RBI's subsequent decisions on this matter.

The ratings continue to be supported by the group's comfortable capitalisation, its established track record of operations in home loans and microfinance segments, and sustained profitability metrics, supported by stable asset quality. These strengths are partly offset by limited diversity in the resource profile, with moderately higher cost of funds vis-à-vis some of the peers.

Consolidated AUM stood at Rs 77,444 crore as on December 31, 2023, with gold loans accounting for 32%. Housing finance and microfinance, which form 33% and 16%, respectively, are carried out via subsidiaries, IIFL Home Finance Limited (IIFL Home) and IIFL Samasta Finance Ltd (IIFL Samasta). In terms of the earnings profile, the group reported return on assets (RoA) and managed assets (RoMA) of 3.7% and 2.5% (both annualised), respectively, for the first nine months of fiscal 2024, vis-à-vis 3.3% and 2.3%, respectively, in fiscal 2023 and 2.7% and 2.1%, respectively, in fiscal 2022. This has been underpinned by controlled credit cost and upfront income from direct assignment (DA) transactions, and its sustenance considering any potential changes in the business model following the restrictions, remains a monitorable. The group has demonstrated ability to raise capital from long-term marquee investors, such as Fairfax, the CDC group and Abu Dhabi Investment Authority (ADIA). However, the resource profile is marked by limited diversity and higher cost of borrowings, compared with peers. Any impact of recent developments on the resource raising ability of the group, is a monitorable.

The rating on the perpetual bonds reflects the extent of buffer over the regulatory capital adequacy requirements. CRISIL Ratings believes that IIFL Finance will maintain this cushion, going forward.

Analytical Approach

CRISIL Ratings has consolidated the business and financial risk profiles of IIFL Finance and its subsidiaries, including IIFL Home and 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.

The ratings on the perpetual bonds additionally factor in the deeply subordinated nature of these instruments, whereby IIFL Finance is restricted from servicing these instruments if it breaches the minimum regulatory capital requirement, or if the regulator denies permission to the company to make payments of interest and principal, if it reports losses.

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 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 has also raised Rs 2,200 crore as primary equity from ADIA in the second quarter of fiscal 2023. Consequently, consolidated networth improved to Rs 11,787 crore as on December 31, 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 (as against 3.9 times and 5.5 times, respectively). Networth coverage for net non-performing assets (NPAs) was comfortable at 29 times as on December 31, 2023. Given the growth strategy and the asset-light business model, capitalisation should remain comfortable for the projected scale of operations over the medium term.

IIFL Finance reported a standalone networth and gearing of Rs 5,459 crore and 3.3 times, respectively as on December 31, 2023, Tier I capital adequacy ratio (CAR) and overall CAR stood at 12.5% and 19.6%, respectively, as on the same date. Networth coverage for net NPAs was around 47 times. IIFL Home had networth and gearing of Rs 6,304 crore and 2.6 times, and Tier I and overall CAR of 40.1% and 45.8%, respectively, and networth coverage for net NPAs of around 24 times. As on December 31, 2023, IIFL Samasta reported networth and gearing of Rs 1,904 crore and 4.5 times, respectively. Tier I and overall CAR on the same date were 18.5% and 24.2%, respectively.

- **Established track record of operations and extensive branch network; implications of current restrictions on the market position is monitorable**

Consolidated AUM stood at Rs 77,444 crore as on December 31, 2023 (Rs 64,638 crore as on March 31, 2023, and Rs 51,210 crore, a year earlier) majority of which were deployed in retail asset classes. Two lending subsidiaries, IIFL Home and IIFL Samasta, are engaged in mortgage finance and microfinance, respectively. The group is among the top three players in the microfinance segment, whereas it had the second highest market share, among standalone gold financiers. 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 (ticket size less than Rs 1 crore) accounted for 96% of the consolidated AUM as on December 31, 2023, making the portfolio highly granular. Also, 67% of the portfolio, excluding gold loans, qualified under priority sector lending. As on December 31, 2023, the group was present across five key segments: home loans (33% of AUM), gold loans (32%), LAP (9%), digital loans (5%) and microfinance (16%), which together accounted for 95% of the AUM, up from 67% as on March 31, 2017.

