

March 31, 2020

The Manager, Listing Department, BSE Limited, PhirozeJeejeebhoy Tower, Dalal Street, Mumbai 400 001. BSE Scrip Code: 532636	The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. NSE Symbol: IIFL
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Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”).

Dear Sir/Madam,

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform that Brickwork Ratings (“BWR”) has reaffirmed the rating i.e. BWR AA+ with change in outlook assigned from Stable to Negative for the subsidiaries of the Company i.e. India Infoline Finance Limited (merged with the Company) and IIFL Home Finance Limited.

The rating rationale is enclosed.

Kindly take the same on record and acknowledge the receipt.

Thanking You,
Yours faithfully,

For IIFL Finance Limited
(Formerly known as IIFL Holdings Limited)

Gajendra Thakur
Company Secretary

CC:
Singapore Exchange Securities Trading Limited
2, Shenton Way,
#02-02, SGX Centre 1,
Singapore - 068 804.



RATING RATIONALE

30 March 2020

India Infoline Finance Limited

Brickwork Ratings reaffirms the ratings for the various NCDs of India Infoline Finance Limited and changes the outlook to Negative.

Particulars:

Facility / Instrument**	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (March 2019)	Present
NCDs (Public Issue) ^	5000.00	5000.00	Long Term	BWR AA+ 'Stable'	BWR AA+ 'Negative' Reaffirmed with change in outlook to Negative
Secured NCDs	50.00	50.00			
Unsecured Subordinated NCDs	35.00	35.00			
Total	5085.00	5085.00	INR Five Thousand and Eighty Five Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of NCDs are provided in Annexure-I

^ Interchangeable between secured and subordinated debt.

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) reaffirms the rating of various non-convertible debentures (NCDs) of India Infoline Finance Limited (IIFL) at 'BWR AA+' and has changed the outlook from Stable to Negative, as stated above. The rating continues to factor in IIFL Finance group's diversified presence in the retail financing space, highly qualified and experienced management team, comfortable capitalisation and adequate resource mix. The rating is however, constrained by the limited seasoning of the loan portfolio, particularly in home loan and MSME loan segments, and moderation in the company's asset quality. The Negative outlook is on account of the expectation of continued pressure on the asset quality, specifically in the MSME and LAP



segments, and the company's ability to grow its balance sheet amid funding challenges to the Non-Banking Financial Company (NBFC) sector.

KEY RATING DRIVERS

Credit Strengths

Diversified business profile: IIFL is a retail-focused NBFC with a diversified loan book and offers products such as home loans, gold loans, microfinance loans (MFI), micro small & medium enterprise (MSME) business loans, loans against property (LAP) and construction finance. Out of the total AUM of Rs 36015 Crs as on 31 December 2019, home loans constitute 34.30% of the total AUM, followed by business loans (including loan against property) at 22.12%, gold loans at 21.04%, developer finance loans at 12.91% and MFI loans at 8.25%; the rest were loans to the capital market segment. IIFL also benefits from the synergies it derives from IIFL Wealth and IIFL Securities, given the common promoters and shared brand name.

Diversified resource mix: The company has a diversified resource profile and has demonstrated its ability to raise funds through various sources. The company has been able to raise long-term funds of ~ Rs 8800 Crs in the current year until 20 March 2020. Half of these were in the form of term loans/refinance from National Housing Bank (NHB), and the rest were in the form of NCDs/ECB. Apart from this, the company had raised ~Rs 10700 Crs through securitisation/assignment of its loans. Out of the total funding as on 31 December 2019, 36% was in the form of term loans, 22% in the form of non-convertible debentures, 31% in the form of assignment of loans, 7% in the form of securitisation and 4% in the form of refinance from NHB.

