

**IIFL Finance Limited**

Press Release

For immediate publication

Mumbai, India

June 16, 2024

**IIFL Finance Q4FY24 Results update**
**IIFL Finance Q4FY24 profit after tax<sup>1</sup> at Rs. 431 Crore, down 6% y-o-y**

For the quarter ended March 31, 2024, the Company reported net profit after tax of Rs. 431 Cr (before non-controlling interest) down 6% y-o-y. Profit before tax (PBT) for the quarter was Rs. 554 Cr down 7% y-o-y. Loan growth in core products was robust – Gold loans and Home loans AUM grew by 13% and 26% y-o-y respectively. Microfinance grew by 34% while Digital loans and Loan against property grew by 71% and 29% y-o-y respectively. Overall core loan portfolio grew by 22% y-o-y.

**IIFL Finance Limited Consolidated Results Quarterly – Q4FY24**

Rs Crore	Quarter ended March 31, 2024	Quarter ended March 31, 2023	Y-O-Y	Quarter ended December 31, 2023	Q-O-Q
<b>Loan growth</b>					
Loan AUM	78,960	64,638	22%	77,444	2%
On-book assets	50,833	40,102	27%	47,210	8%
Off-book assets	28,126	24,536	15%	30,234	(7%)
<b>Profitability</b>					
Total Income (Net)*	1,758.8	1,373.4	28%	1,687.5	4%
Pre-provision operating profit*	989.7	760.3	30%	960.3	3%
Profit before tax	554	594.0	(7%)	716.3	(23%)
Profit after tax (pre-NCI <sup>1</sup> )	430.6	457.6	(6%)	545.2	(21%)
Profit after tax (post-NCI <sup>1</sup> )	373.4	412.8	(10%)	490.4	(24%)
<b>Return ratios</b>					
Return on assets	2.9%	3.6%		3.8%	
Return on equity	14.6%	19.3%		19.7%	
<b>Per share</b>					
Earnings per share (EPS)	9.8	10.9	(10%)	12.9	(24%)
Book value per share (BVPS)	271.5	230.5	18%	266.6	2%
<b>Asset quality</b>					
Gross NPA	2.3%	1.8%		1.7%	
Net NPA	1.2%	1.1%		0.9%	

\*excluding net gain/(loss) on fair value changes

<sup>1</sup>NCI is Non-controlling interest

**Mr. Nirmal Jain, Founder, IIFL Finance Ltd.**, remarked on the financial results: “The regulatory action imposing an embargo on fresh gold loans has significantly impacted our business in the last quarter and continues to do so in the current quarter. We have used this opportunity to enhance our compliance, controls, and operations. We believe that we have fully complied with all regulatory requirements and addressed any deficiencies. The special audit has been completed, and we now await the RBI’s review and expect positive action soon. The business environment remains healthy, and we are optimistic about the outlook for all our other business segments.”

**Mr. Kapish Jain, President & Group Chief Financial Officer, IIFL Finance Ltd.**, commented on the financial results: “Consistency in performance has been our mantra and once again we demonstrated healthy financial performance reporting ROA of 3.4% and ROE of 18.4% for fiscal 2023-24. With the conclusion of the on ground special audit done at the behest of the RBI and in depth implementation of all the observations highlighted by RBI in inspection report, we firmly believe that we are far better placed today in working & building ourselves for the next phase of controlled and quality growth once the embargo on the gold lending business gets lifted.”

### Financial performance review

The company’s annualized ROE and ROA for Q4FY24 stood at 14.6% and 2.9% respectively. Pre-provision operating profit stood at Rs. 990 Cr. for the quarter up 30% y-o-y. Average borrowing costs for the quarter increased 20 bps y-o-y and 6 bps q-o-q to 9.13%.

98% of our loans are retail in nature and 67% of our retail loans (excluding gold loans which are not classified as PSL loans but are still zero risk weights for the banks on a net exposure basis) are PSL compliant. The assigned loan book, is currently at Rs 16,488 Cr. Besides, there are securitized assets of Rs 274 Cr. Besides the co-lending book\* is at Rs 11,639 Cr.

GNPA stood at 2.3% up by 48 bps y-o-y and NNPA stood at 1.2% up 11 bps y-o-y, as at March 31, 2024. With implementation of Expected Credit Loss under Ind AS, provision coverage on NPAs stands at 104%.

Total CRAR<sup>2</sup> stood at 19.7% as at March 31, 2024, as against minimum regulatory requirement of 15%. The total presence of branches stood at 4,801 as at the end of Q4FY24 compared to 4,681 branches last quarter, spanning the length and breadth of the country. The company successfully concluded right issue in May 2024 (subscribed 1.35x) raising ₹1,271.83 crores. This fund raise will help further improve the CRAR position of the company making us future ready once the RBI embargo on the Gold finance business gets removed.

<sup>2</sup>CRAR is Capital adequacy ratio

\*Co-lending includes Business Correspondence and Co-origination

## Business segment review

**Home Loans:** At the end of the quarter, retail home loan assets grew by 26% y-o-y and 8% q-o-q to Rs 27,438 Cr. The primary focus in this segment is on affordable and non-metro housing loans. We operate out of 389 dedicated home loan branches PAN India. With this, our subsidiary, IIFL Home Finance, is already meeting the Principal Business Criteria of NHB before the committed timelines of March 2024. IIFL Home finance is also now India's No 1 housing finance company in the sub 20 lakhs ticket size.