Till the restrictions are lifted, the gold loan portfolio will continue to run down organically. Any developments stemming from this restriction, hindering the group's ability to grow its non-gold portfolio, will be a key sensitivity factor. 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 scaling down its book under these segments, which together formed only 5% of the AUM. Under CRE, the group finances completion of projects already funded by it and is also looking at providing smaller ticket construction finance through IIFL Home, as it will be synergistic to its core business. In the capital market segment, the group finances retail clients of IIFL Securities Ltd. Market position benefits from a wide network of 4,681 branches as on December 31, 2023, which allows the group to cross-sell financial products of other IIFL entities.

On a standalone level, IIFL Finance had an AUM of Rs 31,430 crore as on December 31, 2023 (Rs 25,573 crore as on March 31, 2023, and Rs 21,109 crore a year earlier), primarily comprising gold loans (79%), digital loans (12%), developer and construction finance (7%) and capital markets (2%). IIFL Home had an AUM of Rs 32,937 crore as on December 31, 2023 (Rs 28,512 crore as on March 31, 2023), comprising home loans (78%), followed by LAP (20%) and construction finance (2%). IIFL Samasta had an AUM of Rs 13,077 crore as on December 31, 2023 (Rs 10,552 crore as on March 31, 2023, and Rs 6,484 crore as on March 31, 2022).

- **Sustained profitability metrics supported by stable asset quality**

Consolidated RoA and RoMA improved to 3.7% and 2.5%, respectively, in the 9M of fiscal 2024 from 3.3% and 2.3%, respectively, for fiscal 2022. On an absolute basis, consolidated net profit was Rs 1,544 crore in the 9M 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 was marginally better at 1.2% during 9M of fiscal 2024 vis-à-vis 1.2% in fiscal 2023 (1.6% in fiscal 2022).

On consolidated and standalone basis, gross NPAs (GNPAs) of IIFL Finance stood at 1.7% and 1.4%, respectively, as on December 31, 2023 (1.8% and 1.6%, respectively, as on March 31, 2023 and 3.2% and 2.9%, respectively, as on March 31, 2022). GNPAs spiked during March 2022 was due to the impact of the notification released by the RBI on November 12, 2021. Provision coverage ratio^[1] as on December 31, 2023, stood at 50%, while the total provisions coverage ratio (total provisions/GNPA) was 151%. On a standalone basis, IIFL Home and IIFL Samasta reported GNPAs of 1.8% and 2.1%, respectively, as on December 31, 2023 (2.2% and 2.1%, respectively, on March 31, 2023, and 3.1% and 3.1%, respectively, on March 31, 2022). GNPAs for the home loan segment stood at 1.6%, for the gold loan portfolio at 0.8%, LAP at 2.7%, digital loans at 2.8% and microfinance at 2.1% as on December 31, 2023

Ability to keep delinquencies under check and manage credit cost will remain critical for sustaining healthy profitability. With regard to the gold loan business, until the restrictions are lifted – the extent of decline in profitability, if any, remains a monitorable.

Weakness:

- **Limited diversity in resource profile with comparatively higher cost of funds; degree and nature of impact, if any, the current restrictions shall have on the resource raising ability, is a key rating sensitivity factor**

As on December 31, 2023, banks and financial institutions (FIs) constituted 72% of the on-book borrowings of the group— these were in the form of term loans (43%), refinance (18%), external commercial borrowings (9%), securitisation (1%) and short-term borrowings (1%). The remaining 28% of borrowings were in the form of non-convertible debentures (24%) and commercial paper (4%). Of this, capital market lenders (such as mutual funds, pension funds, trusts) had limited share. IIFL Finance group has been able to tap the public NCDs route but 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 December 31, 2023. In addition, the \$200 million liquidity line committed by Fairfax India to IIFL Finance, should augment liquidity.

Under the prevailing regulatory developments, any potential impact on the liability franchise, especially in terms of resource raising ability or/and pre-mature calling of existing lines, is a key monitorable. Over the medium to long term, ability to diversify the resource base at an optimal cost will be a monitorable, given the relatively higher reliance on banks and FIs.

