

May 30, 2020

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| The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001. BSE Scrip Code: 532636 | The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5 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,

We would like to inform that international credit rating agency viz Moody's Investors Service ("**Moody's**") has revised/changed the corporate family rating of India Infoline Finance Limited (the merged subsidiary of the Company) to B1 from Ba3. Moody's has also revised/changed the senior secured program rating of India Infoline Finance Limited to (P)B1 from (P)Ba3.

The press release on ratings by Moody's is enclosed.

Kindly take the same on record and oblige.

Thanking You,
Yours faithfully,

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

Gajendra Thakur
Company Secretary
Place: Mumbai
Encl: As above

CC:

Singapore Exchange Securities Trading Limited
2, Shenton Way, #02-02, SGX Centre 1,
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IIFL Finance Limited (formerly known as IIFL Holdings Limited)

CIN No.: L67100MH1995PLC093797

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Rating Action: Moody's downgrades India Infoline Finance Limited to B1 from Ba3; ratings remain under review for downgrade

29 May 2020

Singapore, May 29, 2020 -- Moody's Investors Service has downgraded the corporate family rating and senior secured debt rating of India Infoline Finance Limited to B1 from Ba3. Moody's has also downgraded the senior secured program rating of India Infoline Finance to (P)B1 from (P)Ba3.

At the same time, Moody's has placed the ratings under review for further downgrade.

RATINGS RATIONALE

The rapid and widening spread of the coronavirus outbreak, deteriorating global economic outlook, falling oil prices, and asset price declines are creating a severe and extensive credit shock across many sectors, regions and markets. Moody's expects Indian non-bank finance companies (NBFCs) to be affected by the shock as disruptions to India's economic activity from the coronavirus outbreak will weaken the credit fundamentals of these companies. Moody's regards the coronavirus outbreak as a social risk under its environmental, social and governance (ESG) framework, given the substantial implications for public health and safety.

Today's action follows the review for downgrade initiated on 13 April 2020, and reflects the impact on India Infoline Finance of the breadth and severity of the shock and the deterioration in credit quality it has triggered.

Like other NBFCs, Moody's expects India Infoline Finance's funding and liquidity to remain under strain over the next few quarters as the domestic debt markets remain largely closed to many NBFCs. And while the Indian government's (Baa2 negative) planned support measure to subscribe to INR300 billion of NBFC debt will provide some near-term relief, this will not sufficiently address NBFCs' funding issues.

Moody's also expects Indian banks to extend support to the NBFCs via loan moratoriums or by providing new term loans to the companies.

Despite these measures, Moody's expects India Infoline Finance's funding and liquidity to remain strained as inflows from assets will materially decline, while the company will continue to need to service interest and principle on liabilities, such as capital markets liabilities, that cannot be rescheduled without default.

India Infoline Finance's modest liquidity offers limited support if funding conditions do not improve over the next few quarters.

Also, the moratorium on debt repayments can hinder its ability to conduct loan assignments -- the outright sale of loans to banks -- and securitization, which have been a source of immediate liquidity since mid-2018.

Moody's expects India Infoline Finance's asset quality will weaken as loan delinquencies and defaults increase because customers and businesses face a drop in earnings and cash flows due to the economic disruption caused by the coronavirus outbreak.

While the Reserve Bank of India's forbearance for banks and NBFCs -- whereby they can extend 6-month loan repayment moratoriums to customers without affecting the asset classification -- will soften some of the near-term strain on asset quality, but the sharp slowdown in India's economic growth will exacerbate asset quality issues for the company.

Capital remains a credit strength of India Infoline Finance. Moody's expects capital to remain modestly decline as the company looks to conserve liquidity, with no plans to expand its balance sheets materially unless funding conditions normalize.

This rating action considers the consolidated financials of IIFL Finance Limited, the legal entity that has acquired all of India Infoline Finance Limited's assets and liabilities as of 01 April 2020.

India Infoline Finance's ratings remain under a review for downgrade as Moody's expects near-term stress on its funding and liquidity that could further weaken its credit profile.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Given the review for downgrade, India Infoline's ratings are unlikely to be upgraded in the next 12-18 months. Nevertheless, Moody's will confirm the ratings if the company strengthens its balance by (1) refinancing or raising new funding over the next few quarters, or (2) improving collection rates on its assets such that the company is able to meet its maturing obligations without straining its liquidity.

India Infoline Finance's rating could be downgraded if the company's liquidity deteriorates. The rating could also be downgraded if there is a significant deterioration in its asset quality leading to a worsening of its solvency metrics.

The principal methodology used in these ratings was Finance Companies Methodology published in November 2019 and available at https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_1187099. Alternatively, please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

Headquartered in Mumbai, India Infoline Finance Limited reported total assets of INR312 billion at 31 December 2019.

List of Affected Ratings:

..Issuer: India Infoline Finance Limited

.... Long-term Corporate Family Rating, Downgraded to B1 from Ba3; Under Review for further Downgrade

....Long-term Senior Secured Medium-Term Note Program (Foreign and Local Currency), Downgraded to (P)B1 from (P)Ba3; Under Review for further Downgrade

....Long-term Senior Secured Debt (Foreign Currency), Downgraded to B1 from Ba3; Under Review for further Downgrade

...Outlook remains ratings under review

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moody.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

The ratings have been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website www.moody.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_1133569.

At least one ESG consideration was material to the credit rating action(s) announced and described above.

The Global Scale Credit Rating on this Credit Rating Announcement was issued by one of Moody's affiliates outside the EU and is endorsed by Moody's Deutschland GmbH, An der Welle 5, Frankfurt am Main 60322, Germany, in accordance with Art.4 paragraph 3 of the Regulation (EC) No 1060/2009 on Credit Rating Agencies. Further information on the EU endorsement status and on the Moody's office that issued the credit rating is available on www.moody's.com.

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