**Gold Loans:** As of March 31, 2024, the gold loan AUM was Rs. 23,354 Cr, up 13% y-o-y and down 5% q-o-q. Gold loans are provided through our widespread presence in 2,752 branches across 25 states and 4 Union Territories to salaried, self-employed and MSME customer segments. Our branch led growth model is helping us expand in lesser competitive rural and semi urban branches enabling improved yield.

**Microfinance:** The microfinance loan AUM stood at Rs. 13,094 Cr, up 34% y-o-y and 8% q-o-q, as at March 31, 2024. The microfinance customer base stood at 29.7 lakh customers operating out of 1,648 dedicated microfinance branches across India.

**Loan against property:** Loan against property AUM grew by 29% y-o-y and 9% q-o-q to Rs. 8,607 as at March 31, 2024.

**Digital loans:** Digital loans AUM grew by 71% y-o-y to Rs. 4,302 as at March 31, 2024.

**Construction and Real Estate:** Construction and real estate AUM stood at Rs. 1,857 Cr, as at March 31, 2024.

## Liquidity position

Cash and cash equivalents and committed credit lines from banks and institutions of Rs 6,559 Cr were available as on March 31, 2024. During the quarter, we raised Rs 5,531 Cr through term loans, bonds and refinance. With respect to prominent new lender addition from offshore markets, we added names like Mizuho Bank, a leading private sector bank from Japan. Additionally, Rs 1,669 Cr was raised through direct assignment of loans.

## RBI orders IIFL Finance to cease and desist from sanctioning, disbursing gold loans or assigning, securitizing or selling any of our gold loans

The Reserve Bank of India on March 04, 2024, in exercise of its powers under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, directed our Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/securitizing/ selling any of our gold loans. Our Company can, however, continue to service its existing gold loan portfolio through usual collection and recovery processes. Rectification of all deficiencies pointed out by RBI has been completed. Auditors appointed by RBI for Special Audit commenced the audit on April 23, 2024 and has since then been concluded.

## Raised ₹1,271.83 crores via rights issue

IIFL Finance has issued 4,23,94,270 fully paid-up equity shares of the Company of face value of ₹ 2 each ("Equity Shares") by way of a rights issue for an amount aggregating to ₹1271.83 crore ("Rights Issue"),

in accordance with the Companies Act, 2013 and the rules made thereunder, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, each as amended and other applicable laws.

### **Raised ₹500 crores through issue of non-convertible debentures on a private placement basis**

IIFL Finance, pursuant to board approval on March 20, 2024, has allotted 50,000 (Fifty Thousand) Non-Convertible Debentures namely Secured Redeemable Non-Convertible Debentures– Series D25 of Face Value of INR 1,00,000 (Rupees One Lakh) each, for cash at par, aggregating to INR 5,00,00,00,000 (Rupees Five Hundred Crores) on Private Placement Basis.

### **Appointment of independent directors to further strengthens the board of directors of the company and its subsidiaries**

IIFL Finance appointed Mr. Bijou Kurien (Former COO, Titan) and Mr. Nihar Niranjan Jambusaria, (Past President, ICAI) as Independent directors to the board.

IIFL Samasta Finance appointed Mr. Govinda Rajulu Chintala (Former Chairman, NABARD) and Mr. Kalengada Mandanna Nanaiah (Former MD, Equifax) as Independent directors to the board.

### **Further strengthened the management team of the Company**

Appointed Mr. Shivalingam Pillai as Chief Compliance Officer - He has over 25 years of experience in financial management, regulatory compliance, and corporate governance working with various organisations like HDFC Sales and Mahindra & Mahindra Financial Services

Redesignated Mr. Abhiram Bhattacharjee as Chief Operating Officer – He has over 29 years of experience in Investment Banking, Financial Advisory and Commercial Banking working with companies like Kotak Group, Morgan Stanley, Ernst & Young and ICICI Securities

## About IIFL

IIFL Group is one of the leading players in the Indian financial services space. Prior to the Composite Scheme of Arrangement (effective May 2019), IIFL Finance Limited (Erstwhile “IIFL Holdings Limited”) (Bloomberg Code: IIFL IN, NSE: IIFL, BSE: IIFL) was engaged in the business of financing, asset and wealth management, retail and institutional broking, financial products distribution and investment banking through its various subsidiaries.

IIFL Finance Ltd is one of the leading retail focused diversified NBFC in India, engaged in the business of loans and mortgages along with its subsidiaries - IIFL Home Finance Limited and IIFL Samasta Finance Limited. IIFL Finance, through its subsidiaries, offers a wide spectrum of products such as Home loan, Gold loan, Business loan, Microfinance, Capital Market finance and Developer & Construction finance to a vast customer base of over 8 million+ customers. IIFL Finance has widened its pan-India reach through extensive network of branches spread across the country and various digital channels.

IIFL Securities Limited is one of the largest independent full-service retail and institutional broking house along with being a leading investment advisory firm in India providing diversified financial services and products to corporate, institutional investors, foreign portfolio investors, mutual funds, insurance companies, alternative investment funds, trusts, high net worth individuals and retail clients.

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 March 31, 2024, are available under the ‘[Financials](#)’ section on our website [www.iifl.com](http://www.iifl.com).

*IIFL Group refers to IIFL Finance Ltd and its group companies.*

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