November 04, 2026

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Dear Sir/Madam,

Sub: - Earnings conference call transcript

Please find attached herewith a transcript of the earnings call held on Thursday, October 29, 2026. The same is available on the website of the Company and can be accessed at the following link:
https://files.iiflcapital.com/assets/IIFL_Sec_IIFL_Cap_Oct29_2026_500920fcb3.pdf

Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,

For **IIFL Capital Services Limited**
(Formerly IIFL Securities Limited)

Meghal Abhishek Shah
Digitally signed by Meghal Abhishek Shah
Date: 2026.11.04 16:06:08 +05'30'

Meghal Shah
Company Secretary

Encl: As above

“IIFL Capital Services Limited

Q2 FY27 Earnings Conference Call”

October 29, 2026

MANAGEMENT: **MR. R. VENKATARAMAN – MANAGING DIRECTOR – IIFL CAPITAL SERVICES LIMITED**
MR. RONAK GANDHI – CHIEF FINANCIAL OFFICER – IIFL CAPITAL SERVICES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the IIFL Capital Services Limited Q2 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Venkataraman from IIFL Capital Services. Thank you, and over to you, sir.

R. Venkataraman: Good afternoon, and welcome to the Q2 FY27 Analyst Call of IIFL Capital. I'm R. Venkataraman, Managing Director, and I'm accompanied with my colleague, Ronak Gandhi, who is the CFO.

The global environment remained challenging during Q2 FY27 because of geopolitical tensions, elevated oil prices, high interest rates, and that has led to increased volatility across multiple asset classes. However, India remains resilient. Our GDP is showing signs of growth. I think it grew 7.8% in Q1 FY27, and it's been supported by manufacturing services.

In this environment, because of inflation pressure, crude price pressure, currency pressure and outgoing foreign flows, we have to closely monitor the happenings on the macroeconomic front. However, as of now, as we speak now, India's medium-term fundamentals remain strong. We remain focused on disciplined growth, prudent capital allocation, governance and risk management.

Coming to our results. Consolidated operational revenue for the quarter was INR722 crores, up 14% quarter-on-quarter, 22% year-on-year. If you compare Q2 FY27 with Q1 FY27, the retail equities was INR316 crores, which was up 6%. We saw a significant growth in our institutional and banking revenues. It was up 18%, INR245 crores versus INR207 crores in the first quarter.

Basically, we have seen traction in broking as well as banking. FPD income, which is distribution income, was INR159 crores in Q2 versus INR125 crores, which was up 27%. Employee costs increased 8% because of both headcount increase as well as bonus provisions. Finance costs increased 25% to INR75 crores due to increase in borrowings, which was up.

Then, depreciation increased 6% to INR18 crores. Fees and commissions were virtually flat, down 4% to INR134 crores versus INR139 crores. Admin expenses grew by 9% to INR96 crores, mainly because of investments in technology. Operational PBT, which was before mark-to-market was, INR206 crores, up almost 40% on a quarter-on-quarter basis.

If you remember last time in the analyst call, I had spoken about the other income, which we had seen in the first quarter of FY27 due to mark-to-market gains in BSE. This time, unfortunately, because of adverse price movement, we have a loss of INR32 crores. That is primarily because of BSE share price movement.

If you now look at data on a year-on-year basis, Q2 FY27 versus Q2 FY26, then we have seen a retail equities income growth of almost 17% to INR316 crores. Institutional equities income

was up 31%. Then we have FPD income, which was up almost 23%, INR159 crores versus INR130 crores.

Employee cost increased 26% to INR194 crores, basically due to both increase in headcount, variable pay and fixed costs because on a year-on-year basis, we had to take normal wage increase also. Finance cost increased 40% because of increased borrowing. Our MTM book has grown. Depreciation increased 16% because of branches and technology investments.

Fees and commissions increased 13%. Admin expense grew again 11%, mainly driven by tech. Operational PBT was INR206 crores before mark-to-market, and it was a gain of about 25%. Other income, as I mentioned, was due to mark-to-market in BSE shares due to price movement in BSE shares.

