India Infoline Limited

Results for Quarter ended December 31, 2011

February 4, 2012

Unless otherwise mentioned, facts and figures in this presentation refer to those for the India Infoline group (consolidated)

Performance highlights - Quarter ended December 31, 2011

Overall consolidated financial performance

- Income at ₹4,804 mn, up 16.9% qoq (up 4.5% yoy)
- PBT at ₹493 mn, up 39.7% qoq (down 51% yoy)
- PAT at ₹358 mn, up 62.2% qoq (down 46.6% yoy)
- While equities income has declined, financing and distribution incomes have grown

Equities broking and related

- Average daily equities turnover was ₹51.8 bn, down 0.6% qoq (down 16.8% yoy)
- Market share on NSE has marginally increased to 3.7%, due to increase in our cash market share
- Average daily commodities turnover was ₹15.6 bn, down 12.3% qoq (up 100% yoy)

Financing and Investing

- NBFC loan book stood at ₹62.2 bn in Q3FY12 as against ₹50.4 bn in Q2FY12
- Over 99.5% of loan book is secured, with collateral of property, shares, gold, etc
- NPAs on the book continue to remain less than 0.5%

Marketing and Distribution

- Marketing and distribution income was ₹655 mn, up 55.5% qoq (up 39% yoy)
- Our insurance product portfolio is dominated by long term endowment products which are also diversified across several leading insurance companies

Performance for quarter ended Dec 31, 2011

₹ Mn	Q3FY12	Q2FY12	Q3FY11	*Q-Q*	*Y-Y*
Equities broking and related income	1,262.4	1,388.8	1,870.1	*(9%)*	*(32 %)*
Financing and Investing income	2,874.9	2,284.9	2,253.4	*26%*	*28%*
Marketing and Distribution income	655.0	421.1	471.1	*56%*	*39%*
Other income	12.1	13.8	1.8	*(12%)*	*575%*
Total Income	**4,804.4**	**4,108.6**	**4,596.4**	***17%***	***5%***
A. Operating cost	536.6	579.7	695.7	*(7%)*	*(23%)*
B. Employee cost	1,303.0	1,078.9	1,041.8	*21%*	*25%*
C. Other expenses	912.6	838.9	659.8	*9%*	*38%*
EBITDA	**2,052.2**	**1,611.1**	**2,199.1**	***27%***	***(7%)***
Interest	1,364.1	1,068.9	1,042.4	*28%*	*31%*
Depreciation and amortization	195.4	189.4	150.6	*3%*	*30%*
Profit / (Loss) before tax	**492.7**	**352.8**	**1,006.1**	***40%***	***(51%)***
Provision for taxation	128.6	127.6	322.7	*0.8%*	*(52%)*
Profit/(Loss) after tax before minority	**364.1**	**225.2**	**683.4**	***62%***	***(47%)***
Minority Interest	6.0	4.5	12.8	*34%*	*(53%)*
Profit/(Loss) after tax	**358.1**	**220.7**	**670.6**	***62%***	***(47%)***

Performance for nine months ended Dec 31, 2011

₹ Mn	9MFY12	9MFY11	Y-Y
Equities, Broking and related income	3,990.8	5,047.4	*(21%)*
Financing and Investing income	6,987.7	4,603.8	*52%*
Marketing and Distribution income	1,494.8	1,395.1	*7%*
Other income	35.3	9.0	*293%*
Total Income	**12,508.6**	**11,055.3**	***13%***
A. Operating cost	1,665.0	1,617.7	*3%*
B. Employee cost	3,342.0	2,948.3	*13%*
C. Other expenses	2,444.7	1,842.5	*33%*
EBITDA	**5,056.9**	**4,646.8**	***9%***
Interest	3,251.3	1,710.5	*90%*
Depreciation and amortization	535.9	460.0	*17%*
Profit / (Loss) before tax	**1,269.7**	**2,476.3**	***(49%)***
Provision for taxation	397.0	802.9	*(51%)*
Profit/(Loss) after tax before minority	**872.7**	**1,673.4**	***(48%)***
Minority Interest	20.9	30.0	*(30%)*
Profit/(Loss) after tax	**851.8**	**1,643.4**	***(48%)***

