



## IIFL Holdings Limited

Press Release

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### IIFL Consolidated Q1FY15 Net Profit at ₹94 Cr, up 48% yoy; Income at ₹791 Cr, up 17% yoy

- Consolidated income for the quarter at ₹791 Cr up 17% yoy, marginally up qoq
- Consolidated profit after tax at ₹94 Cr, up 48% yoy and up 15% qoq
- Quarter witnessed strong uptrend in capital market activities and steady growth in fund based operations

#### Summary consolidated financials

₹ Crores	Quarter ended Jun 30, 2014	Quarter ended Jun 30, 2013	% Year-on- Year	Quarter ended Mar 31, 2014	% Quarter- on- Quarter
Income	791.3	676.4	17.0%	787.7	0.5%
Profit Before Tax	144.5	92.5	56.3%	125.2	15.4%
Profit After Tax	93.8	63.2	48.4%	81.4	15.3%

Segmental Profit Before Tax (₹ Crores)	Quarter ended Jun 30, 2014	Quarter ended Jun 30, 2013	% Year-on- Year	Quarter ended Mar 31, 2014	% Quarter- on- Quarter
Fund Based Activities	99.6	56.3	77.0%	80.2	24.2%
Financial Products Distribution	9.6	7.4	29.9%	34.9	(72.6%)
Capital Market Activities	35.0	25.8	35.4%	3.7	844.9%
Other Income	0.4	3.0	(87.5%)	6.4	(94.1%)



**Mr Nirmal Jain, Chairman, IIFL**, commented on the financial results, “We are pleased to report a robust growth in profitability driven by turnaround in the capital market sentiment and a steady growth in the financing business. We expect the economic activity to gather momentum, driving strong growth in financial services sector. Outlook for all core businesses of IIFL looks bright, in the present environment.”

### Fund based activities

Income under this head comprises, predominantly, operating income of NBFC. This, however, excludes non operating income of NBFC and includes treasury income of other companies in the Group.

IIFL Finance Consolidated (NBFC) ₹ Crores	Quarter ended Jun 30, 2014	Quarter ended Jun 30, 2013	% Year-on- Year	Quarter ended Mar 31, 2014	% Quarter- on- Quarter
Income	557.7	468.6	19.0%	525.3	6.2%
Profit Before Tax	101.3	63.0	60.8%	94.1	7.7%
Profit After Tax	68.2	44.5	53.1%	60.9	11.9%

**Our loan book** is predominantly retail and entirely secured with adequate collaterals. The loan portfolio stood at ₹12,439 Cr as on June 30, 2014 which registered a growth of 31% year on year. The portfolio comprises mortgages, property loans, capital market products, gold loans, commercial vehicle loans and medical equipment financing.

**Superior asset quality:** We continue to maintain high quality of assets. This is evident in low levels of NPAs. Our Gross NPAs and Net NPAs stood at 0.79% and 0.23% respectively as on June 30, 2014. Against gross NPA of ₹98.8 Cr we have non standard asset provision of ₹70.8 Cr and hence our net NPA stands at 0.23%. Besides this, we have a provision of ₹35.5 Cr, for standard assets, as per statutory requirement.

**Stable margins:** NIM for the quarter was 7.3% and the spread was 6.7%, which have now stabled.

### Financial products distribution

This segment comprises significant part of Wealth Management income, besides income from distribution of insurance and mutual fund products and online marketing activity.

In Q1FY15, our income from this segment was ₹99 Cr, up 9% yoy and down 42% qoq. In this segment, distribution of life insurance, mutual fund and portfolio advisory are major contributors to income. IIFL Wealth has emerged as one of the leading players in the wealth management assets crossing ₹66,000 Cr. Mutual fund AUM mobilized by IIFL Group is over ₹18,000 Cr.



<b>IIFL Wealth Consolidated</b> <b>₹ Crores</b>	<b><i>Quarter ended</i></b> <b><i>Jun 30,</i></b> <b><i>2014</i></b>	<b><i>Quarter ended</i></b> <b><i>Jun 30,</i></b> <b><i>2013</i></b>	<b><i>%</i></b> <b><i>Year-on-</i></b> <b><i>Year</i></b>	<b><i>Quarter ended</i></b> <b><i>Mar 31,</i></b> <b><i>2014</i></b>	<b><i>%</i></b> <b><i>Quarter-on-</i></b> <b><i>Quarter</i></b>
Income	73.1	38.2	91.4%	91.0	(19.7%)
Profit Before Tax	20.1	8.9	125.8%	29.3	(31.4%)
Profit After Tax	15.0	6.1	145.9%	22.0	(31.8%)

### Capital market activities

Capital market income was ₹107 Cr in Q1FY15, up 3% yoy and 44% qoq. This segment comprises mainly of income from broking of equity, derivative, commodity and currency. Market volumes have picked up since March 2014 and therefore this segment can witness substantial growth. Our in-depth, thematic research continues to get positive response from domestic as well as global fund managers. Our recent research reports include India – PSU: The report ‘*Modi Inc – All the King’s Jewels*’ lists key reform expectations for the 16 PSUs covered; India – Economy: The report argues that household consumption will sharply slow in the next 1-2 years; India - Telecom: This report assesses the potential of mobile money and quantifies the possible upside to telcos in the next 3-5 years.