Coming to year-on-year basis for H1 '27 versus H1 '26. Then, we have seen a 15% increase in retail equity, INR613 crores. Institutional equity income was up 16%, INR451 crores versus INR390 crores. FPD income was virtually flat, INR285 crores versus INR275 crores because in the last year first quarter, we had seen some exceptional upfront transactional income. Finance costs increased 44% to INR135 crores.

Depreciation, 9% increase, again, as I mentioned, because of asset and technology. Fees and commissions increased 8%, INR273 crores versus INR253 crores, admin expense was up 6%. Operational PBT was up 8% to INR355 crores before MTM. Primarily, we have investments in BSE, which is a legacy investment. We continue to hold about 5.95 lakh shares of BSE, which is the main driver of the MTM.

Coming to some housekeeping data. Average daily turnover was INR3,05,073 crores, of which F&O was INR3,01,785 crores. Cash was INR3,288 crores in Q2 FY27 versus INR3,15,780 crores, F&O INR3,12,480 crores and cash was INR3,300 crores in Q1 FY27, which was down roughly 3% on an overall ADTO basis.

We have actually done reasonably well compared to the overall decline in market volumes. On a year-on-year basis, we have seen a 16% increase because that the last year, same quarter, it was about INR2,63,568 crores.

Coming to other updates. First, I'll give you an update on the Fairfax investment. If you remember, Fairfax had decided to do a preferential infusion of capital in IIFL Capital. We have received FIH, Fairfax Mauritius Investments has required -- received all requisite regulatory and shareholder approvals for the proposed acquisition of 51% of the company through a preferential allotment, open offer and other arrangements with the promoters.

The pref allotment and open offer are under implementation and we are expecting that we will get closed in this month of November itself. Consequent to this, Fairfax will join the Promoter Group along with existing promoters.

The other update is, we also propose to incorporate a wholly owned NBFC subsidiary, and we want to -- and this, basically, NBFC is aligned with the company's strategy to expand the

financial services offerings and develop lending and credit solutions to HNI segment. This is, of course, subject to regulatory approvals from RBI.

And last point is about succession planning. A part of our leadership succession, the Board has approved appointment of Vasudev Jagannath as Additional Director and Whole-Time Director for 3 years, subject to requisite regulatory approvals. Vasu is an MBA from IIM Calcutta, and he has over, I would say, close to 3 decades experience in capital markets, of which 2 decades he has been with IIFL Capital.

Prior to joining IIFL Capital, he has -- he was in the New York desk of CLSA. And also just before joining us, he was the Head of Sales of CLSA. So he comes with deep experience and has been with the firm for almost 2 decades. The Board -- and we believe that Vasu is well-positioned to lead the company to the next phase of growth. And he will be designated as Managing Director with effect from January 1, 2027. I will continue to be on the Board of Directors even after that.

With this, I think I've come to the end of my opening remarks, and we'll be more than happy to answer any questions that you have. Thank you so much.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Keshav Karwa with White Pine Investment. Please go ahead.

Keshav Karwa: Hi, sir. Thank you for the opportunity. I have a few questions. This quarter, how many RMs were added? And could you also please provide the breakup between the institutional broking and investment banking revenue?

R. Venkataraman: See, this quarter, I don't think we added any -- even if we have added RMs, it will be in single digits. I think Wealth RM, I'm assuming you're asking. So net increase has been marginal. Coming to institutional broking and investment banking, I think for this quarter, it was roughly about INR450 crores, out of which I think the split would be about INR250 crores of broking and ~INR200 crores of institutional investment banking.

Keshav Karwa: Sir, my second question was on Fairfax. How are you planning to deploy the funds?

R. Venkataraman: See, actually, I think we have the -- fund utilization will happen and bulk of it will go for, I think, margin funding. So repayment of borrowing will be one use of funds and margin funding book will be the other use of funds. These are the broad, I would say, use of funds. I'll do a thing. I think whatever we have published in the open offer document we have given, I'll communicate to you separately. So if you can drop an e-mail at venkat@iiflcapital.com, I will give you the exact details.

Keshav Karwa: Okay, sir. Sure. And my third question was, your PMS AUM had declined this quarter. Could you please provide an update on it?

