



# IIFL Holdings Limited<sup>1</sup>

Press Release

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## IIFL Consolidated 9MFY16 Profit after Tax at ₹374.7 Cr, up 19% y-o-y; Income at ₹2,883.6 Cr, up 18% y-o-y

- For the nine-month period ended December 31, 2015, consolidated income stood at ₹2,883.6 Cr up 18% year-on-year (y-o-y) with Profit after Tax (PAT) at ₹374.7 Cr, up 19% y-o-y
- For the quarter ended December 31, 2015, consolidated income stood at ₹994.0 Cr, up 14% y-o-y and PAT at ₹126.7 Cr, up 13% y-o-y

### Summary - Consolidated nine-month financial performance

₹ Crores	Nine-month period ended Dec 31, 2015	Nine-month period ended Dec 31, 2014	Y-O-Y
Income	2,883.6	2,451.7	18%
Profit Before Tax	603.3	497.5	21%
Profit After Tax	374.7	315.6	19%

### Summary - Consolidated quarterly financials

₹ Crores	Quarter ended Dec 31, 2015	Quarter ended Dec 31, 2014	Y-O-Y	Quarter ended Sep 30, 2015	Q-O-Q
Income	994.0	872.8	14%	976.3	2%
Profit Before Tax	199.2	179.1	11%	216.3	(8%)
Profit After Tax	126.7	112.3	13%	140.4	(10%)

<sup>1</sup> Formerly India Infoline Limited



### Segmental Breakup – Revenue

₹ Crores	Quarter ended Dec 31, 2015	Quarter ended Dec 31, 2014	Y-O-Y	Quarter ended Sep 30, 2015	Q-O-Q
Fund Based Activities	704.7	628.5	12%	710.7	(1%)
Financial Products Distribution	197.7	143.5	38%	151.8	30%
Capital Market Activities	88.8	98.8	(10%)	110.7	(20%)
Others	2.8	2.0	40%	3.1	(10%)
<b>Total</b>	<b>994.0</b>	<b>872.8</b>	<b>14%</b>	<b>976.3</b>	<b>2%</b>

### Segmental Breakup – Profit before tax (PBT)

₹ Crores	Quarter ended Dec 31, 2015	Quarter ended Dec 31, 2014	Y-O-Y	Quarter ended Sep 30, 2015	Q-O-Q
Fund Based Activities	130.9	119.1	10%	137.3	(5%)
Financial Products Distribution	44.2	28.7	54%	43.7	1%
Capital Market Activities	23.8	31.1	(23%)	35.0	(32%)
Others	0.3	0.2	50%	0.3	1%
<b>Total</b>	<b>199.2</b>	<b>179.1</b>	<b>11%</b>	<b>216.3</b>	<b>(8%)</b>

### Dividend declaration

- IIFL Holdings has declared an interim dividend of ₹4.25 per share, including a special dividend of ₹1.25 per share, to commemorate a decade of listing. The erstwhile India Infoline Ltd was listed on National Stock Exchange and Bombay Stock Exchange on May 17, 2005.
- The special dividend is a token of appreciation to all shareholders for their support and well wishes during the journey that has transformed IIFL from primarily a retail broking entity to a diversified financial services company.



**Mr Nirmal Jain, Chairman, IIFL Holdings Ltd.,** commented on the financial results, *"During the quarter, the company on a consolidated basis reported a healthy 13% y-o-y growth in post-tax profits. We achieved robust growth in our fund based and financial products distribution businesses, while capital market activities declined due to adverse market conditions. In our fund based business, we continue to re-balance our portfolio towards superior asset quality by reducing exposure to gold loans and corporate mortgages, and growing retail mortgages and CV loans. This is expected to enhance our risk adjusted returns over the next one-two years."*

### **Fund based activities**

In Q3FY16, the income from this segment was ₹704.7 Cr, up 12% y-o-y, while, PBT was ₹130.9 Cr, up 10% y-o-y.

**Loan book,** predominantly retail, showed a steady increase of 25% y-o-y to ₹17,266 Cr for the period ended December 31, 2015. Mortgage loans, at ₹8,675 Cr, constitute 50% of the loan book and registered 44% y-o-y growth in Q3FY16. Within mortgage loans, the share of retail mortgages has been steadily rising. The share of gold loans has fallen further to ₹2,733 Cr this quarter from ₹2,831 Cr in Q2FY16 and ₹3,798 Cr in Q3FY15. Other products in the loan portfolio include capital market products, commercial vehicle finance and medical equipment finance.