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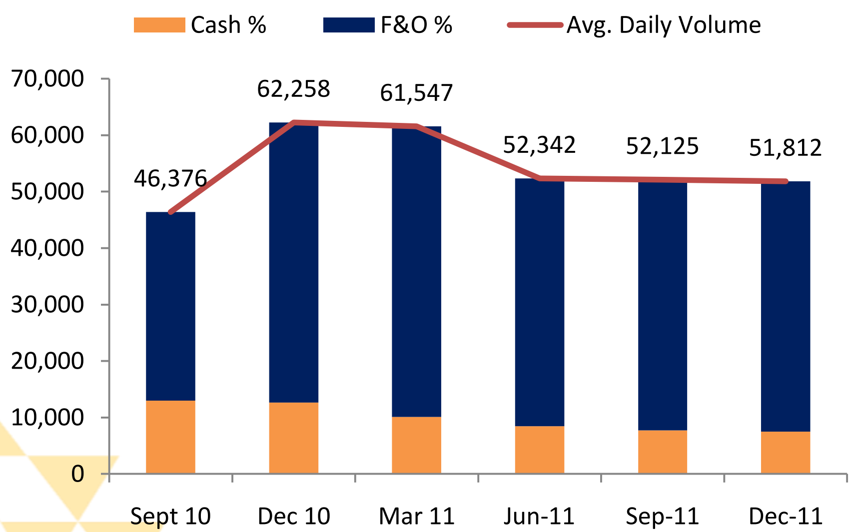
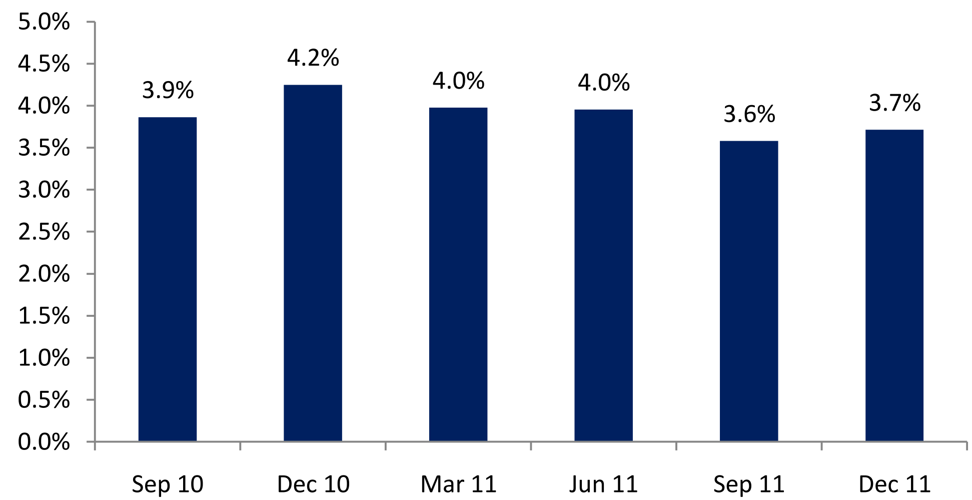
Equities broking

- Equities broking and related income for Q3FY12 was ₹1,262 mn, down 9.1% qoq (down 32.5% yoy)
- Average daily turnover at ₹52 bn, down 0.6% qoq (down 16.8% yoy)
- Market share on NSE was at 3.7% in Q3FY12, up from 3.6% in Q2FY12
- Present in above 3,000 business locations through branches and sub-brokers
- The average daily equity market turnover decreased by 4.1% qoq and 5% yoy

Average Daily Turnover (₹ mn)



Market share on NSE (in %)

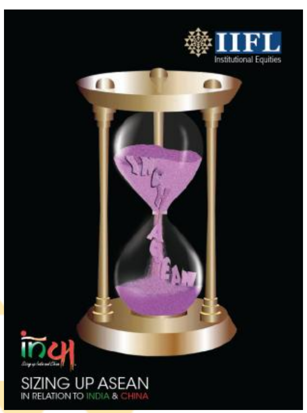


Research

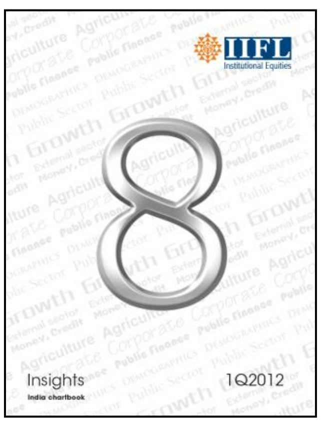
- Over 170 stocks under coverage
- Our in-depth, thematic research has been well received. Our recent research reports include:
  - Insights: Key charts on eight important facets of the Indian economy
  - India – Internet: Emergence of internet-based industries as India's internet userbase reaches a tipping point
  - India – Highways: An analysis of operational BOT road projects
- Market Mantra, our daily comprehensive retail product covers market outlook, latest news, economy snapshot, personal finance insights, event notes, management meets, research ideas