R. Venkataraman: We have seen some decline in the PMS AUM, that's primarily because we have seen some outflows in the NDPMS, which we hope to recover in the coming days. So that was the reason.

Keshav Karwa: Okay sir. Thank you so much.

R. Venkataraman: Thank you so much.

Moderator: The next question comes from the line of Neha with Abakkus Investment Managers. Please go ahead.

Neha: Hi thank you for the opportunity. Congratulations on a good set of numbers. Sir, just a couple of questions. So on the FPD, the distribution income, the ARR assets have grown by 5% sequentially. So going forward, what do you think will be the key drivers for this segment for us?

R. Venkataraman: See, in the FPD income, the key driver earlier was there were some components, which was the ARR income, some amount of transaction income, some insurance income also. I think going ahead, in the next 2 quarters, at least we should see some uptick on the insurance income. And the key driver will be growth of AUM. So ARR AUM should increase and that will drive the income.

Neha: So sir, this quarter, our yields have increased. Is that coming from insurance or that's still coming from the other segments? Because...

R. Venkataraman: So this quarter, insurance has underperformed. So we have seen actual growth in the ARR income.

Neha: Right. And that's largely coming from the fixed income and mutual funds, right?

R. Venkataraman: Yes, AIF, PMS and mutual fund.

Neha: Got it, sir. And sir, also on these assets, so if you could just give a broad sense of how much would be from the UHNI clients?

R. Venkataraman: I don't have that detail. So I think that's a good question. We have -- generally, I look at it on a consolidated basis, but let me recall that number and get back to you.

Neha: Sure, sir. And sir, with respect to our broking business, so what kind of impact did we see because of the RBI regulations that came into effect from second quarter? So I mean, have we seen any impact of that? I mean, of course, we have done much better.

R. Venkataraman: Yes, no. We have seen marginal impact. Nothing to write home about because we have no prop. So I don't think we have any impact, if I can say.

Neha: And sir, lastly, just on the employee cost. So you mentioned that the increase is because of the headcount increase and provisions. So where is the headcount increase coming from because you mentioned that in the wealth, we have not added RMs as such. So where is the headcount increase coming from?

R. Venkataraman: I talked about the wealth RM, but we have -- in wealth, we have the AMC business. So there we are seeing some headcount and headcount has not been so dramatic also. So I think if you see

the overall expense, employee expense has increased 8% only. So it is on a quarter-on-quarter basis because of some bonus provisions and few increase in headcount. And on a year-on-year basis also, it has increased 26%. That was because we already -- we have taken -- we have roughly about some 5% increase in the headcount. And then also we have seen some increase because of variable pay and on account of overall year-on-year inflation. And actually this year, inflation has been quite -- wage bill inflation has been quite high.

Neha: Understood. Sir, this INR194 number is what we can expect to see continue for the rest of the year, right? INR192 per quarter?

R. Venkataraman: Quarter, yes. That'd be the number.

Neha: Okay sir. Thank you

R. Venkataraman: Thank you so much.

Moderator: The next question comes from the line of Krish Agarwal with Neo Asset. Please go ahead.

Krish Agarwal: Krish this side. I wanted some clarity on the difference between the fee charges in the assets that we are distributing by ourselves and the third-party assets.

R. Venkataraman: Sorry?

Krish Agarwal: We have our own distribution, AUM, in the FPD business and we're also distributing the third-party products. So I wanted to know what's the differential fee charged between the third-party distribution...

R. Venkataraman: Typically, on the equity products in-house, we get about 2%, 2.5%, 2.25% maybe, and third-party products it will be about a 50% cut. I think these are rough numbers. I hope I give you directionally the answer.

Krish Agarwal: Okay. So 2% on our own products and 1.5% on the third party. Got it. Thank you.

R. Venkataraman: Thank you.

Moderator: The next question comes from the line of Axay Shah with VVD Asset Managers.

Axay Shah: Thank you for the opportunity. Sir, I joined later. So pardon me if it is a repeating question. Sir, how do we see the direction of breaking even in our FPD business?