**Asset quality:** Our Gross NPAs and Net NPAs stood at 1.56% and 0.61% respectively as on December 31, 2015 versus 1.42% and 0.51% in the previous quarter. Against gross NPA of ₹269.9 Cr, specific provisions stand at ₹164.7 Cr. Besides this, provision of ₹65.4 Cr has been made for standard assets as per statutory requirements. Total provision coverage (including standard asset provision) stands at 85.3% of Gross NPAs. NIM for the quarter stood at 5.7%.

**Capital adequacy:** Total CAR of 18.0% including Tier I capital of 11.9% remains comfortable and well above the minimum statutory requirement.

**ROE<sup>2</sup>:** NBFC's ROE improved to 17.2% versus 15.9% in the previous quarter

### **Thrust on Housing Finance Business**

- During the quarter, India Infoline Finance Ltd has further infused capital of about ₹100 Cr in India Infoline Housing Finance Ltd (IIHFL) to provide strategic thrust to the retail home loan business.
- IIHFL has received refinancing facility from National Housing Bank (NHB).

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<sup>2</sup> Excludes preference share capital



### **Financial products distribution**

During the quarter, income from this segment was ₹197.7 Cr, up 38% y-o-y, while PBT was ₹44.2 Cr, up 54% y-o-y. Total assets under advice, distribution and management grew 28% y-o-y and 12% q-o-q to ₹86,704 Cr in Q3FY16.

### **Capital market activities**

Capital market income was ₹88.8 Cr in Q3FY16, down 10% y-o-y. The average daily equity market turnover was down by 23% y-o-y versus 35% y-o-y fall in the exchange turnover. IIFL Markets, the proprietary mobile trading platform, continues to receive overwhelming response from customers with 400,000 downloads since February 2015. Over 8,500 users on Google Play Store have accorded it a rating of 4.3 out of 5, the best in the peer group.

During the quarter, IIFL's investment banking franchise closed ₹500 million private placement of NCDs and ₹650 million QIP of Astra Microwave Products. The team did ₹833 million QIP of Deepak Nitrite Limited, a leading chemical company in India.

### **Awards received during the quarter**

- IIFL Holdings is ranked 286 in Fortune 500 India list for 2015 in terms of revenue, which is a jump from 2014 rank of 338.
- [www.indiainfoline.com](http://www.indiainfoline.com) is the winner at the Website of the Year India award. India Infoline Ltd won the best website award in Banking & Investment category piping large banks and financial institutions.
- IIFL's Budget 2015-16 campaign #BolIndiaBol won in the 'Most innovative use of social media' category at the IPRCCA 2015.

### **Fairfax Group Open Offer**

- The open offer was successfully completed, which enabled Fairfax Group to raise its stake in the company.
- Tendering period was from October 29, 2015 to November 13, 2015 and payment of consideration to tendering shareholders was made on November 30, 2015.
- Acceptance ratio was 100%.
- Post offer shareholding of the acquirer (FIH Mauritius Investments Ltd) and Persons Acting in Concert, (HWIC Asia Fund [Class A Shares] I Investments Ltd and FIH Private Investments Ltd), is 35.9% including 5.18% of the total paid-up



equity share capital held through off-shore derivative instruments.

- As required by SEBI to ensure that the acquisition does not lead to change in control; Fairfax has given an undertaking to SEBI that their voting rights post the acquisition will be restricted to 25% of the equity. This was disclosed in the Letter of Offer.

### **Strategic investment by General Atlantic in IIFL Wealth Management Ltd**

- General Atlantic (GA), a leading global growth equity firm, entered into an agreement to make strategic investment in IIFL Wealth to become a minority shareholder. GA will invest up to ₹963 Cr through a combination of fresh equity shares and warrants and buy equity shares worth ₹159 Cr from IIFL Wealth employees through a secondary transaction.
- Upon consummation of the transaction, IIFL Holdings Ltd will own 53.9% of IIFL Wealth on a fully diluted basis; GA will hold 21.6% and IIFL Wealth employees will own the remaining 24.5%.
- Final regulatory approval on the transaction is awaited.

### **Appointment of Mr. Prabodh Agrawal as Group CFO**

- Mr. Prabodh Agrawal has been appointed as Chief Financial Officer (CFO) of IIFL Holdings Ltd and Group CFO effective January 29, 2015.
- Mr. Agrawal joined India Infoline Limited in July 2007 as part of Institutional Equities and International operations, based out of Singapore. He moved back to Mumbai in July 2012 and has been heading the Institutional research team since then. He is a Chartered Accountant and has over two decades of work experience. Prior to IIFL, he was associated with CLSA for 10 years, where he last served as Head of Research for Singapore Equities.

### **Resignation of Mr. Sunil Kaul**

- Mr. Sunil Kaul, Non Executive Director of IIFL Holdings Ltd has resigned from the Board of Directors of the Company with effect from January 20, 2015 due to personal reasons and other commitments.

