



## Press Release

### IIFL Capital Services Limited

December 16, 2025

#### Ratings

Instrument/Facility	Amount (INR Crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Commercial Paper	3050.00	IVR A1+ [IVR A One plus]	-	Rating Assigned	Simple
<b>Total</b>	<b>3050.00 (Rupees Three Thousand and Fifty Crore only)</b>				

**Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.**

**Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale:

Infomerics ratings has assigned 'IVR A1+' rating on commercial paper of IIFL Capital Services Limited (IIFL Capital, erstwhile IIFL Securities Limited).

The rating factors in the established presence of IIFL Capital for over two decades in the capital market related businesses especially broking segment. The rating also considers the company's diversified revenue profile, healthy profitability and comfortable capitalization levels. These strengths are partially offset by IIFL Capital's exposure to risks inherent to the capital market industry, intense competition and evolving regulations for stock brokers and related financial services.

#### Key Rating Sensitivities:

**Upward Factors:** Not Applicable

#### Downward Factors

- Sustained and significant decline in scale of operations driven by decline in trading volumes and/or weakening of asset quality of the lending business, materially impacting profitability.
- Significant decline in the capitalization levels with the leverage exceeding 2x and/or deterioration of liquidity.



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### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Established presence and diversified revenue profile**

IIFL Capital has long-standing presence of over three decades in the broking and related services reflected through its active client base of over 4 lakhs as of September 2025. Revenue profile is diversified across retail equities (45%), institutional equities and investment banking (32%) and financial product distribution (23%). While IIFL Capital's average daily turnover was moderated to 21% to Rs. 2.63 lakh crores during Q2FY2026 as compared with corresponding period with last year, which is in line with industry trends, distribution assets under management (AUM) stood at Rs. 44,400 crores as of Sep'2025 providing steady revenue visibility from this segment.

Under institutional equities segment, IIFL Capital caters to over 1000 domestic and foreign institutional clients through its equity desk covering 306 stocks as of Sep'2025. Further, as an investment banker, IIFL Capital has participated in many initial public offerings (IPOs) and qualified institutional placements (QIPs) mainly driven by healthy issuances over the last couple of fiscal years. Overall, IIFL Capital has registered a 5% growth to Rs. 390crores in revenues from institutional equities and investment banking (IB) segment during first half of current fiscal. That said, revenues from IB segment remains susceptible to market linked volatility and volume of issuances, which will remain a key monitorable going forward.

- **Healthy operating margins and capitalization**

IIFL Capital has reported moderation in PAT margins for H1FY26 to ~21% as compared with 28% in FY25 (23% in FY24) in line with industry trends. Despite moderation, operating margins have remained healthy mainly driven by low cost of acquisitions, technology-driven operations, and growing distribution assets. Further, capital structure also remained healthy supported by its strong net-worth base and prudent financial management. Net-worth improved to ₹2811 crore as of Sep'25 from ₹2481 crore as on FY25, on the back of internal accruals and equity infusion through Employee Stock Options Plans. The gearing level moderated yet remained comfortable at 0.62x as of



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Sep'25 as compared with 0.38x as of Mar'25 (0.66x as of Mar'24), reflecting reduced dependence on external borrowings. The overall capitalization profile is expected to remain comfortable and supported by adequate earnings generation.