R. Venkataraman: See, actually, in the wealth business -- I'm assuming you're asking a question regarding the wealth business, right? Because the FPD has got components from both our existing broking business, which have migrated to HNI broking. So the new business wealth we have started. So we hope that we should break even in the next maybe 6 months to 18 months.

But what has happened is that subsequently, we have started in-house manufacturing also. And we are close to about -- roughly about INR4,500 crores, right? In-house manufacturing. We have

roughly about INR4,500 crores of in-house manufacturing and we're investing in that. So that, I think, will take a longer time to break even.

Axay Shah: Okay. And sir, what was the loss from FPD business for H1?

R. Venkataraman: The equity business?

Axay Shah: No. Your wealth business is making loss as of now. So what was...

R. Venkataraman: We are making loss on the wealth business. I'll do one thing; I'll call you separately and give you the figure. I don't have the figure right now.

Axay Shah: Okay. Thank you so much sir.

Moderator: The next question comes from the line of Abhijeet Sakhare with Kotak Securities. Please go ahead.

Abhijeet Sakhare: Sir, pardon my lack of information on this, but the Fairfax transactions, the ultimate end goal is that it all rolls up into the banking license, right? I am just reading through what Fairfax has put out in their disclosures on the transaction.

R. Venkataraman: Actually, you have a very good point you've made. So actually, the Fairfax press release mentions about that. But it says that ultimately, the interest of both Go Digit and IIFL Capital will get subsumed into the bank. Maybe become a part of the bank as a subsidiary. So I think that's what will happen in the long term. Although this question is better answered by Fairfax people than us.

Abhijeet Sakhare: Got it sir. That was the only question. Thanks a lot.

R. Venkataraman: Thank you.

Moderator: The next question comes from the line of Axay Shah with VVD Asset Managers.

Axay Shah: Yes, sir. Sir, what -- our insurance business has not performed much well. So what is our target in insurance business going forward? Are we focused...

R. Venkataraman: See, actually -- so answer your question. I'll answer it to you. Sorry, I cut you. So please complete the question.

Axay Shah: Okay. So how are we -- are we focused more on capital market business in distribution business? Or are we have the same focus on insurance business?

R. Venkataraman: Actually, to me, that's a good question because this entire insurance business has become marginal. And in the last 2 years -- last 2 quarters, we have seen some amount of dip. And for the next 2 quarters, we'll focus on this because before the new regulations kick in. But on the long term, if you ask me, we will focus more on the capital markets distribution rather than insurance distribution.

Axay Shah: Okay. So if there is an opportunity, you will sell it out of this business? Is that possibility?

R. Venkataraman: Actually, yes. We are open to all discussions to enhance shareholder value. So I think we'll explore.

Axay Shah: Okay. Thank you sir.

R. Venkataraman: Thank you.

Moderator: The next question comes from the line of Devansh Jain with Neo Wealth Management. Please go ahead.

Devansh Jain: This was regarding the open offer, whether promoters are inclined to tender their shares in the open offer, other than the promoters selling shareholders?

R. Venkataraman: No,. Actually, let me clarify. The way this open offer is structured is they will make an open offer. If they don't get shares to go up to 51%, then we'll sell to make them 51%.

Devansh Jain: Okay. But other than promoters who are selling their shareholders to make that 51%, can tender in open offer or not?

R. Venkataraman: No, we are not tendering.

Devansh Jain: They are not tendering.

R. Venkataraman: I'm talking on behalf of the promoters, not for everyone.

Devansh Jain: Okay. Thank you.

R. Venkataraman: I think let me clarify the question that Neo, I forget your name. What is your name, sorry?

Devansh Jain: Devansh, sir.

R. Venkataraman: Devansh of Neo. See, the way we have structured the transaction is that the promoters and the group -- promoter group will not offer shares in the open offer. As and when the open offer gets concluded, if they don't make it to 51%, only then we'll give shares to them. I hope I've answered your question.

Devansh Jain: Yes. Thank you sir.

R. Venkataraman: Anyway, if we don't have any more questions. So, first of all, thank you so much to all the participants. And as I mentioned, venkat@iiflcapital.com is my e-mail. And both Ronak and I are available to answer any further questions that you may have. Thank you so much for giving me a patient hearing. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of IIFL Capital Services, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.