



## India Infoline Limited

Press Release

For immediate publication

Mumbai, India

January 29, 2014

**IIFL Consolidated 9MFY14 Net Profit at ₹197 Cr, up 3% yoy;**

**Income at ₹2,050 Cr, up 6% yoy**

**Announces ₹3 per share (150%) dividend**

### Nine months results (consolidated) for April - Dec 2013 (9MFY14)

- Income for the nine months at ₹2,050 Cr up 6% yoy
- Earnings before Interest, Depreciation and Tax was at ₹1,196 Cr, up 24% yoy
- Profit after Tax at ₹197 Cr, up 3% yoy

### Quarter results (consolidated) for Oct - Dec 2013 (Q3FY14)

- Income for the quarter at ₹690 Cr marginally up qoq, marginally down yoy
- Earnings before Interest, Depreciation and Tax was at ₹418 Cr, up 4% qoq and up 17% yoy
- Profit after Tax at ₹67 Cr, marginally up qoq and down 8% yoy

### Summary consolidated financials

₹ Crores	Quarter ended Dec 31, 2013	Quarter ended Sep 30, 2013	Quarter ended Dec 31, 2012	% Year-on-Year	% Quarter-on-Quarter	Nine months ended Dec 31, 2013	Nine months ended Dec 31, 2012	% Year-on-Year
Income	689.7	683.5	695.7	-0.9%	0.9%	2,049.6	1,931.5	6.1%
EBIDTA	417.5	402.1	356.3	17.2%	3.8%	1,195.7	960.9	24.4%
Profit Before Tax	101.1	101.0	106.5	-5.1%	0.1%	294.6	284.4	3.6%
Profit After Tax	67.1	66.4	73.2	-8.3%	1.1%	196.7	191.2	2.9%



## Interim dividend declared

The Board of Directors of India Infoline Ltd have declared dividend of ₹3 per share. i.e. 150% of par value

**Mr Nirmal Jain, Chairman, IIFL**, commented on the financial results of Q3FY14 *“The NBFC operations have reported positive growth despite falling share of gold loans and higher short term interest cost at the end of September. Our capital market operations now have sharpened focus on advisory business and we expect them to see traction soon. RBI’s relaxation of LTV norms for gold loans and easing of liquidity and short term interest rates should also help in margin expansion.”*

## Fund based activities

**Financing and investment income** was ₹509 Cr, which was 74% of total revenue. The NBFC subsidiary’s loan portfolio stood at ₹10,042 Cr as on December 31, 2013 which registered a growth of 12% year on year. Mortgage loan formed 52% of the loan book and continues to grow steadily and become our focus area. Home loan and mortgage remain the thrust areas for growth. The NBFC’s wholly owned subsidiary- India Infoline Housing Finance Limited- is a housing finance company registered with National Housing Bank. The Housing Finance Company is now well capitalized and funded for growth in home loan segment.

**Our loan book** is predominantly retail and entirely secured with adequate collaterals. The portfolio comprises mortgages, property loans, capital market products, gold loans, commercial vehicle loans and medical equipment financing. Share of gold loan in financial assets has fallen from 36.9% in Q3FY13 to 25.7% in Q3FY14. The recent RBI norms of capping gold LTV for banks at 75% and increasing LTV for NBFCs from 60% to 75% has created a level playing field for NBFCs.

**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 0.83% and 0.40% respectively at as on December 31, 2013. Against gross NPA of ₹83.5 Cr we have non standard asset provision of ₹43.4 Cr and hence our net NPA stands at 0.40%. Besides this, we have a provision of ₹28.5 Cr, for standard assets, as per statutory requirement.

**Robust capital adequacy:** Our capital adequacy remains steady at 20.3%. NIM for the quarter was 7% and the spread was 6.3%, around the same levels as previous quarter

## Financial products distribution

In Q3FY14, our income from this segment was ₹97 Cr, up 6% qoq and up 4% yoy. 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 business with assets under advice of over ₹52,000 Cr. Mutual fund AUM mobilized by IIFL Group is close to ₹17,000 Cr.



