

India Infoline Limited

February 14, 2018

Summary of rated instruments

Instrument*	Current Rated Amount (Rs. crore)	Rating Outstanding
Commercial paper programme	1,000.00	[ICRA]A1+
Short term bank lines	650.00	[ICRA]A1+
Long term principal protected equity linked debenture programme	100.00	PP-MLD[ICRA]AA(stable)
Total	1,750.00	

Material event

On 31st January 2018, the Boards of Directors of IIFL Holdings and its subsidiary companies, have decided to reorganize the corporate structure. At present the group's business comprises three distinct business lines:

1. Loans and Mortgages (IIFL Finance);
2. Wealth and Asset Management (IIFL Wealth); and
3. Capital Markets (IIFL Securities, presently known as India Infoline Limited)

The reorganization will result in three listed entities, one for each of the above businesses. The reorganization, subject to necessary statutory and regulatory approvals including NCLT, will result in the owner of seven shares of IIFL Holdings' (the listed company) to own post reorganization:

- a) Seven shares of IIFL Finance;
- b) Seven shares of IIFL Securities; and
- c) One share of IIFL Wealth

For arriving at the ratings of IIFL Holdings, and its subsidiaries, ICRA takes comfort on the consolidated financials, given a strong operational and financial linkages, common promoters, and senior management team between the subsidiaries. ICRA has taken a note of the announcement and will take an appropriate rating action, if required, subsequent to statutory and regulatory approvals.

Impact of the Material Event

The rating of the entity remains unchanged as ICRA is awaiting additional clarity, and regulatory approvals.

The previous detailed rating rationale can be accessed [here](#)

About the company

India Infoline Limited

India Infoline Limited is the equity broking entity of the IIFL Group. It is a fully owned IIFL Group company, with IIFL Holdings Limited holding 99.9999% stake and 0.0001% stake held by IIFL Wealth Management Limited as on March 31, 2017. The company is engaged in equity broking operations and financial products distribution.

IIFL Holdings Limited (formerly known as India Infoline Ltd.)

IIFL Holdings Limited (IIFL Holdings, formerly known as India Infoline Ltd.) was founded in 1995 by two professionals as an independent financial research provider. The name of the company was changed to IIFL Holdings Limited in FY2014 when it became a non-operating holding company. The group is engaged in equity broking, portfolio management services, depository services, investment banking, distribution of mutual funds and other financial products, commodity broking, margin funding, consumer loan funding and wealth management.

IIFL group's consolidated net worth stood at Rs. 4,969 crore as on December 31, 2017. IIFL Holdings Limited (consolidated) reported a PAT of Rs. 822 crore (Rs 686 crore after minority interest) in FY2017 on a total income of Rs. 4,925 crore. Further, the company reported a PAT of Rs. 301.3 crore (Rs 235.8 crore after minority interest) in Q3 FY2018 on a total income of Rs. 1,672 crore.

Key Financial Indicators (Audited) (Consolidated for IIFL Holdings)

	FY2016	FY2017
Net Operating Income	2,283	2,833
Profit after tax	555	822
Networth	3,352	4,382
Loan Book (AUM)	19,615	25,896
Total assets	22,877	33,763
Return on assets	2.63%	2.90%
Return on equity	17.51%	15.66%
Gross NPA	1.44%	1.82%*
Net NPA	0.54%	0.58%*
Capital adequacy ratio	17.7%	20.7%
Gearing ¹	3.89	4.32

Amounts in Rs. crore

**NPA recognition at 120 days past due (dpd) compared with 150 dpd during FY2016*

¹ Including minority interest

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