^[1] Provision coverage ratio = Provisions against GNPAs/GNPAs

Liquidity : Strong

As on December 31, 2023, the IIFL Finance group had liquidity of Rs 10,081 crore (Rs 5,157 crore of cash and equivalents, Rs 606 crore of unutilised cash credit limit and Rs 4,318 crore of undrawn sanctioned bank limits [including securitisation/DA limit]). Against this, total debt obligation was Rs 7,104 crore over the six months through June 2024.

On a standalone basis, IIFL Finance had surplus cash of Rs 883 crore as on March 5, 2024. This, along with expected collections of Rs 5,797 crore, should suffice to meet debt obligation of Rs 4,373 crore till August 2024. In addition, liquidity line (\$200 million) committed by Fairfax India shall also provide a cushion.

Environment, social and governance (ESG) profile

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

The ESG profile of financial institutions typically factors in governance as a key differentiator. The sector has reasonable social impact because of its substantial employee and customer base, and its role in promoting financial inclusion. While there is no direct adverse impact on the environment, lending decisions could 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 and there is a split between positions of the chairman and CEO. Extensive investor grievance redressal disclosures and mechanism are 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 market.

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:

- Any further regulatory developments resulting in sustained weakening of the business profile
- Restricted ability to raise resources at competitive rates
- Weakening of asset quality, leading to decline in profitability, with consolidated RoMA remaining below 2%

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 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. Capital market-based lending (margin funding and loans against shares) and construction and developer finance form the balance of the AUM.

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. For the first nine months of fiscal 2024, the group reported total income (net of interest expense) and PAT of Rs 4,779 crore and Rs 1,544 crore, respectively.

On a standalone basis, IIFL Finance reported total income (net of interest expenses) and PAT of Rs 2,633 crore and Rs 806 crore, respectively, in fiscal 2023, as against Rs 2,491 crore and Rs 745 crore, respectively, in the previous fiscal. For the first nine months of fiscal 2024, total income (net of interest expenses) and PAT were Rs 2,018 crore and Rs 420 crore, respectively.

IIFL Home reported total income (net of interest expenses) and PAT of Rs 1,549 crore and Rs 790 crore, respectively, in fiscal 2023, against Rs 1,159 crore and Rs 578 crore, respectively, in fiscal 2022. For the first nine months of fiscal 2024, it reported total income (net of interest expense) and PAT of Rs 1,442 crore and Rs 744 crore, respectively.

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

As on/for the period	Unit	Dec 31, 2023/ 9MFY24	Mar 31, 2023/ FY23	Mar 31, 2022/ FY22
Total assets	Rs crore	59,018	53,001	45,910
Total income (net of interest expenses)	Rs crore	4,779	5,225	4,033
PAT	Rs crore	1,544	1,608	1,188
GNPA	%	1.7	1.8	3.2
RoMA	%	2.5	2.3	2.1
Adjusted gearing	Times	3.6	3.9	5.5

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

As on / for the period	Unit	December 31, 2023/ 9MFY24	Mar 31, 2023/ FY23	Mar 31, 2022/ FY22
Total assets	Rs crore	26,340	24,082	23,136
Total income (net of interest expenses)	Rs crore	2,018	2,633	2,491
PAT	Rs crore	420	805	745
GNPA	%	1.4	1.3	2.9
RoMA	%	1.4	2.4	2.6
Adjusted gearing	Times	3.3	3.4	3.7

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. 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-2021	8.33%	30-Jun-2028	125	Simple	CRISIL AA/Watch Developing
INE530B07104	Non-convertible debentures	30-Jun-2021	8.33%	30-Jun-2029	125	Simple	CRISIL AA/Watch Developing
INE530B07104	Non-convertible debentures	30-Jun-2021	8.33%	30-Jun-2030	125	Simple	CRISIL AA/Watch Developing
INE530B07104	Non-convertible debentures	30-Jun-2021	8.33%	30-Jun-2031	125	Simple	CRISIL AA/Watch Developing