Research offerings – a few reports

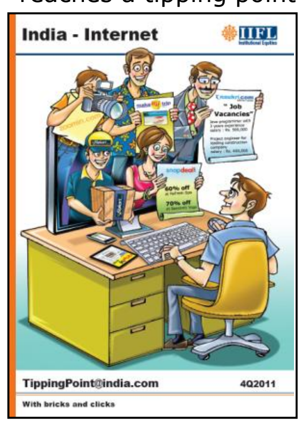
INCH-ASEAN Chartbook: Sizing Up ASEAN in relation to India and China



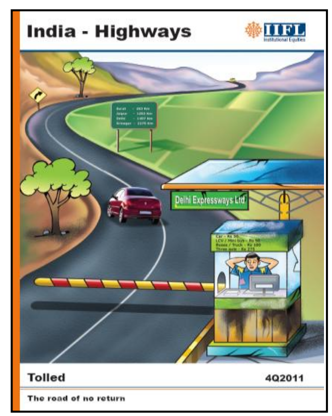
Key charts on eight important facets of the Indian economy



Emergence of internet-based industries as India's internet user-base reaches a tipping point

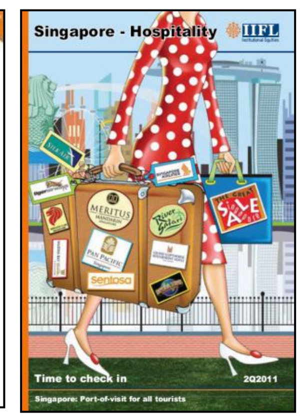


Analysis of operational BOT road projects



Rigorous company research that goes far beyond the basics

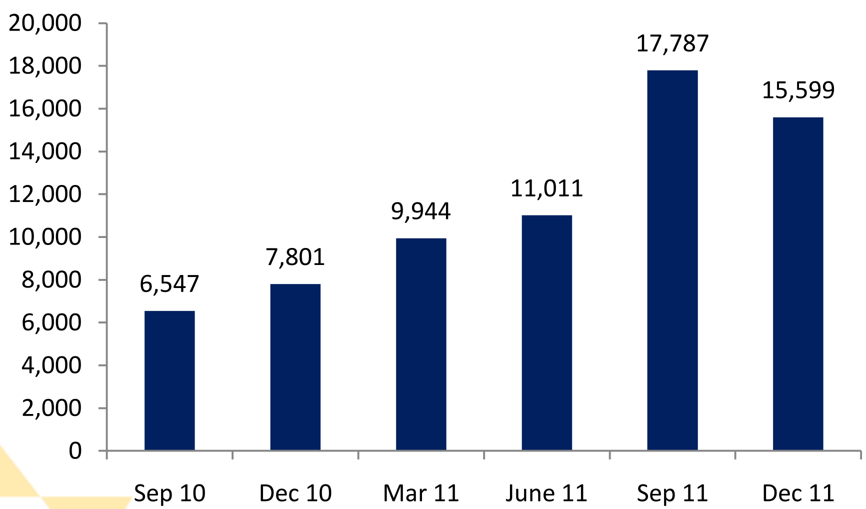
A detailed analysis of Singapore's hospitality market