Comfortable capitalisation: IIFL's tangible net worth and overall capital adequacy ratio (CRAR) stood at Rs 4773 Crs and 21.4% as on 31 December 2019. It increased from Rs 4315 Crs and 19.2% as on 31 March 2019, respectively. Gearing has reduced from 6.16 times as on 31 March 2019 to 5.01 times as on 31 December 2019. The reduction in gearing was mainly attributed to the reduction in borrowing, which was on account of a moderation in disbursements and higher proportion of the assigned/securitised portfolio. The tangible net worth to net non-performing assets coverage stood at over 18 times as on 31 December 2019.

Experienced management and strong ownership: IIFL Finance Group's subsidiaries are led by a highly qualified and experienced management team with strong experience in the financial services domain. The board consists of Mr. Nirmal Jain (the founder of IIFL Group and chairman of IIFL Finance Limited, IIFL's parent company), Mr. R. Venkataraman (co-promoter and managing director of IIFL Finance Limited) and other independent directors. IIFL Finance



Limited held an 84.54% stake in IIFL, and CDC Group PLC, UK, held the remaining 15.43% as on 31 December 2019. IIFL Finance Ltd is a listed company in which promoters held 29% and Fairfax group held 35.4% as on 31 December 2019.

Credit Risks

Limited loan seasoning: The company's AUM has largely grown in the last three years. IIFL's AUM grew from Rs 22281 Crs as on 31 March 2017 to Rs 36015 Crs as on 31 December 2019. Home loans and MSME business loans, which have a longer tenure, constituted ~56% of the total AUM as on 31 December 2019. The company's portfolio has limited seasoning, especially in the home loans and MSME loans segment. The overall asset quality is yet to be tested through economic down cycles.

Moderate asset quality: The gross NPA across home loans, gold loans, microfinance loans, MSME loans and loans against property increased between March 2019 to December 2019. Gross NPA (GNPA) increased from 1.96% as on 31 March 2019 to 2.27% as on 31 December 2019. The weakening of asset quality, especially in the MSME and LAP segments is a key risk. The risk is partially mitigated by curtailing the exposure to the riskier real estate finance segment and slowing down the disbursements in the MSME segment. However, the company's ability to control slippages and maintain asset quality is a key rating monitorable. There could be some impact on disbursements and collections due to lockdown on account of COVID-19. However RBI has also announced a moratorium of three months on the term loans and IIFL's ability to ensure timely collections during and after the moratorium and the impact of COVID-19, if any, on the company's asset quality is also a monitorable.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

For arriving at its ratings, BWR has taken a consolidated view on India Infoline Finance Limited and its subsidiaries IIFL Home Finance Limited and Samasta Microfinance Limited (collectively referred as the IIFL Finance group) having strong operational, financial and managerial linkages. The rating also factors in the synergies it derives from IIFL Wealth and IIFL Securities, given the common promoters and shared brand name. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).



RATING SENSITIVITIES

Going forward, the company's ability to steadily grow its portfolio while maintaining comfortable asset quality and a prudent capital structure will be key rating sensitivity factors.

Positive: The outlook may be revised to Stable if there is a sustained improvement in the asset quality and the company is able to steadily grow its AUM with an improvement in profitability.

Negative: The rating may be downgraded if the asset quality deteriorates further, thereby impacting profitability, or if the liquidity reduces and the company faces challenges to raise funds at competitive rates.

Coronavirus disease (COVID-19), declared a pandemic by the World Health Organisation (WHO), has become a full-blown crisis globally, including in India. As a containment measure, the Indian Government, on 24 March 2020, announced a 21-day nationwide lockdown. As per BWR, financial institutions, mainly those lending to the retail low-income borrower segments could be the most impacted. The 3-month moratorium announced by the Reserve Bank of India on interest and principal on bank debt will provide some cushion to the lending community to realign its collection machinery and operations during this period. However, lenders' ability to ensure credit discipline among borrowers as the 3-month moratorium ends and to collect accumulated interest and principal dues on a timely basis after this period will be a key monitorable. BWR is actively engaging with its clients on a continuous basis and taking updates on the impact on its operations and liquidity situation. BWR will take appropriate rating actions as and when it deems necessary and will publish the same.