INE530B07195	Non-convertible debentures	21-Jan-2022	8.50%	21-Jan-2032	10	Simple	CRISIL AA/Watch Developing
INE530B07203	Non-convertible debentures	24-Mar-2022	8.60%	24-Mar-2032	60	Simple	CRISIL AA/Watch Developing
INE530B08128	Subordinated NCD	24-Mar-2022	9.35%	24-Mar-2032	50	Complex	CRISIL AA/Watch Developing
INE866I08279	Subordinated NCD	7-Feb-2019	10.00%	7-Feb-2029	31.02	Complex	CRISIL AA/Watch Developing
INE866I08295	Subordinated NCD	7-Feb-2019	10.50%	7-Feb-2029	15.45	Complex	CRISIL AA/Watch Developing
INE866I08303	Subordinated NCD	6-Sep-2019	10.00%	6-Jun-2025	25.93	Complex	CRISIL AA/Watch Developing
INE866I08311	Subordinated NCD	6-Sep-2019	Zero Coupon	6-Jun-2025	5.78	Complex	CRISIL AA/Watch Developing
INE530B07237	Non-convertible debentures	1-Nov-2022	9.45%	1-Nov-2032	550	Simple	CRISIL AA/Watch Developing
INE530B08136	Subordinated NCD	26-Jul-2022	9.65%	26-Jul-2032	125	Complex	CRISIL AA/Watch Developing
INE530B08136	Subordinated NCD	12-Sep-2022	9.65%	26-Jul-2032	80	Complex	CRISIL AA/Watch Developing
INE530B08136	Subordinated NCD	4-Nov-2022	9.65%	26-Jul-2032	30	Complex	CRISIL AA/Watch Developing
INE530B07328	Non-convertible debentures	6-Apr-2023	8.5%	15-Apr-2024	125	Simple	CRISIL AA/Watch Developing
INE530B08151	Subordinated NCD	8-May-2023	9.2%	8-May-2033	35	Complex	CRISIL AA/Watch Developing
INE530B07211	Non-convertible debentures	15-Jul-2022	9%	15-Jul-2032	10	Simple	CRISIL AA/Watch Developing
INE530B08144	Non-convertible debentures	27-Dec-2022	9.45%	27-Dec-2032	65	Simple	CRISIL AA/Watch Developing
NA	Non-convertible debentures ^{***}	NA	NA	NA	1104.84	Simple	CRISIL AA/Watch Developing
INE530B07146	Non-convertible debentures ^{&}	14-Oct-2021	8.50%	14-Oct-2024	94.08	Simple	CRISIL AA/Watch Developing
INE530B07153	Non-convertible debentures ^{&}	14-Oct-2021	Zero Coupon	14-Oct-2024	57.31	Simple	CRISIL AA/Watch Developing
INE530B07161	Non-convertible debentures ^{&}	14-Oct-2021	8.42%	14-Oct-2026	147.25	Simple	CRISIL AA/Watch Developing
INE530B07179	Non-convertible debentures ^{&}	14-Oct-2021	8.75%	14-Oct-2026	136.08	Simple	CRISIL AA/Watch Developing
INE530B07187	Non-convertible debentures ^{&}	14-Oct-2021	Zero Coupon	14-Oct-2026	29.31	Simple	CRISIL AA/Watch Developing
INE530B08094	Subordinated NCD ^{&}	24-Mar-2021	10%	24-Jun-2028	274.69	Complex	CRISIL AA/Watch Developing
INE530B08102	Subordinated NCD ^{&}	24-Mar-2021	9.60%	24-Jun-2028	328.02	Complex	CRISIL AA/Watch Developing
INE530B08110	Subordinated NCD ^{&}	24-Mar-2021	Zero Coupon	24-Jun-2028	68.14	Complex	CRISIL AA/Watch Developing
INE530B07260	Non-convertible debentures ^{&}	24-Jan-2023	9	24-Jan-2028	118.9332	Simple	CRISIL AA/Watch Developing
INE530B07294	Non-convertible debentures ^{&}	24-Jan-2023	8.75	24-Jan-2026	57.2141	Simple	CRISIL AA/Watch Developing
INE530B07302	Non-convertible debentures ^{&}	24-Jan-2023	Zero Coupon	24-Jan-2025	30.0680	Simple	CRISIL AA/Watch Developing
INE530B07252	Non-convertible debentures ^{&}	24-Jan-2023	8.50	24-Jan-2025	45.6339	Simple	CRISIL AA/Watch Developing
INE530B07278	Non-convertible debentures ^{&}	24-Jan-2023	Zero Coupon	24-Jan-2028	37.8570	Simple	CRISIL AA/Watch Developing
INE530B07286	Non-convertible debentures ^{&}	24-Jan-2023	Zero Coupon	24-Jan-2026	24.1343	Simple	CRISIL AA/Watch Developing
INE530B07310	Non-convertible debentures ^{&}	24-Jan-2023	8.65	24-Jan-2028	158.2677	Simple	CRISIL AA/Watch Developing
INE530B07336	Non-convertible debentures ^{&}	28-Jun-2023	8.35	28-Jun-2025	46.9841	Simple	CRISIL AA/Watch Developing
INE530B07344	Non-convertible debentures ^{&}	28-Jun-2023	8.50	28-Jun-2026	123.5840	Simple	CRISIL AA/Watch Developing
INE530B07351	Non-convertible debentures ^{&}	28-Jun-2023	Zero Coupon	28-Jun-2026	8.9101	Simple	CRISIL AA/Watch Developing
INE530B07369	Non-convertible debentures ^{&}	28-Jun-2023	Zero Coupon	28-Jun-2028	37.5150	Simple	CRISIL AA/Watch Developing