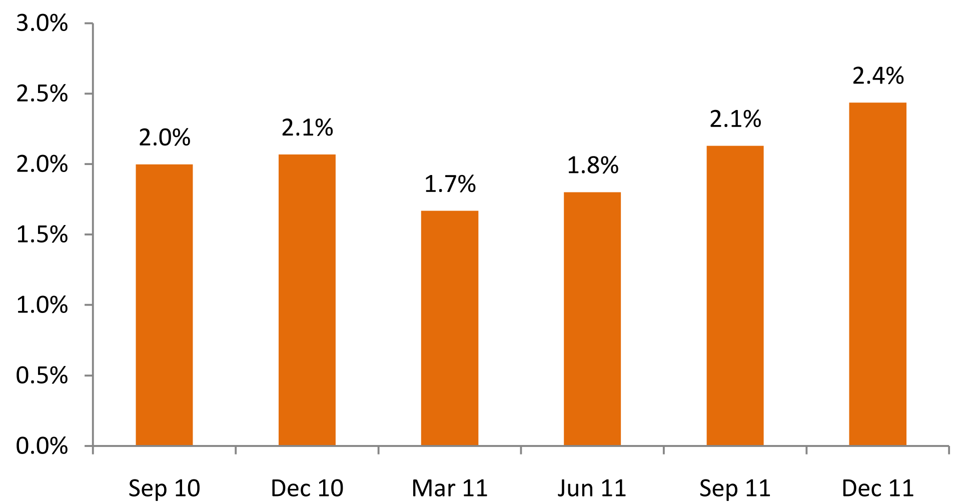
Commodities broking

- Average daily commodities turnover at ₹15.6 bn, down 12.3% qoq (up 100% yoy)
- Commodities market share increased to 2.4% in Q3FY12 as against 2.1% in Q2FY12 and 2.0% in Q3FY11
- The commodities market turnover is down by 23.1% qoq and has increased by 77.8% yoy

Average Daily Turnover (₹ mn)



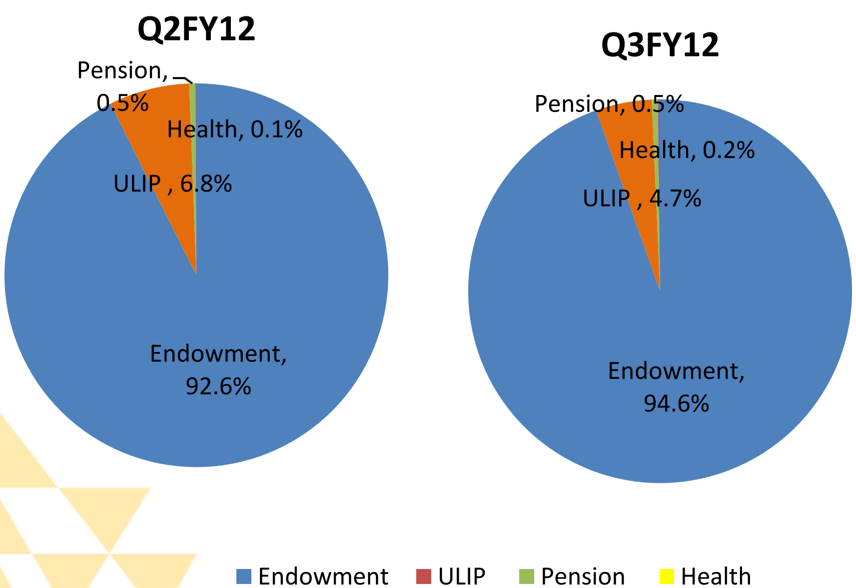
Market share (in %)