LIQUIDITY POSITION: ADEQUATE

As per IIFL's asset liability maturity (ALM) profile as on 31 December 2019, there are no negative cumulative mismatches on a consolidated basis. The company has reduced its dependence on commercial paper borrowings and has been able to raise long-term funding in the form of term loans/NCDs and securitisation. The company has scheduled debt repayment obligations of Rs 4950 Crs between March to September 2020. The liquidity remains healthy with cash/bank/FD and liquid investments of ~ Rs 2650 Crs, unutilised banking lines of Rs 388 Crs and undrawn sanction lines of ~ Rs 3000 Crs as on 28 February 2020.



COMPANY PROFILE

India Infoline Finance Limited (IIFL) is a subsidiary of IIFL Finance Ltd (erstwhile IIFL Holdings Limited) and is registered with the Reserve Bank of India (RBI) as a Systemically Important Non-Banking Financial Company not accepting public deposits (NBFC-ND-SI). IIFL Finance Ltd held 84.54% in IIFL, and CDC Group PLC, UK, held 15.43% as on 31 December 2019. IIFL Finance Ltd is a listed company in which promoters held 29% and Fairfax group held 35.4% as on 31 December 2019. IIFL Finance Ltd has recently received an NBFC license from RBI and IIFL will be merged into IIFL Finance Ltd. All the assets and liabilities including the rated debt will be transferred from IIFL to IIFL Finance Ltd. IIFL has two subsidiaries, IIFL Home Finance Ltd (IIFHL) (in which it holds 100%) and Samasta Microfinance Ltd (in which it holds 98.89%). Subsequent to the merger of IIFL with IIFL Finance Ltd, IIFL Home finance Ltd and Samasta Microfinance Ltd will become direct subsidiaries of IIFL Finance Ltd. IIFL has a widespread branch network, with 2366 branches spread across 25 states, out of which ~85% of branches are in Tier 2 and Tier 3 locations. The company offers various products, such as home loans, gold loans, MSME loans, microfinance loans, loans against property and construction finance loans.

KEY FINANCIAL INDICATORS (India Infoline Finance Limited - Consolidated)

Key Parameters	Units	FY18	FY19	9M FY20
Result Type		Audited	Audited	Provisional
Total income	(in Rs Crs)	3921.04	5016.20	3498.08
Net profit	(in Rs Crs)	463.22	718.47	449.86
Tangible net worth	(in Rs Crs)	3679.47	4315.18	4773.31
Gearing	(in times)	7.15	6.16	5.01
Total capital adequacy ratio	(%)	16.32	19.18	21.38
Total AUM	(in Rs Crs)	31134	34904	36015
Gross NPA	(%)	1.72	1.96	2.27
Net NPA	(%)	0.64	0.63	0.98
Return on managed assets	(%)	1.49	1.89	1.46

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NA

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY:

Instrument / Facilities	Current Rating			Rating History			
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	26 Mar 2019	2 Nov 2018	23 Feb 2018	31 Dec 2016
NCD Public Issue*	Long Term	5000	BWR AA+ 'Negative'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	NA	NA
Unsecured Subordinated NCD	Long Term	35	BWR AA+ 'Negative'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	BWR AA+ 'Stable'
Secured NCD	Long Term	50	BWR AA+ 'Negative'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	BWR AA+ 'Stable'
Total		5085	INR Five Thousand Eighty Five Crores Only				
Rating Withdrawal							
Bank Loan	Long Term	100	NA	NA	Rating Withdrawn	BWR AA+ 'Stable'	BWR AA+ 'Stable'
Secured NCD (Public issue)	Long Term	1050	NA	NA	Rating Withdrawn	BWR AA+ 'Stable'	BWR AA+ 'Stable'
Unsecured Subordinated NCD (Unutilised portion)	Long Term	40	NA	NA	Rating Withdrawn	BWR AA+ 'Stable'	BWR AA+ 'Stable'

***Interchangeable between secured and subordinated debt**

Note: For previous rating history, please refer BWR website.



COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Banks & Financial Institutions](#)
- [Consolidation of Companies](#)

Analytical Contacts	Investor and Media Relations
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India Infoline Finance Limited

ANNEXURE I

INSTRUMENT (NCD/Bonds/CP) DETAILS

Instrument	Issue Date	Amount Raised in Crs.	Coupon Rate	Maturity Date	ISIN Particulars
Secured NCD	7-Feb-19	260.50	9.50%	7-May-22	INE866I07BY4
Secured NCD	7-Feb-19	38.91	9.60%	7-May-22	INE866I07BZ1
Secured NCD	7-Feb-19	49.42	9.60%	7-May-22	INE866I07CB0
Secured NCD	7-Feb-19	636.81	9.75%	7-Feb-24	INE866I07CD6
Secured NCD	7-Feb-19	126.47	10.20%	7-Feb-24	INE866I07CF1
Subordinated NCD	7-Feb-19	31.02	10.00%	7-Feb-29	INE866I08279
Subordinated NCD	7-Feb-19	15.45	10.50%	7-Feb-29	INE866I08295
Secured NCD	17-Sep-19	5.00	9.85%	17-Jan-23	INE866I07CO3
Secured NCD	06-Sep-19	98.09	10.00%	06-Dec-20	INE866I07CJ3
Secured NCD	06-Sep-19	37.30	9.50%	06-Dec-22	INE866I07CK1
Secured NCD	06-Sep-19	12.01	9.85%	06-Dec-22	INE866I07CL9
Secured NCD	06-Sep-19	65.11	9.85%	06-Dec-22	INE866I07CM7
Subordinated NCD	06-Sep-19	25.93	10.00%	06-Jun-25	INE866I08303
Subordinated NCD	06-Sep-19	5.78	10.50%	06-Jun-25	INE866I08311
Subordinated NCD	11-Sep-15	20.00	10.75%	10-Sep-21	INE866I08220
Subordinated NCD	16-Sep-15	15.00	10.50%	16-Sep-21	INE866I08238
Total		1442.80			

ANNEXURE II

List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
IIFL Home Finance Ltd	100%	Full Consolidation	Subsidiary
Samasta Microfinance Ltd	98.89%	Full Consolidation	Subsidiary



For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings :Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons



RATING RATIONALE

30 March 2020

IIFL Home Finance Limited

Brickwork Ratings reaffirms the ratings for the various NCDs of IIFL Home Finance Limited and changes the outlook to Negative.

Particulars:

Facility / Instrument**	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (March 2019)	Present
Unsecured Subordinated NCDs	100.00	100.00	Long Term	BWR AA+ 'Stable'	BWR AA+ 'Negative' Reaffirmed with change in outlook to Negative
Subordinated NCDs	235.00	235.00			
Secured NCDs	25.00	25.00			
Total	360.00	360.00	INR Three Hundred Sixty Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of NCDs are provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) reaffirms the rating of various non-convertible debentures (NCDs) of IIFL Home Finance Limited (IIFL) at 'BWR AA+' and has changed the outlook from Stable to Negative, as stated above. The rating continues to factor in IIFL Finance group's diversified presence in the retail financing space, highly qualified and experienced management team, comfortable capitalisation and adequate resource mix. The rating is however, constrained by the limited seasoning of the loan portfolio, particularly in home loan and MSME loan segments and moderation in the company's asset quality. The Negative outlook is on account of the expectation of continued pressure on the asset quality, specifically in the MSME and LAP



segments, and the company's ability to grow its balance sheet amid funding challenges to the Non-Banking Financial Company (NBFC) sector.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

For arriving at its ratings, BWR has taken a consolidated view on India Infoline Finance Limited and its subsidiaries IIFL Home Finance Limited and Samasta Microfinance Limited (collectively referred as the lending arm of IIFL group) having strong operational, financial and managerial linkages. The rating also factors in the synergies it derives from IIFL Wealth and IIFL Securities, given the common promoters and shared brand name. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