INE530B07377	Non-convertible debentures ^{&}	28-Jun-2023	9.00	28-Jun-2028	131.9425	Simple	CRISIL AA/Watch Developing
INE530B07385	Non-convertible debentures ^{&}	28-Jun-2023	8.65	28-Jun-2028	88.9121	Simple	CRISIL AA/Watch Developing
INE530B07393	Non-convertible debentures ^{&}	28-Jun-2023	Zero Coupon	28-Jun-2025	14.2375	Simple	CRISIL AA/Watch Developing
NA	Non-convertible debentures ^{&***}	NA	NA	NA	4075.8065	Simple	CRISIL AA/Watch Developing
INE530B07112	Long-term principal protected market linked debentures	7-Sep-2021	GSEC LINKED	7-Sep-2024	100	Highly Complex	CRISIL PPMLD AA/Watch Developing
INE530B07229	Long-term principal protected market linked debentures	2-Sep-2022	GSEC LINKED	2-Sep-2024	115	Highly Complex	CRISIL PPMLD AA/Watch Developing
INE530B07245	Long-term principal protected market-linked debentures	25-Nov-2022	GSEC LINKED	25-Jul-2024	26	Highly Complex	CRISIL PPMLD AA/Watch Developing
NA	Long-term principal protected market linked debentures ^{**}	NA	NA	NA	859	Highly Complex	CRISIL PPMLD AA/Watch Developing
NA	Perpetual bonds ^{**}	NA	NA	NA	300	Highly Complex	CRISIL AA-/Watch Developing
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-2026	249.86	NA	CRISIL AA/Watch Developing
NA	Term loan - 2	NA	NA	31-Dec-2025	510	NA	CRISIL AA/Watch Developing
NA	Term loan - 3	NA	NA	31-Aug-2025	74.83	NA	CRISIL AA/Watch Developing
NA	Term loan - 4	NA	NA	31-Dec-2025	66.67	NA	CRISIL AA/Watch Developing
NA	Term loan - 5	NA	NA	30-Sep-2026	49.92	NA	CRISIL AA/Watch Developing
NA	Term loan - 6	NA	NA	28-Feb-2025	245.40	NA	CRISIL AA/Watch Developing
NA	Term loan - 7	NA	NA	25-Jan-2025	36.05	NA	CRISIL AA/Watch Developing
NA	Term loan - 8	NA	NA	30-Mar-2025	184.11	NA	CRISIL AA/Watch Developing
NA	Term loan - 9	NA	NA	1-Mar-2027	41.67	NA	CRISIL AA/Watch Developing
NA	Term loan - 10	NA	NA	29-Jun-2027	42.86	NA	CRISIL AA/Watch Developing
NA	Term loan - 11	NA	NA	22-Aug-2024	59.99	NA	CRISIL AA/Watch Developing
NA	Term loan - 12	NA	NA	29-Feb-2028	421.72	NA	CRISIL AA/Watch Developing
NA	Term loan - 13	NA	NA	29-Mar-2028	249.60	NA	CRISIL AA/Watch Developing
NA	Term loan - 14	NA	NA	29-Feb-2028	212.34	NA	CRISIL AA/Watch Developing
NA	Term loan - 15	NA	NA	1-Nov-2027	749.79	NA	CRISIL AA/Watch Developing
NA	Term loan - 16	NA	NA	30-Nov-2028	249.91	NA	CRISIL AA/Watch Developing
NA	Term loan - 17	NA	NA	30-Sep-2026	62.5	NA	CRISIL AA/Watch Developing
NA	Term loan - 18	NA	NA	30-Sep-2028	500	NA	CRISIL AA/Watch Developing
NA	Term loan - 19	NA	NA	8-Aug-2025	350	NA	CRISIL AA/Watch Developing
NA	Term loan - 20	NA	NA	1-Oct-2026	85	NA	CRISIL AA/Watch Developing