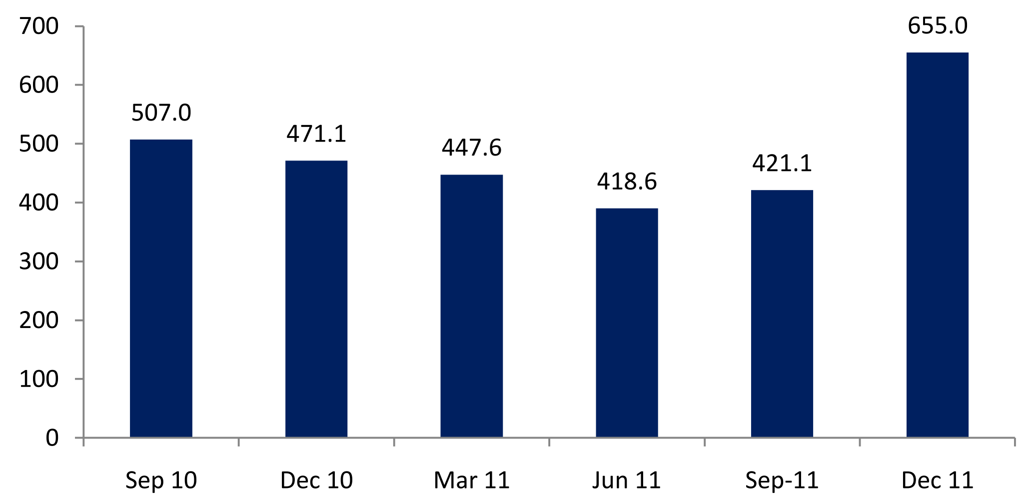
Life Insurance distribution

- Marketing and distribution income in Q3FY12 was ₹655 mn, up 55.5% qoq (up 39% yoy)
- Our product portfolio is dominated by long term endowment products which are also diversified across several leading insurance companies. They include SBI Life, Reliance Life Insurance, Tata AIG, ICICI Prudential, Bajaj Allianz Life and others
- Insurance industry volumes down 19% yoy for the first 8 months of current fiscal

Changing product mix



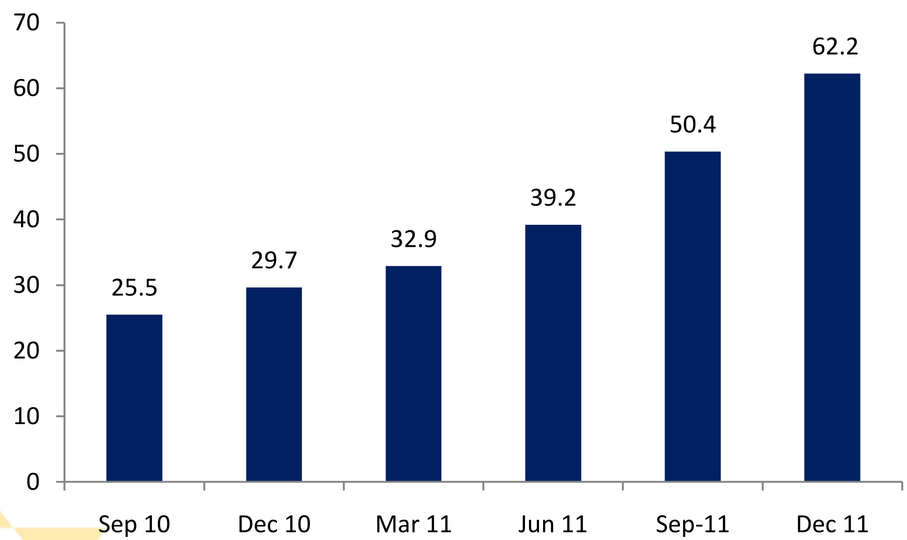
Marketing and Distribution income (₹ mn)



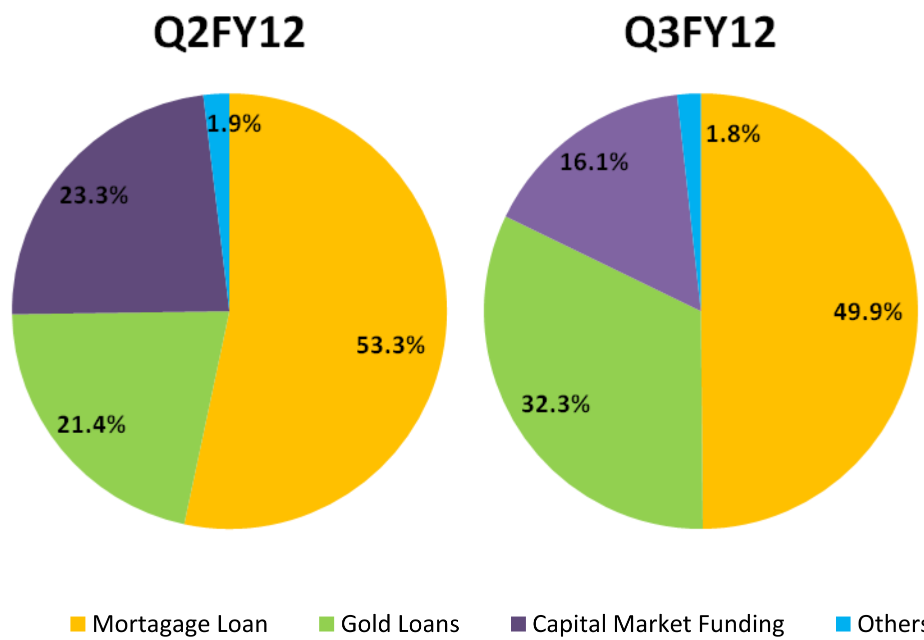
Financing and Lending

- NBFC loan portfolio as on December 31, 2011 increased to ₹62.2 bn as against ₹50.4 bn in the last quarter
- Our loan book largely comprises secured lending of over 99.5%. Our unsecured loan book has fallen to less than 0.5% of the total book
- NPAs on the books continue to remain less than 0.5%

