

IIFL Capital Services Ltd — 10 Nov 2025 Credit Rating Summary

Section	Details
Agency	CRISIL Ratings
Rating Change	Reaffirmed / No Change (Long Term: AA-, Short Term: A1+)
Outlook (Current vs Previous)	Stable (Maintained)
Key Drivers of Change	<ol style="list-style-type: none"> Liquidity Infrastructure: Re-allocation of ₹1,300 Cr in Bank Guarantees (BGs) across top-tier lenders (ICICI, DBS, HDFC) to support exchange margin requirements. Diversified Funding Base: Active limits from 5+ major financial institutions (MNCs, Private Banks, and NBFCs like Aditya Birla Finance) reducing concentration risk. Capital Structure Shift: Introduction of ₹500 Cr Proposed Long-Term Bank Loan facility, indicating a move to term out debt. Operational Continuity: Bulletin serves as a technical update for bank-wise facility details; underlying credit strength remains intact.
Rated Instruments	<ul style="list-style-type: none"> Bank Guarantees: ₹1,300 Cr
Key Observations	<ol style="list-style-type: none"> Tier-1 Lender Confidence: Significant limits from ICICI (₹672 Cr) and HDFC (₹350 Cr) signal high institutional trust. Margin Efficiency: Heavy reliance on BGs (₹1,300 Cr) suggests an asset-light brokerage/capital markets model focusing on capital efficiency. Market Risk: As a capital services firm, earnings remain sensitive to market volatility and trading volumes. Regulatory Cushion: AA- rating implies "High Safety" regarding timely servicing of financial obligations. Clean Governance: Noted that no CRISIL Directors are involved in the rating process, ensuring independence.
Investor Impact	<ul style="list-style-type: none"> Growth: Ample non-fund based limits (BGs) allow for scaling of trading turnover without immediate equity infusion. Margins: Access to A1+ rated short-term funds (WCDL) keeps interest costs low, protecting operating margins. Dilution Risk: Low; strong debt market access suggests the company can fund working capital through credit rather than equity.
Agency / Cross Analysis	<p>Same Agency (Update): This is a "Credit Bulletin" following the Feb 19, 2025 rationale. It purely updates the <i>Bank-wise facility annexure</i>. Financial drivers and outlook remain perfectly aligned with the previous full report.</p> <p>Conclusion: Status Quo. The update reflects administrative facility management rather than a shift in credit fundamentals.</p>
Final Inference	<p>Real Improvement in Liquidity Access: While the rating is stagnant, the successful tie-up with multiple Tier-1 banks for large-ticket BGs is a strong signal of operational stability and collateral quality. No immediate credit red flags for equity holders.</p>