KEY RATING DRIVERS

Credit Strengths

Diversified business profile: IIFL is a retail-focused NBFC with a diversified loan book and offers products such as home loans, gold loans, microfinance loans (MFI), micro small & medium enterprise (MSME) business loans, loans against property (LAP) and construction finance. Out of the total AUM of Rs 36015 Crs as on 31 December 2019, home loans constitute 34.30% of the total AUM, followed by business loans (including loan against property) at 22.12%, gold loans at 21.04%, developer finance loans at 12.91% and MFI loans at 8.25%; the rest were loans to the capital market segment. IIFL also benefits from the synergies it derives from IIFL Wealth and IIFL Securities, given the common promoters and shared brand name.

Diversified resource mix: IIFL has a diversified resource profile and has demonstrated its ability to raise funds through various sources. The company has been able to raise long-term funds of ~ Rs 8800 Crs in the current year until 20 March 2020. Half of these were in the form of term loans/refinance from National Housing Bank (NHB) and the rest were in the form of NCDs/ECB. Apart from this, the company had raised ~ Rs 10700 Crs through securitisation/assignment of its loans. Out of the total funding as on 31 December 2019, 36% was in the form of term loans, 22% in the form of non-convertible debentures, 31% in the form of assignment of loans, 7% in the form of securitisation and 4% in the form of refinance from NHB.

Comfortable capitalisation: IIFL's tangible net worth and overall capital adequacy ratio (CRAR) stood at Rs 4773 Crs and 21.4% as on 31 December 2019. It increased from Rs 4315 Crs and 19.2% as on 31 March 2019, respectively. Gearing has reduced from 6.16 times as on 31 March 2019 to 5.01 times as on 31 December 2019. The reduction in gearing was mainly



attributed to the reduction in borrowing, which was on account of a moderation in disbursements and higher proportion of the assigned/securitised portfolio. The tangible net worth to net non-performing assets coverage stood at over 18 times as on 31 December 2019.

On a standalone basis, IIFL's tangible net worth and CRAR stood at Rs 1727.11 Crs and 23.91% as on 30 September 2019 (Rs 1596.36 Crs and 21.02% respectively as on 31 March 2019). Gearing has reduced from 7.50 times as on 31 March 2019 to 6.42 times as on 30 September 2019. Tangible net worth to net non-performing assets coverage stood at over 12 times as on 30 September 2019.

Experienced management and strong ownership: IIFL Finance Group's subsidiaries are led by a highly qualified and experienced management team with strong experience in the financial services domain. The board consists of Mr. Nirmal Jain (the founder of IIFL Group and chairman of IIFL Finance Limited, IIFL's parent company), Mr. R. Venkataraman (co-promoter and managing director of IIFL Finance Limited) and other independent directors. IIFL Finance Limited held an 84.54% stake in IIFL, and CDC Group PLC, UK, held the remaining 15.43% as on 31 December 2019. IIFL Finance Ltd is a listed company in which promoters held 29% and Fairfax group held 35.4% as on 31 December 2019.

Credit Risks

Limited loan seasoning: IIFL's AUM has largely grown in the last three years. IIFL's AUM grew from Rs 22281 Crs as on 31 March 2017 to Rs 36015 Crs as on 31 December 2019. Home loans and MSME business loans, which have a longer tenure, constituted ~56% of the total AUM as on 31 December 2019. The company's portfolio has limited seasoning, especially in the home loans and MSME loans segment. The overall asset quality is yet to be tested through economic down cycles.

Moderate asset quality: The gross non performing assets (GNPA) across home loans, gold loans, microfinance loans, MSME loans and loans against property increased between March 2019 to December 2019. GNPA increased from 1.96% as on 31 March 2019 to 2.27% as on 31 December 2019. The weakening of asset quality, especially in the MSME and LAP segments is a key risk. The risk is partially mitigated by curtailing the exposure to the riskier real estate finance segment and slowing down the disbursements in the MSME segment. However, the company's ability to control slippages and maintain asset quality is a key rating monitorable. There could be some impact on disbursements and collections due to lockdown on account of COVID-19. However RBI has also announced a moratorium of three months on the term loans and IIFL's ability to ensure timely collections during and after the moratorium and the impact of COVID-19, if any, on the company's asset quality is also a monitorable.