Loan Portfolio (₹ bn)



Portfolio break-up

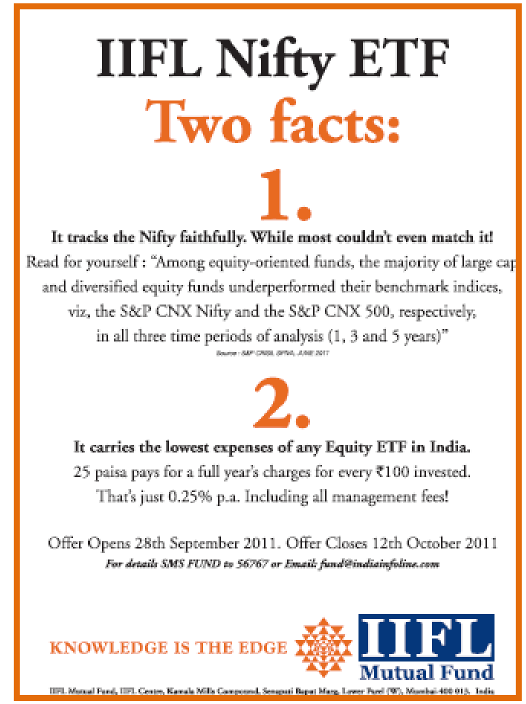


Others include Medical equipment financing and Personal Loans

Mutual fund

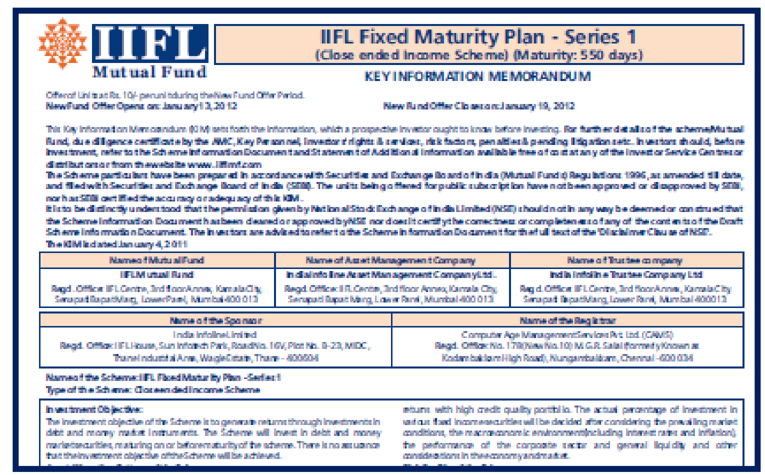
IIFL Nifty ETF

- IIFL AMC launched its first New Fund Offer (NFO) IIFL Nifty ETF on September 28, 2011 and received an overwhelming response from investors
- IIFL Nifty ETF was among the top 2 equity oriented ETF in terms of total trading volumes for the month of December because of its high retail participation



IIFL Fixed Maturity Plan

- IIFL AMC also launched its first Debt Scheme -- IIFL Fixed Maturity Plan on January 13, 2012
- The scheme was a close ended income scheme for a period of 550 days and will be benchmarked against CRISIL Short Term Bond Index
- The fund received a good response and collected around ₹320 mn



Launch of IIFL Real Estate Fund

- India Infoline Venture Capital Fund (IIFL VCF), the venture capital arm of India Infoline Group (IIFL), successfully completed the launch of its Real Estate Fund – ‘IIFL Real Estate Fund (Domestic) Series 1’ on January 25, 2012
- **The fund was fully subscribed to its issue size of ₹5 bn**
- The fund is a debt and equity linked investment instrument focusing on affordable residential segment across the top 7 cities in the country
- IIFL Alternate Asset Advisors Limited is the Investment Manager of the fund