### Appointment of NBFC CEO

India Infoline Finance Limited has appointed career banker Ms Rajashree Nambiar as its Chief Executive Officer (CEO). India Infoline Finance Limited is a systemically important non deposit taking NBFC and is the consumer financing arm of IIFL Group.

Prior to joining IIFL, Ms Nambiar was part of the Standard Chartered Group. At the Bank, Ms Nambiar has held key positions in India and South Asia and across functions such as sales, product, customer service, distribution, marketing and operations. She is a MBA from Jamnalal Bajaj Institute of Management Studies and a graduate in physics.

### Ratings upgrade

ICRA announced the upgradation of IIFL’s long term debt instruments of group companies. These ratings upgrade have come post the due consideration by the ratings committee of ICRA and the ratings have been upgraded from earlier “AA-” with stable outlook to now “AA” with stable outlook. IIFL Group thus becomes one of the few companies in the diversified financial services space with these upgraded ratings.

In its rationale for the upgrade, ICRA stated, “The rating upgrade follows the improvement in the operating environment in the last few months and strong signs of increase in retail participation in the equity markets which is expected to augur well for the large players like the IIFL group with strong presence in the capital markets. The improvement in operating environment, which is expected to be sustained, is likely to support the financial performance of the IIFL group. The ratings of the group are also supported by the steady improvement in the non capital market businesses with improved



seasoning of these businesses amidst stable asset quality indicators with tighter credit underwritings, adequate profitability and capitalization indicators.”

### National Development Agenda Fund

Post the strong performance of its first “Asset Revival Fund” IIFL has extended its offerings under the AIF platform. During the quarter, IIFL launched a 3-year closed ended fund under the AIF platform - IIFL National Development Agenda Fund. The fund will be investing in companies and sectors that are going to benefit from the policies of the new NDA government and the cyclical recovery of the economy. The focus areas of the fund will be companies in the PSUs, infrastructure, banking and financial services, consumer discretionary and manufacturing space. IIFL has collected over ₹435 Crs of Committed client capital in the fund.

### Enhancement of networth of IIFL AMC

IIFL announced beefing up of networth of India Infoline Asset Management Company Limited (IIFL AMC), the asset management company for its fund management business, by additionally investing ₹34 Crs. The net worth of IIFL AMC is increased to ₹52 Crs.

The said investment is made by IIFL Wealth Management Limited (IIFLW), the wealth management subsidiary of IIFL Group and holding company of IIFL AMC.

This demonstrates the strong focus of the group in asset management business, for managing mutual fund and AIF business, besides completing the requirements under SEBI (Mutual Funds) (Amendment) Regulations, 2014, mandating Asset Management Companies to maintain a minimum net worth of ₹50 Crs.

IIFL AMC has launched various equity and debt schemes under IIFL Mutual Fund with AUM of ₹209 Crs and more than 20,000 investors.

### Awards

IIFL Private Wealth has been recognized as the **‘Best Performing National Financial Advisor Wealth Distributor – 2014’** at the CNBC TV 18 Financial Advisor Awards. Financial Advisor Award is an annual award organized by UTI MF in association with CNBC TV18. These definitive awards recognize the best financial advisors across the country and acknowledge the contribution they have made to creating and preserving wealth and distributing expert and productive financial advice.

Thomson Reuters announced the winners of the 2014 StarMine Analyst Awards for India. This is the fifth year in a row that StarMine presented its awards to the top stock analysts and brokerage firms in India. Avi Mehta of IIFL won **Overall Stock Pickers** award at 2014 StarMine Analyst Awards – India category.

### About IIFL



IIFL (India Infoline group), comprising the holding company, IIFL Holdings Ltd (NSE: IIFL, BSE: IIFL) and its subsidiaries, is one of the leading players in the Indian financial services space. IIFL offers advice and execution platform for the entire range of financial services covering products ranging from Equities and derivatives, Commodities, Wealth management, Asset management, Insurance, Fixed deposits, Loans, Investment Banking, Govt bonds and other small savings instruments. It owns and manages the website, [www.indiainfoline.com](http://www.indiainfoline.com), which is one of India's leading online destinations for personal finance, stock markets, economy and business.

IIFL won 'Best Customer Service in Financial Markets' award organized by FranchiseIndia. Mr Nirmal Jain, our Chairman has also received the 'Entrepreneur of the Year' award at the 10<sup>th</sup> Franchise India Awards, 2012. IIFL has received 'Best Equity Broking House with Global Presence' at the D&B Equity Broking Awards 2012 as well as for 2011. IIFL Wealth was awarded 'Best Wealth Management House – India' at The Asset Triple A Investment Awards, from 2011 to 2013. IIFL has also been awarded as the 'Best Broker in India, 2011', by FinanceAsia and the 'Best Equity Broker of the Year, 2011' by Bloomberg UTV. A forerunner in the field of equity research, IIFL's research is acknowledged by none other than Forbes as 'Best of the Web' and '...a must read for investors in Asia'. IIFL research is available not just over the Internet but also on international wire services like Bloomberg, Thomson First Call and Internet Securities where it is amongst one of the most read Indian brokers.

A network of over 2,700 business locations spread across India facilitates the smooth acquisition and servicing of a large customer base. All our offices are connected with the corporate office in Mumbai with cutting edge networking technology. The group caters to a customer base of over a million customers, over a variety of mediums viz. online, over the phone and at our branches.

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

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 June 30, 2014, is available under the 'Investor Relations' section on our website [www.indiainfoline.com](http://www.indiainfoline.com).

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