

# Time is Money

Reliving the priceless decade



**IIFL**

**IIFL HOLDINGS LIMITED**

ANNUAL REPORT 2014-2015





# Reliving the priceless decade

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Since our listing in 2005, every moment has made us richer in terms of knowledge, experience and expertise. It has redefined our persona, pushed the limits of our possibilities and enabled us to go beyond the visible horizons.

Today, on our first decade of listing, we are reliving these priceless moments and sharing them with you.

*Count on, read on.*

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# Reliving The Priceless Decade

**2005**

## ***IPO***

*Listing on  
NSE and BSE*

**2006**

## ***Launched financing business***

*The financing business  
today, is one of the  
dominant business lines,  
contributing more than  
70% of total income*

**2007**

## ***Scaled up institutional equities business***

*IIFL has established  
itself as the first port  
of call for FIIs and  
Mutual Funds*

**2008**

## ***Launch of IIFL Private Wealth Management***

*Total assets under  
advice, distribution  
and management were  
₹ 700+ billion, FY15*

**2009**

## ***Enterprising India - Our first global investor conference***

*Today, Enterprising  
India has become  
the 'must attend'  
conference for  
institutional investors  
every year*

## ***Transitioned to a insurance broking model***

*One of the leading  
insurance brokers in  
India today*

## ***Registered with NHB for Housing Finance business***

*India Infoline Housing  
Finance has assets of  
₹ 19.7 billion, FY15  
and is poised for  
growth*

*One of the guiding principles during our  
priceless decade was to de-risk our business  
from volatility of the stock market. Today,  
IIFL is a diversified group 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.*







## 2010

### *Launched Gold Loans*

Gold Loans comprise 26% of the loan book for the financing business in FY15



## 2011

### *Set up a mutual fund*

Launched IIFL Nifty ETF - low expense equity scheme



## 2012

### *Launched real estate fund*

Focussed on affordable housing, the maiden fund raised ₹ 5 billion, a testimony of customer's trust



## 2013

### *Biggest AIF*

Launched Alternative Investment Fund which raised around ₹ 6.3 billion



## 2014

### *Set up advisory services for succession and estate planning*


Created a niche by providing bespoke solutions in areas of succession planning, asset protection and administration services integrated with its family office proposition




## 2015

### *Record Profits!*

Consolidated income at ₹ 36.7 billion and profit after tax at ₹ 4.5 billion



*Shareholders' wealth has grown at over 32% per annum in the last ten years since listing!*





# Achievements of the Priceless Decade



## LEVERAGING TECHNOLOGY, INDUCING A PARADIGM SHIFT IN BROKING

At a time when commission and brokerage rates were as high as 100-150 paise, we introduced the lowest brokerage in the industry – 5 paise per ₹ 100 and changed the face of Indian investing forever. The launch of IIFL's Trader Terminal in 2005 with real time streaming quotes and lightning fast order execution delivered more than what the customer wanted, at a charge far lower than he could imagine.

**Technology was the currency towards market expansion during the priceless decade.**



## MULTIPLE TOUCHPOINTS FOR OUR CLIENTS

Over the decade, there has been a fundamental shift in the way we communicate. The message may remain same, but the medium has multiplied impacting every relationship.

Earlier, the only way to connect was by a personal visit or through the phone; we provided customers with multiple and interactive service platforms – internet, email, toll free calls and in person – based on their convenience. Not to be left behind in the digital age, IIFL Markets mobile app is already a must download for any investor.

**Ease was the currency towards customer loyalty.**



## EXPANDING THE GEOGRAPHICAL FOOTPRINT

IIFL commissioned subsidiaries in major global financial centres like New York, London, Hong Kong, Singapore, Mauritius and Dubai and built research capabilities to cover regional markets. In fact, we even won an award for being the Best Broking House with Global Presence.

**Expansion was the currency for global reach.**



## BROADENING OUR SERVICE OFFERINGS

Our intent in the priceless decade was to be the most respected and relevant financial services provider for every customer. To fully serve every financial requirement of the customer, we broadened our service offerings and provided a wide array of secured loan products.

Today, India Infoline Finance Ltd. has a loan book of ₹ 146.7 billion and India Infoline Housing Finance Company has assets of ₹ 19.7 billion.

**Diversification was the currency to 360° offerings.**





## A WEALTH OF EXPERIENCE IN WEALTH MANAGEMENT SERVICES



The requirements of the wealthy are different. Our unique fee structure ensures alignment of interests with those of our clients. Needless to say, our team comprises experienced professionals well qualified to manage investments of our clients across multiple asset classes.

**Partnering with the client was the currency towards building trust.**

## RETAIL TO INSTITUTIONAL, INVESTING ALL THE WAY



We scaled up our institutional equities division with a strong research team in India, complemented with a full-fledged sales and trading team. Today, IIFL is the first port of call for quality institutions and is one of the premier institutional equities house in India. The flagship event Enterprising India is a much awaited event annually for international and domestic institutions.

**World class research was the currency to serve institutions.**

## CREATING ALTERNATE AVENUES



Setting up a mutual fund and alternative investment fund added to our goal of becoming a fully integrated financial services group. With risk taking ability of investors varying from person to person, we offer a host of offerings and the lowest expense IIFL Nifty ETF was one of them.

