

IIFL Holdings surges on robust Q2 profit

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IIFL Holdings has surged 11% to Rs 314, also its 52-week high on BSE, after it posted 30% year on year (YoY) jump in consolidated net profit at Rs 183 crore for the quarter ended September 30, 2016 (Q2FY17). The company had registered a profit of Rs 140 crore in the same quarter year ago.

Income from operations rose 16% to Rs 667 crore from Rs 574 crore in the corresponding quarter of previous fiscal.

EBITDA (earnings before interest, taxes, depreciation, and amortization) margin declined to 70.7% from 64.8%.

Asset quality also improved during the quarter

with gross net-performing assets (NPAs) and net NPA ratios have fallen to 1.87% and 0.83% respectively as on September 30, 2016 versus 1.97% and 0.91% in the previous quarter.

IIFL Holdings said going ahead, key growth drivers are expected to be home loans, CV loans and small ticket SME loans.

In the last two years, share of loans with relatively higher risk like capital market and construction finance has reduced. While, the share of low risk retail home loans has increased, it added.

Nirmal Jain, Chairman, IIFL Holdings, said the company is pleased to report an all round healthy profit growth in core businesses, with return on equity close to 21%. Retail lending, the dominant business continues to witness robust growth and strategic focus is on progressive digital delivery of loans. Wealth management and Capital market businesses are on long term growth trajectory and focus is customer centricity.

At 01:54 pm, the stock was up 8% at Rs 307 on BSE, as compared to 0.01% decline in S&P BSE Sensex. A combined 1.3 million shares changed hands on the counter on BSE and NSE.