### Key Rating Weaknesses

- **Exposure to risks inherent to capital market industry**  
IIFL Capital's business operations remain exposed to the inherent volatility of the capital markets, given its primary presence in stock broking and related financial services. The company's operating performance and revenue trajectory are closely linked to trading volumes, which are directly influenced by market sentiment, economic conditions, interest rate movements, and global macroeconomic factors. Being a market intermediary, IIFL Capital's earnings are susceptible to cyclical downturns in capital markets, regulatory changes, and unforeseen events impacting investor confidence. Although the company has demonstrated resilience through its diversified revenue streams and strong client base, the volatility and unpredictability of market activity may pose challenges to maintaining consistent profitability and growth. However, the company is also evolving into wealth management space and are diversifying its revenue by increasing focus on AUM linked fees to offset the cyclicity of transaction income in capital market.
- **Intensive competition and evolving regulations**  
The broking industry is highly competitive, fragmented, and cyclical, with the presence of several brokers including discount brokerages offering similar services at competitive prices. Furthermore, technology-driven new entrants and discount brokers have intensified the competitive landscape, exerting pressure on brokerage yields and operating margins. Sustaining profitability amid such heightened competition remains a key challenge for IIFL Capital and the industry. However, company focus will be affluent & HNI broking where diversified services offer to the customers rather than in discount broking where its only providing platform. Further, regulations for the broking industry have evolved over the past couple of years, these recent regulations include limiting the weekly expiries for index options leading to industry wide impact on the top of majority of stockbrokers. Other regulations such as mandatory settlement of client balances on quarterly basis, have also impacted the float income for these brokers.

Infomerics ratings has noted that the Securities and Exchange Board of India (SEBI),



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through its order dated June 19, 2023, prohibited the company from onboarding new clients for a period of two years. The action was taken in view of lapses identified during FY2011–FY2014, including the intermingling of client funds with proprietary funds, misuse of client credit balances, and incorrect designation of client bank accounts. The order was subsequently set aside by the Securities Appellate Tribunal (SAT). SEBI has since appealed against the SAT's decision, and the matter is currently pending before the Supreme Court. The outcome of the appeal remains a key monitorable.

### **Analytical Approach:** Consolidated

For arriving at the rating, Infomerics ratings have consolidated the business and financial risk profile of IIFL Capital and its subsidiaries and associates. The rating also considers the common promoters, shared brand name in majority of these entities, and business & financial linkages between these entities.

*List of companies considered for consolidation analysis is given at Annexure 4.*

### **Applicable Criteria:**

[Rating Methodology for Financial Institutions/NBFCs](#)

[Criteria for consolidation](#)

[Criteria of assigning Rating Outlook.](#)

[Complexity level of rated instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Policy on Default Recognition and Post – Default Curing Period](#)

### **Liquidity – Strong**

IIFL Capital's liquidity position remains strong, supported by comfortable levels of cash and liquid investments. As on October 31, 2025, it had cash and cash equivalents of ₹641 crore, liquid investments of ₹337 crore and unutilized bank limits of ₹606 crore, aggregating to liquidity of ₹1584 crore. Against this, the company has total debt repayments of ₹1136 crore over the next six months till April 2026. Current balance of cash and cash equivalents along with unused working capital limits are adequate to cover repayment obligations in near future.



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The average of maximum fund-based utilization stood moderate at around 61% for the twelve months ended September 2025, reflecting sufficient liquidity cushion.

### **About the Company**

Established in March 1996, IIFL Capital, flagship company of the India Infoline group, was set up as Probity Research and Services. The name was changed to India Infoline Ltd in March 2000, then to IIFL Securities Limited in May 2018 and currently as IIFL Capital Services Limited in November 2024. Company was promoted by first-generation entrepreneurs – Mr. Nirmal Jain and Mr. R. Venkataraman. It was listed in September 2019 pursuant to the composite scheme of arrangement of the promoter group entities and the company is a member of the BSE and the NSE.

The company is mainly providing securities broking & capital market services such as equity, commodity & currency broking, depository participant services, merchant banking, distribution of financial products and wealth management services. Being into diversified services, its client base also caters to diverse segments which include corporates, institutional investors, foreign portfolio investors (FPIs), mutual funds, insurance companies, alternative investment funds (AIFs), trusts, high-net-worth individuals (HNIs) at broader level and affluent clients.