NA	Cash credit	NA	NA	NA	25	NA	CRISIL AA/Watch Developing
NA	Working capital demand loan	NA	NA	NA	440	NA	CRISIL AA/Watch Developing
NA	Proposed long-term bank loan facility*	NA	NA	NA	592.78	NA	CRISIL AA/Watch Developing

Interchangeable between secured and subordinated debt

** Not yet issued

& For retail bond issuance

*Interchangeable with short-term bank loan facility

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	Current			2024 (History)		2023		2022		2021		Start of 2021
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	5500.0	CRISIL AA/Watch Developing	28-02-24	CRISIL AA/Positive	27-12-23	CRISIL AA/Positive	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	CRISIL AA/Negative
			--	09-02-24	CRISIL AA/Positive	12-12-23	CRISIL AA/Positive	11-03-22	CRISIL A1+ / CRISIL AA/Stable		--	--
			--		--	20-11-23	CRISIL AA/Positive		--		--	--
			--		--	14-06-23	CRISIL AA/Stable		--		--	--
			--		--	26-05-23	CRISIL AA/Stable		--		--	--
			--		--	06-03-23	CRISIL AA/Stable		--		--	--
			--		--	07-02-23	CRISIL AA/Stable		--		--	--
			--		--	06-01-23	CRISIL AA/Stable		--		--	--
Commercial Paper	ST	8500.0	CRISIL A1+	28-02-24	CRISIL A1+	27-12-23	CRISIL A1+	28-06-22	CRISIL A1+	31-03-21	CRISIL A1+	CRISIL A1+
			--	09-02-24	CRISIL A1+	12-12-23	CRISIL A1+	11-03-22	CRISIL A1+		--	--
			--		--	20-11-23	CRISIL A1+		--		--	--
			--		--	14-06-23	CRISIL A1+		--		--	--
			--		--	26-05-23	CRISIL A1+		--		--	--
			--		--	06-03-23	CRISIL A1+		--		--	--
			--		--	07-02-23	CRISIL A1+		--		--	--
			--		--	06-01-23	CRISIL A1+		--		--	--
Commercial Paper Programme(IPO Financing)	ST	500.0	CRISIL A1+	28-02-24	CRISIL A1+	27-12-23	CRISIL A1+	28-06-22	CRISIL A1+	31-03-21	CRISIL A1+	CRISIL A1+
			--	09-02-24	CRISIL A1+	12-12-23	CRISIL A1+	11-03-22	CRISIL A1+		--	--
			--		--	20-11-23	CRISIL A1+		--		--	--
			--		--	14-06-23	CRISIL A1+		--		--	--
			--		--	26-05-23	CRISIL A1+		--		--	--
			--		--	06-03-23	CRISIL A1+		--		--	--
			--		--	07-02-23	CRISIL A1+		--		--	--
			--		--	06-01-23	CRISIL A1+		--		--	--
Non Convertible Debentures	LT	8957.9	CRISIL AA/Watch Developing	28-02-24	CRISIL AA/Positive	27-12-23	CRISIL AA/Positive	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	CRISIL AA/Negative