On a standalone basis, IIFL's gross NPA have increased from 0.9% as on 31 March 2019 to 1.48% as on 31 December 2019.

RATING SENSITIVITIES

Going forward the company's ability to steadily grow its portfolio while maintaining comfortable asset quality and a prudent capital structure will be key rating sensitivity factors.

Positive: The outlook may be revised to Stable if there is a sustained improvement in the asset quality and the company is able to steadily grow its AUM with an improvement in profitability.

Negative: The rating may be downgraded if the asset quality deteriorates further, thereby impacting profitability or if the liquidity reduces and the company faces challenges to raise funds at competitive rates.

Coronavirus disease (COVID-19), declared a pandemic by the World Health Organisation (WHO), has become a full-blown crisis globally, including in India. As a containment measure, the Indian Government, on 24 March 2020, announced a 21-day nationwide lockdown. As per BWR, financial institutions, mainly those lending to the retail low-income borrower segments could be the most impacted. The 3-month moratorium announced by the Reserve Bank of India on interest and principal on bank debt will provide some cushion to the lending community to realign its collection machinery and operations during this period. However, lenders' ability to ensure credit discipline among borrowers as the 3-month moratorium ends and to collect accumulated interest and principal dues on a timely basis after this period will be a key monitorable. BWR is actively engaging with its clients on a continuous basis and taking updates on the impact on its operations and liquidity situation. BWR will take appropriate rating actions as and when it deems necessary and will publish the same.

LIQUIDITY POSITION: ADEQUATE

As per IIFL's asset liability maturity (ALM) profile as on 31 December 2019, there are no negative cumulative mismatches on a consolidated basis. The company has reduced its dependence on commercial paper borrowings and has been able to raise long-term funding in the form of term loans/NCDs and securitisation. The company has scheduled debt repayment obligations of Rs 4950 Crs between March to September 2020. The liquidity remains healthy with cash/bank/FD and liquid investments of ~ Rs 2650 Crs, unutilised banking lines of Rs 388 Crs and undrawn sanction lines of ~ Rs 3000 Crs as on 28 February 2020.

COMPANY PROFILE - IIFL

India Infoline Finance Ltd (IIFL) is a subsidiary of IIFL Finance Ltd (erstwhile IIFL Holdings Limited) and is registered with the Reserve Bank of India (RBI) as a Systemically Important Non-Banking Financial Company not accepting public deposits (NBFC-ND-SI). IIFL Finance Ltd held 84.54% in IIFL, and CDC Group PLC, UK, held 15.43% as on 31 December 2019. IIFL Finance Ltd is a listed company in which promoters held 29% and Fairfax group held 35.4% as on 31 December 2019. IIFL Finance Ltd has recently received an NBFC license from RBI and IIFL will be merged into IIFL Finance Ltd. All the assets and liabilities including the rated debt will be transferred from IIFL to IIFL Finance Ltd. IIFL has two subsidiaries, IIFL Home Finance Ltd (IIHFL) (in which it holds 100%) and Samasta Microfinance Ltd (in which it holds 98.89%). Subsequent to the merger of IIFL with IIFL Finance Ltd, IIFL Home finance Ltd and Samasta Microfinance Ltd will become direct subsidiaries of IIFL Finance Ltd. IIFL has a widespread branch network, with 2366 branches spread across 25 states, out of which ~85% of branches are in Tier 2 and Tier 3 locations. The company offers various products, such as home loans, gold loans, MSME loans, microfinance loans, loans against property and construction finance loans.

COMPANY PROFILE - IIHFL

IIFL Home Finance Ltd [erstwhile India Infoline Housing Finance Ltd (IIHFL)] was incorporated in 2006 and is registered with National Housing Bank (NHB). IIHFL primarily offers financial products such as home loans, loans against property (LAP) and project loans.