### **Financials (Consolidated):**

<b>For the year ended/ As on*</b>	<b>FY24</b>	<b>FY25</b>	<b>H1FY26</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>
Total Income (₹ in Crore)	2231.29	2567.43	1227.81
EBITDA (₹ in Crore)	944.41	1159.47	378.72
PAT (₹ in Crore)	513.35	712.88	260.68
Total Debt (₹ in Crore)	1153.85	937.23	1741.75
Tangible Net Worth (₹ in Crore)	1748.01	2480.87	2810.99
EBITDA Margin (%)	42.33	45.16	30.85
PAT Margin (%)	23.01	27.77	21.23
Overall Gearing Ratio (x)	0.66	0.38	0.62
Interest Coverage (x)	6.38	6.44	5.04

\*Classification as per Infomerics' standards.



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### Financials (Standalone):

For the year ended/ As on*	FY24	FY25	H1FY26
	Actuals	Actuals	Actuals
Total Income (₹ in Crore)	1966.09	2158.50	1065.54
EBITDA (₹ in Crore)	933.80	1004.93	446.05
PAT (₹ in Crore)	534.53	602.98	249.95
Total Debt (₹ in Crore)	984.49	806.25	1548.38
Tangible Net Worth (₹ in Crore)	1583.46	2207.87	2513.54
EBITDA Margin (%)	47.50	46.56	41.86
PAT Margin (%)	27.19	27.93	23.46
Overall Gearing Ratio (x)	0.62	0.37	1.45
Interest Coverage (x)	6.96	5.93	5.42

\*Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA: None**

**Any other information: None**

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount (₹ in Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1	Commercial Paper	Short Term	3050.00	IVR A1+	-	-	-

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### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd.] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit



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Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors in addition to the financial performance and other relevant factors

### Annexure 1: Facility Details

Name of Facility/Security	ISIN	Issue date	Maturity Date	Coupon (%)	Amount (₹ in Cr)	Rating Assigned/Outlook
Commercial Paper	INE489L14603	15-Sep-25	15-Dec-25	8.55%	250.00	IVR A1+
Commercial Paper	INE489L14629	22-Sep-25	22-Dec-25	8.55%	250.00	IVR A1+
Commercial Paper	INE489L14611	06-Jun-25	06-Mar-26	9.40%	150.00	IVR A1+
Commercial Paper	INE489L14546	10-Nov-25	11-May-26	8.45%	50.00	IVR A1+
Commercial Paper	INE489L14520	21-Nov-25	22-May-26	8.45%	50.00	IVR A1+
Commercial Paper	INE489L14637	22-Sep-25	28-Jan-26	8.20%	25.00	IVR A1+
Commercial Paper	INE489L14645	01-Aug-25	30-Jan-26	9.05%	25.00	IVR A1+
Commercial Paper	INE489L14652	13-Nov-25	14-May-26	8.45%	25.00	IVR A1+



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Commercial Paper	INE489L14660	19-Nov-25	20-May-26	8.45%	25.00	IVR A1+
Commercial Paper	INE489L14595	28-Aug-25	27-May-26	8.00%	25.00	IVR A1+
Commercial Paper – Yet to be placed	NA	NA	NA	NA	2175.00	IVR A1+
	<b>Total</b>				<b>3050.00</b>	

### Annexure 2: Facility wise lender details

[Microsoft Word - Annexure-II Facility wise lender details - IIFLCSL reviewed](#)

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

### Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of subsidiary	Consolidation approach	Rationale for consolidation
IIFL Facilities Services Limited*	Full	Subsidiary
IIFL Management Services Limited*	Full	Subsidiary
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)*	Full	Subsidiary
Livlong Protection and Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	76%	Subsidiary
India Infoline Foundation* (Section 8 Company)	Full	Subsidiary
Shreyans Foundations LLP	99%	Subsidiary
Meenakshi Towers LLP	Full	Subsidiary
IIFL Securities Services IFSC Limited*	Full	Subsidiary
IIFL Commodities Limited*	Full	Subsidiary
IIFL Capital Asset Management Limited (Formerly IIFL Securities Alternate Asset Management Limited)*	Full	Subsidiary
IIFL Wealth (UK) Limited* (Foreign entity)	Full	Subsidiary



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IIFL Capital Inc.*	Full	Subsidiary
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\*Wholly owned subsidiary

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