## Capital market activities

Capital market income was ₹82 Cr in Q3FY14, marginally lower qoq and down 42% yoy, as market volumes are down in all three components. Retail cash market volumes witnessed further degrowth, continuing to put brokerage income under pressure. Commodity and currency market volumes also declined in the quarter under review.

## Awards

India Infoline Ltd (IIFL), bagged the prestigious NSDL award for 'The Most Number of Active Accounts' in non -bank category at the 28th DP Conference of NSDL. We also received an award at the 53rd Association of Business Communicators of India (ABCI) Award function for 'IIFL Buzz', our internal newsletter.

## Other Developments

India Infoline proposed to divest its 76% stake in its Sri Lankan subsidiary IIFL Securities Ceylon (Private) Limited, which is engaged in stock broking activities at Colombo Stock Exchange, to its Sri Lankan partner who is presently holding 24% stake.

## India Infoline Housing Finance

### *Successful public issue of IIFL Home Bonds*

India Infoline Housing Finance Limited, 100% subsidiary of India Infoline Finance Limited, successfully completed its bond issue of Secured Redeemable Non-Convertible Debentures of ₹500 Cr. IIFL Home bonds received overwhelming response and were oversubscribed 2.13 times. It was the first ever public issue of bonds by any private sector housing finance company in India<sup>1</sup>. The NCDs had tenure of 5 years and would enable us to improve our Asset Liability Management (ALM). The bonds were listed on NSE and BSE on January 1, 2014

**Mr S Sridhar, Chairman, IIFL Housing Finance** said, *“We are overwhelmed by the trust reposed in us by investors in making the IIFL Bond issue a success. We will focus on growing our home loan and mortgage assets with steadfast focus on quality of assets. We would also like to ensure adequate liquidity and no mismatch in asset-liability.”*

IIFL has raised ₹1,550 Cr through two bond issues, during the year. The 12% IIFL Secured Bonds raised ₹1,050 Cr and was the largest mobilisation by public issue of corporate bonds by any private sector company in India, in the last 4 years<sup>1</sup>. The bonds were listed on NSE and BSE on October 4, 2013.

## FLAME

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<sup>1</sup> As per Prime Database



The educational initiative of FLAME (Financial Literacy Agenda for Mass Empowerment) has received an overwhelming response and during the quarter and crossed one lakh students across the length and breadth of India including the north eastern states like Assam and also Andaman & Nicobar Islands and the Union Territory of Lakshadweep.

The FLAME initiative has a comprehensive Financial Literacy Certification Course called FIN-LITES for the students of STD. VIII, IX and X. The key highlights of the course are to evaluate and certify students on day-to-day money management based on their understanding of key concepts including financial and economic terms, principles of savings and budgeting, prudent investments avenues, basic accountancy and entrepreneurial skills through a specially designed FIN-LITE workbook.

This workbook has been translated in Hindi and Marathi too.

### **Corporate Social Responsibility**

India Infoline Foundation's program, "Literacy for Livelihood", is in fulfilment of our overall mission of bringing about a permanent change in the lives of the under privileged. Our program "Literacy for Livelihood" is a holistic program that addresses all aspects of livelihood whether it is improving the quality of education in school or providing guidance on career opportunities and future prospects to students studying in high school or to organise programs on entrepreneurship education for men and women – India Infoline Foundation has set itself a target of bringing about change permanently. Financial Literacy is the backbone of any programme that focuses on sustainable livelihood opportunities and hence it is our key program that we conduct across the country in English, Marathi and Hindi. Financial Literacy is also our core strength and we use this to create an impact.

Career counselling initiatives are underway in Jawahar, in Maharashtra, which will impact over 8,000 students in the coming years.

### **About IIFL**

IIFL (India Infoline group), comprising the holding company, India Infoline Ltd (NSE: INDIAINFO, BSE: 532636) 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 close to 3,500 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 India Infoline 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 December 31, 2013, is available under the 'Investor Relations' section on our website [www.indiainfoline.com](http://www.indiainfoline.com).

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