KEY FINANCIAL INDICATORS (India Infoline Finance Limited - Consolidated)

Key Parameters	Units	FY18	FY19	9M FY20
Result Type		Audited	Audited	Provisional
Total income	(in Rs Crs)	3921.04	5016.20	3498.08
Net profit	(in Rs Crs)	463.22	718.47	449.86
Tangible net worth	(in Rs Crs)	3679.47	4315.18	4773.31
Gearing	(in times)	7.15	6.16	5.01
Total capital adequacy ratio	(%)	16.32	19.18	21.38
Total AUM	(in Rs Crs)	31134	34904	36015
Gross NPA	(%)	1.72	1.96	2.27
Net NPA	(%)	0.64	0.63	0.98
Return on managed assets	(%)	1.49	1.89	1.46

KEY FINANCIAL INDICATORS (IIHFL)

Key Parameters	Units	FY18	FY19	9M FY20
Result Type		Audited	Audited	Provisional
Total income	(in Rs Crs)	1351.01	1845.74	1311.69
Net profit (including other comprehensive income)	(in Rs Crs)	231.15	295.66	209.05
Tangible net worth	(in Rs Crs)	1205.91	1596.36	1727.11 #
Gearing	(in times)	8.71	7.50	6.42 #
Total capital adequacy ratio	(%)	17.17	21.02	23.00
Total AUM	(in Rs Crs)	14321.20	18157.80	18573.00
Gross NPA	(%)	0.70	0.90	1.48

- As on 30 Sep 2019

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NA

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY

Instrument	Current Rating			Rating History			
	Tenure	Amount (₹ Cr)	Rating	20 Mar 2019	21 June 2018	10 Aug 2017	3 Mar 2017
Secured NCDs	Long Term	25.00	BWR AA+ 'Negative'	BWR AA+ 'Stable'	NA	NA	NA
Unsecured Subordinated NCDs	Long Term	100.00	BWR AA+ 'Negative'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	NA
Unsecured Subordinated NCDs	Long Term	200.00	BWR AA+ 'Negative'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	NA
Subordinated NCDs	Long Term	35.00	BWR AA+ 'Negative'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	BWR AA+ 'Stable'	BWR AA+ 'Stable'
Total		360.00	INR Three Hundred Sixty Crores Only				

Note: For previous rating history, please refer BWR website.



COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Banks & Financial Institutions](#)
- [Consolidation of Companies](#)

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IIFL Home Finance Limited

ANNEXURE I

INSTRUMENT (NCD/Bonds/CP) DETAILS

Instrument	Issue Date	Amount Raised in Crs.	Coupon Rate	Maturity Date	ISIN Particulars
Subordinated NCD	21-Jan-16	10.00	9.30%	25-Jan-22	INE477L08055
Subordinated NCD	12-Feb-16	10.00	9.30%	11-Feb-22	INE477L08063
Subordinated NCD	30-May-16	15.00	9.30%	29-May-23	INE477L08071
Subordinated NCD	27-Jul-17	75.00	8.85%	27-Jul-27	INE477L08089
Subordinated NCD	27-Jul-17	100.00	8.93%	14-Apr-23	INE477L08097
Subordinated NCD	28-Feb-18	10.00	9.05%	28-Feb-28	INE477L08105
Subordinated NCD	18-Jun-18	40.00	9.85%	16-Jun-28	INE477L08113
Subordinated NCD	13-Jul-18	20.00	9.85%	13-Jul-28	INE477L08121
Subordinated NCD	13-Jul-18	10.00	9.85%	13-Jul-28	INE477L08121
Secured NCD	20-Mar-19	15.00	10.05%	20-Mar-26	INE477L07AA6
Total		315.00			

ANNEXURE II

List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
IIFL Home Finance Ltd	100%	Full Consolidation	Subsidiary
Samasta Microfinance Ltd	98.89%	Full Consolidation	Subsidiary

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