## Corporate Social Responsibility – Activities undertaken during Q3FY16

**Sustainable livelihood – IIFL’s activities in Jawhar, the cluster of three adopted villages in Palghar district of Maharashtra, are as follows:**

- In drought affected Maharashtra, the two check dams built in Jawhar by IIFL Foundation in May 2015 are full of water and about 30 farmers have started Jasmine (Mogra) plantation along the check dams. This is the first time that a second crop has been planted in the area. Annual income per farmer is expected to be between ₹10,000 - ₹15,000 which will help in poverty alleviation and improved livelihood. This has arrested migration of about 30 families, which was otherwise impacting women, children and their education.



*Jasmine (Mogra) plantation*



*Check dam water in Jawhar, Maharashtra*

- Over 1,000 tribal boys were trained in electrical, welding, automobile, AC & refrigeration repair, CNC, hospitality, fitter, machinist, CNC Operator and MS Office. Almost all got placed in companies such as TVS Motors, Tata Sky, Coca Cola with salaries ranging from ₹5,000 - ₹7,500 per month.
- Helped setting up of 459 micro enterprises by women in areas of vegetable cultivation and vending, poultry, goat rearing and tailoring. The individual units are expected to earn an income of ₹350 - ₹600 per month.

### Health

- IIFL Foundation supported rescue and relief operations in Chennai by conducting over 60 medical camps and distributing relief material to the needy and affected. Over 5,000 people benefited from the camps organized along with Americares.
- IIFL Foundation supported the Cancer Awareness and Detection Camp organised by HCG Foundation in Bangalore.



## Economic empowerment of women:

- School of Nursing for under privileged girls set-up at Sneh Mandir in Goa. About 90 girls will be trained every year and are expected to earn ₹6,000 - ₹8,000 per month.



*Inauguration of School of Nursing by Mr. Venkataraman, Managing Director, IIFL Holdings Ltd and Deputy CM of Goa, Mr. Francis D'Souza*

- Women's Development Centre at Rajsamand, Rajasthan to support women and train them in different vocations to facilitate income generation. This centre has been started in association with Rajsamand Jan Vikas Sanstha which is a strong group with over 45,000 women members.
- Jhadol: IIFL has started 8 tailoring centres for women where in the first phase over 200 women would be taught nuances of stitching. In the second phase they would be linked to the market for income generation programs.



*Vocational training in Jawhar, Maharashtra*



*Women's tailoring class in Jhadol, Rajasthan*

## Education

- 2,600 rural school kids from 7<sup>th</sup> to 9<sup>th</sup> class in Jawhar underwent soft skill and career counseling programs aimed at arresting high drop-out rates from school.



## About IIFL

IIFL Holdings Ltd (NSE: IIFL, BSE: IIFL) is a leading player in the Indian financial services space. IIFL is engaged in the business of financing, asset and wealth management, capital markets and financial products distribution, investment banking, institutional equities and realty services through its various subsidiaries.

IIFL Holdings Ltd with a consolidated net-worth of close to ₹3,000 crores as of December 31, 2015, is headquartered in Mumbai with overseas offices in London, New York, Houston, Geneva, Hong Kong, Dubai, Singapore and Mauritius. Started as a research firm in 1995, IIFL is a first generation venture. Today, IIFL is a diversified financial services group offering gamut of services to more than 3 million satisfied customers across various business segments and is continuously building on its strengths to deliver excellent service to its expanding customer base.

IIFL has been listed as the top securities trading firm in India in Fortune 500 India list 2014. IIFL received the 'Best Broker of the year Award' (for contribution to broking in India) at India's Best Market Analyst Awards 2014 organized by Zee Business. IIFL Wealth is the winner of 'Best Domestic Private Bank in India – Overall' by Asiamoney Private Banking Poll, 2015. IIFL Wealth won the 'Best Private Bank for HNI Clients' and 'Best Private Bank for Research and Asset Allocation' by Euromoney Private Banking Survey, 2015. IIFL Group bagged 'Best HR Strategy in Line With Business' and 'Best Use of Technology for Recruiting' at Global Talent Acquisition & 9TH RASBIC Awards 2014-2015 organized by World HRD Congress. IIFL received India's Most Promising Brand 2013-14 award at WCRC Global India Excellence Summit in London.

This document may contain certain forward looking statements based on management expectations. Actual results may vary significantly from these forward looking statements. This document does not constitute an offer to buy or sell IIFL products, services or securities. The press release, results and presentation for analysts/press for the quarter ended December 31, 2015, are available under the 'Investor Relations' section on our website [www.indiainfoline.com](http://www.indiainfoline.com).

*IIFL/ India Infoline refer to IIFL Holdings Ltd and its group companies.*

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