			--	09-02-24	CRISIL AA/Positive	12-12-23	CRISIL AA/Positive	11-03-22	CRISIL AA/Stable		--	--
			--		--	20-11-23	CRISIL AA/Positive		--		--	--
			--		--	14-06-23	CRISIL AA/Stable		--		--	--
			--		--	26-05-23	CRISIL AA/Stable		--		--	--
			--		--	06-03-23	CRISIL AA/Stable		--		--	--
			--		--	07-02-23	CRISIL AA/Stable		--		--	--
			--		--	06-01-23	CRISIL AA/Stable		--		--	--
Perpetual Bonds	LT	300.0	CRISIL AA-/Watch Developing	28-02-24	CRISIL AA-/Positive		--		--		--	--
Subordinated Debt	LT		--		--	20-11-23	Withdrawn	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	CRISIL AA/Negative
			--		--	14-06-23	CRISIL AA/Stable	11-03-22	CRISIL AA/Stable		--	--
			--		--	26-05-23	CRISIL AA/Stable		--		--	--
			--		--	06-03-23	CRISIL AA/Stable		--		--	--
			--		--	07-02-23	CRISIL AA/Stable		--		--	--
			--		--	06-01-23	CRISIL AA/Stable		--		--	--
Long Term Principal Protected Market Linked Debentures	LT	1100.0	CRISIL PPMLD AA/Watch Developing	28-02-24	CRISIL PPMLD AA/Positive	27-12-23	CRISIL PPMLD AA/Positive	28-06-22	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	CRISIL PPMLD AA r /Negative
			--	09-02-24	CRISIL PPMLD AA/Positive	12-12-23	CRISIL PPMLD AA/Positive	11-03-22	CRISIL PPMLD AA r /Stable		--	--
			--		--	20-11-23	CRISIL PPMLD AA/Positive		--		--	--
			--		--	14-06-23	CRISIL PPMLD AA/Stable		--		--	--
			--		--	26-05-23	CRISIL PPMLD AA/Stable		--		--	--
			--		--	06-03-23	CRISIL PPMLD AA/Stable		--		--	--
			--		--	07-02-23	CRISIL PPMLD AA/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	25	HDFC Bank Limited	CRISIL AA/Watch Developing
Proposed Long Term Bank Loan Facility ^{&}	592.78	Not Applicable	CRISIL AA/Watch Developing
Term Loan	249.86	Canara Bank	CRISIL AA/Watch Developing
Term Loan	245.4	State Bank of India	CRISIL AA/Watch Developing
Term Loan	59.99	DCB Bank Limited	CRISIL AA/Watch Developing
Term Loan	350	HDFC Bank Limited	CRISIL AA/Watch Developing
Term Loan	62.5	DCB Bank Limited	CRISIL AA/Watch Developing
Term Loan	85	Nabkisan Finance Limited	CRISIL AA/Watch

			Developing
Term Loan	500	National Bank For Agriculture and Rural Development	CRISIL AA/Watch Developing
Term Loan	36.05	IDBI Bank Limited	CRISIL AA/Watch Developing
Term Loan	749.79	Bank of Baroda	CRISIL AA/Watch Developing
Term Loan	74.83	Indian Overseas Bank	CRISIL AA/Watch Developing
Term Loan	510	National Bank For Agriculture and Rural Development	CRISIL AA/Watch Developing
Term Loan	249.91	Union Bank of India	CRISIL AA/Watch Developing
Term Loan	184.11	Canara Bank	CRISIL AA/Watch Developing
Term Loan	249.6	Canara Bank	CRISIL AA/Watch Developing
Term Loan	42.86	Bandhan Bank Limited	CRISIL AA/Watch Developing
Term Loan	421.72	Punjab and Sind Bank	CRISIL AA/Watch Developing
Term Loan	212.34	Union Bank of India	CRISIL AA/Watch Developing
Term Loan	41.67	Bajaj Finance Limited	CRISIL AA/Watch Developing
Term Loan	66.67	Bajaj Finance Limited	CRISIL AA/Watch Developing
Term Loan	49.92	The Karnataka Bank Limited	CRISIL AA/Watch Developing
Working Capital Demand Loan	440	The Hongkong and Shanghai Banking Corporation Limited	CRISIL AA/Watch Developing

& - Interchangeable with short term bank loan facility

Criteria Details

Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for rating short term debt](#)

[CRISILs Criteria for Consolidation](#)

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