**Multiple avenues was our currency to serve every segment.**





## Chairman's Message

**Time is Money**  
Reliving the  
Priceless Decade



“OUR VALUES  
CONTINUE TO DRIVE  
OUR BEHAVIOUR  
OF GROWING WITH  
ABSOLUTELY NO  
COMPROMISE ON  
INTEGRITY, FAIRNESS  
AND TRANSPARENCY.  
WE LOOK FORWARD  
TO RELIVE THE SAME  
VISION AND VALUES  
IN THE COMING  
DECADE”





*Dear Shareholders,*

## FROM START-UP TO START-UP

When your Company went public in 2005, most of its businesses were in early stage of growth. The work culture was like that of a start-up. Over the last 10 years, we have scaled most of our core businesses to leadership positions. Today, with revolutionary changes in digital and mobile world, it appears that all our businesses need to be reinvented. The Company has to again get into a start-up mode and look at the new realities of consumer preferences, market structure, technology trends and competition strategies. A number of time-tested management tenets, marketing mantras, customer insights and organisation theories may suddenly look redundant and have to be re-learned. For instance, several frugal managers and accountants who swore by cost cutting may miss the opportunities of removing the cost altogether. For customer service, the significance of human warmth and touch was never questioned for several centuries; the behaviour of new digital customers would be a big enigma for erstwhile gurus of the subject. The new age customer may perceive a courtesy service call as unwarranted intrusion in his privacy. On one hand, customer is spoilt for choices and on the other hand, he is far more empowered to make the right choice. Marketing is now much beyond creative design and leveraging mass media. It now hinges a lot upon social media and digitally customised unique proposition. In financial world, CEOs of all banks are focussing on digital strategy and yet there are disruptive start-ups, carving out their space. Some digital start-ups seem to have access to unlimited funding to change the rules of the game. Some established incumbent players are incubating start-up culture and trying to remain in the game.

## FROM BOOM TO BOOM

When your Company was listed on May 17, 2005; we were in the midst of a strong bull market. The bull market had begun in 2003 and lasted through 2008, seeing indices multiply by about 7 times. Once again, we seem to be in a bull market for more than a year now and nobody knows how long it

will last. Between these two bull markets, we witnessed cyclical ups and downs, a bear market and unprecedented volatility. Amidst boom and bust cycles, the world witnessed financial crisis in Asia as well as developed world and remarkable bounces-backs, political upheavals, the worst terrorist attack and most effective counter terrorist responses by the world. India's GDP in real terms has more than doubled. While pundits may differ on pace of recovery, there is consensus that growth will only accelerate from the current level.

## FROM INTERNET MANIA TO INTERNET MANIA

Your Company was originally founded in 1995, i.e. 20 years ago. From foundation till listing in 2005, the Company metamorphosed from a boutique research and consulting firm to a leading internet portal for business, investment and finance. Since then, your Company had a roller coaster journey of euphoric sky rocketing valuations to despondent fall from precipice. My colleague Venkat has written more about it in this annual report. In late 90s, we saw gust of capital and ventures in Internet space, at a scale unparalleled in human history. While several went bust, a few became household names and are valued more than national income of many nations. Regardless of inconsistency in returns generated by capital in Internet ventures, it did nurture some of the most amazing innovations changing human lives forever. Your Company's Internet trading platform is one modest example of such an innovation.

We thought such mania was once in a life time or in fact once in several lives phenomenon. And lo, we have another one bigger and bolder this time for e-commerce and mobile technology. There seems to be a mania driving unlimited capital to help the world change at a digital pace. Consumer behaviour, habits and market dynamics will never be the same again. It looks like all major markets will witness disruptive innovations causing serious challenges to incumbents and may produce a new set of winners.

## FROM STRENGTH TO STRENGTH

Through the tumultuous times in last 10 years, the world has grown from strength to strength. India has done far better than the rest of the world. Within India, financial services sector has come of age and is ready to transform once again with innovative technologies on one hand and increasing stringencies of regulations on the other. Your Company too has grown from strength to strength. Your Company's profit after tax for FY15 was all time high at ₹ 476 crore, almost 50 times of what it was a decade ago. The consolidated net-worth of over ₹ 2,500 crore indicates its financial robustness. Your Company has delivered total shareholder return of more than 32% per annum compounded for last ten years. It has emerged as one of the premier leading players in financial services space. Its relentless quest to strengthen systems and processes with focus on risk mitigation and compliance has underpinned the strong growth with impeccable reputation.

## TIME IS MONEY. RELIVING THE PRICELESS DECADE

In the emerging competitive world, ability to adapt to the changing world alone will not secure an organisation's place amongst winners, but a lot will depend on the pace at which it adapts, without losing sight of the right direction. Therefore, one is reminded of the old adage, as cliché as it may sound, that 'time is money.' Feeling triumphant from a great journey through the last decade with priceless experience, we are prepared to take on the next decade. We know it has several unknowns in its store. Our efforts are guided by our vision to be one of the most respected financial services companies in India. Our values continue to drive our behaviour of growing with absolutely no compromise on integrity, fairness and transparency. We look forward to re-live the same vision and values in the coming decade.

*Yours truly,*

**Nirmal Jain**



# Managing Director's Message

## The Next Decade - Looking Ahead With Confidence

“WHILE WE CONTINUE  
TO INVEST IN  
TECHNOLOGY, OUR  
FOCUS ON AWARD-  
WINNING RESEARCH  
AND UNBIASED  
ADVICE REMAINS  
ONE OF THE KEY  
DIFFERENTIATORS”

