

November 24, 2020

## IL&FS Financial Services Limited: Rating continues to remain under issuer not cooperating category

### Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper programme	4,000.00	4,000.00	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to remain in the 'Issuer Not Cooperating' category
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>	

\*Issuer did not co-operate; based on best available information.

### Rationale

The ratings for the Rs. 4,000 -crore commercial paper programme IL&FS Financial Services Limited continue to remain under 'Issuer Not Cooperating' category'. The ratings are denoted as "[ICRA]D ISSUER NOT COOPERATING"

The rating takes into account continued delays in debt servicing by the entity. As part of its process and in accordance with its rating agreement with IL&FS Financial Services Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information, and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

Liquidity position: Poor

The company's liquidity is poor on back of continued delays in debt servicing by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Rating Methodology for Non-Banking Finance Companies</a> <a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Policy on Default Recognition</a>
Parent/Group Support	Not applicable
Consolidation / Standalone	Not applicable

## About the company

IL&FS Financial Services Ltd. (IFIN) is a wholly owned subsidiary of Infrastructure Leasing and Financial Services Limited (IL&FS). IFIN is registered as a NBFC and is the lending arm of IL&FS Group. Infrastructure Leasing & Financial Services Limited (IL&FS) is the holding company of IL&FS Group (302 entities). By way of an order dated October 01, 2018 National Company Law Tribunal (NCLT) granted approval to the Government of India (GoI) to appoint a new board of directors for the debt resolution of IL&FS and Group companies.

The previous detailed rating rationale is available on the following link: [Click here](#)

## Key financial indicators

	FY2018	FY2019
Total Income	2,288	295
Profit after tax	10	(13,275)
Total assets	18,705	3,831
Net worth	472	(12,805)

*Company, ICRA research; Amount in Rs. crore;*

## Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
Brickwork Ratings	BWR D ISSUER NOT COOPERATING	December 31, 2019

**Any other information: None**

### Rating history for last three years

	Instrument	Current Rating (FY2021)			Rating History for the Past 3 Years												
		Type	Amount Rated	Amount Outstanding	Rating	FY2020				FY2019				FY2018			
					Nov-24-2020	Oct-31-2019	Sep-17-2018	Sep-08-2018	Sep-03-2018	Aug-06-2018	Mar-28-2018	Feb-19-2018	Nov-09-2017	Apr-21-2017			
1	Commercial Paper Programme	Short Term	4,000	No Info	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to remain in the 'Issuer Not Cooperating' category	[ICRA]D ISSUER NOT COOPERATING*	[ICRA]D	[ICRA]A 4&	[ICRA]A 1+	[ICRA]A 1+	[ICRA]A 1+	[ICRA]A 1+	[ICRA]A 1+	[ICRA]A 1+	[ICRA]A 1+		

Amount in Rs. crore \*Issuer did not co-operate; based on best available information. & under rating watch with developing implications

### Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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For more information, visit [www.icra.in](http://www.icra.in)

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