IIFL Real Estate Fund raises **₹5 bn**

January 2012

SECTION 1: Performance highlights

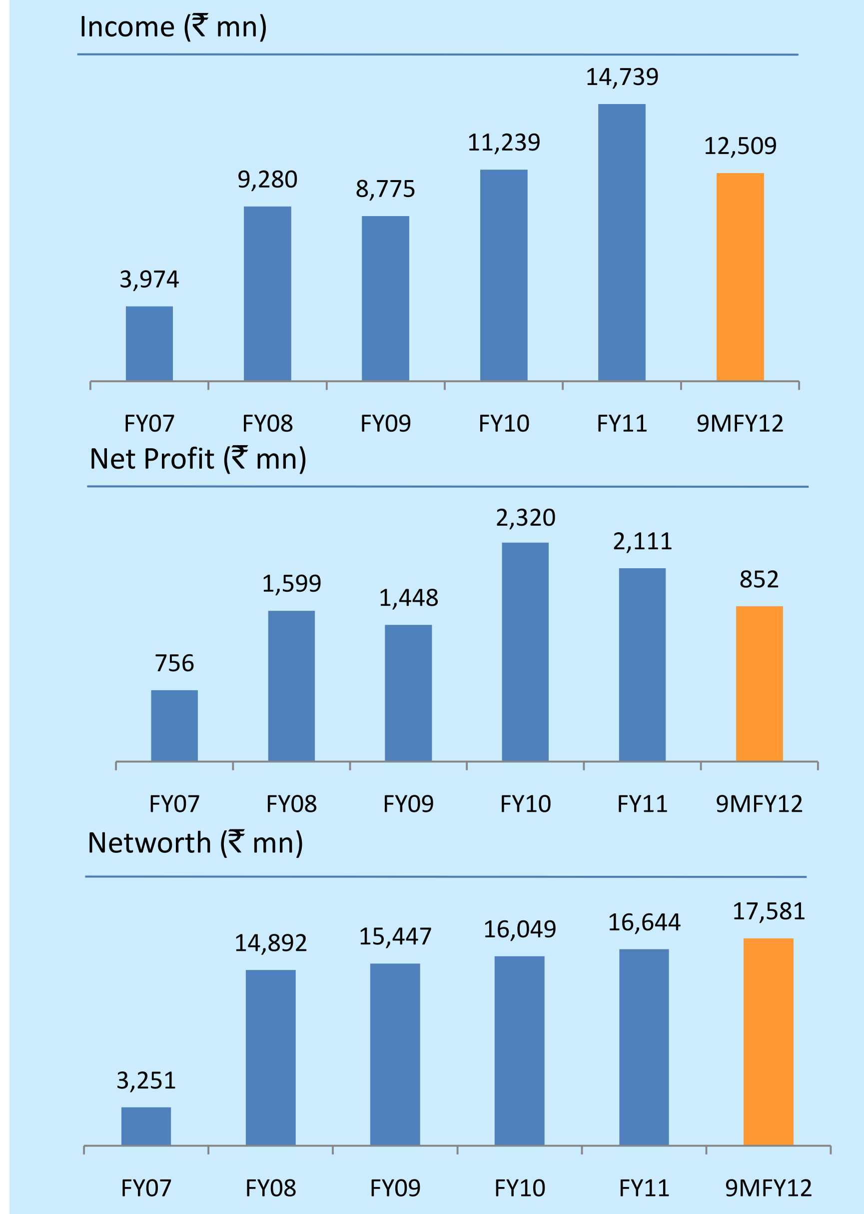
SECTION 2: Business review

SECTION 3: Corporate overview

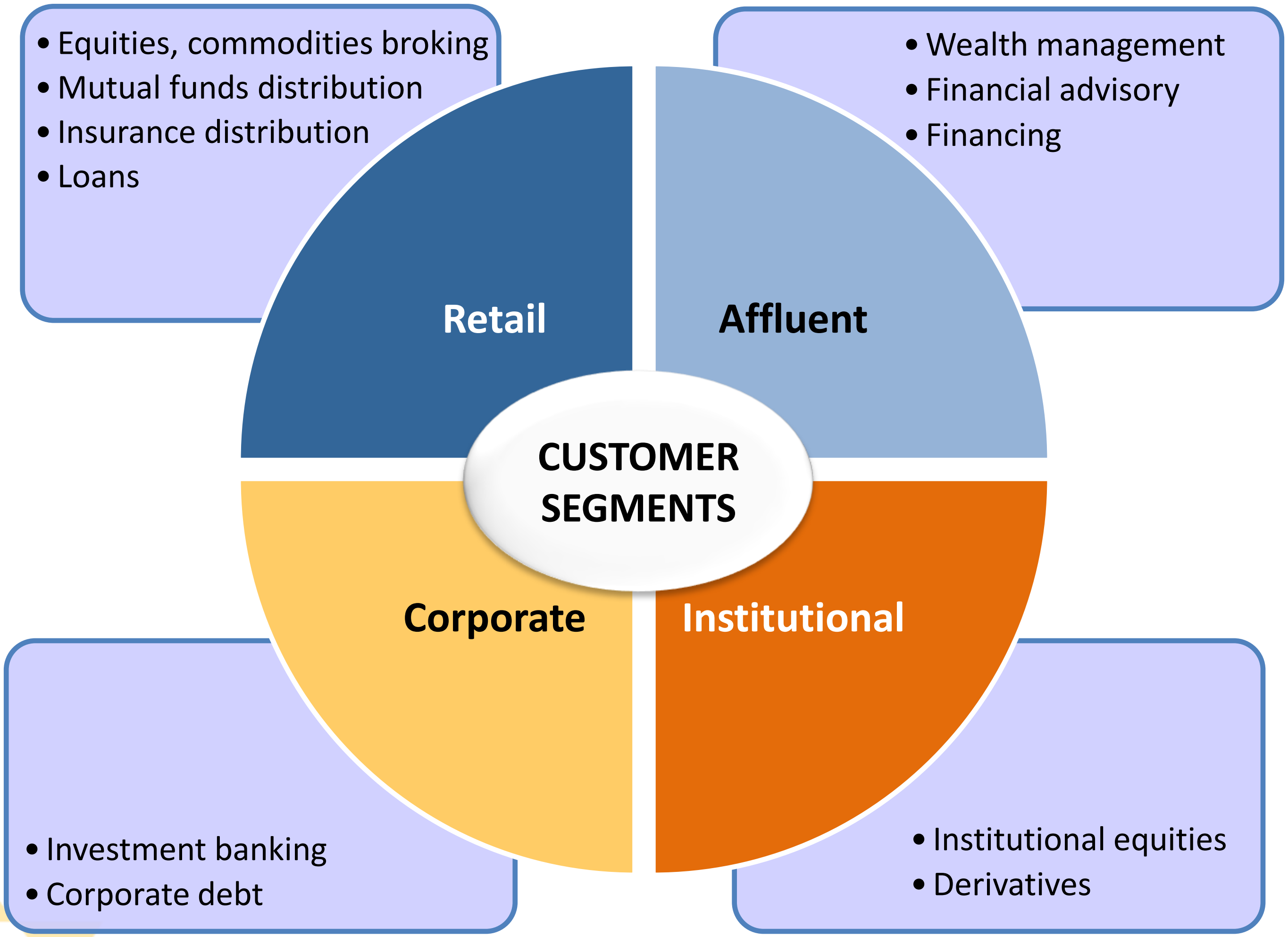
SECTION 4: Industry update

Evolution

Year	Milestones
1995	Commenced operations as an Equity Research firm
1997	Launched research products of leading Indian companies, key sectors and the economy
1999	Launched www.indiainfoline.com
2000	Launched online trading through www.5paisa.com Started distribution of life insurance and mutual fund
2003	Launched proprietary trading platform Trader Terminal for retail customers
2004	Acquired commodities broking license Launched Portfolio Management Service
2005	Maiden IPO and listed on NSE, BSE
2006	Acquired membership of DGCX Commenced the credit & finance
2007	Commenced institutional equities business under IIFL Formed Singapore subsidiary, IIFL (Asia) Pte Ltd
2008	Launched IIFL Wealth Transitioned to insurance broking model
2009	Acquired registration for Housing Finance Obtained Venture Capital license
2010	Received membership of the Singapore Stock Exchange and Colombo Stock Exchange and commenced operations
2011	Received SEBI final approval for IIFL Mutual Fund and launched IIFL Nifty ETF



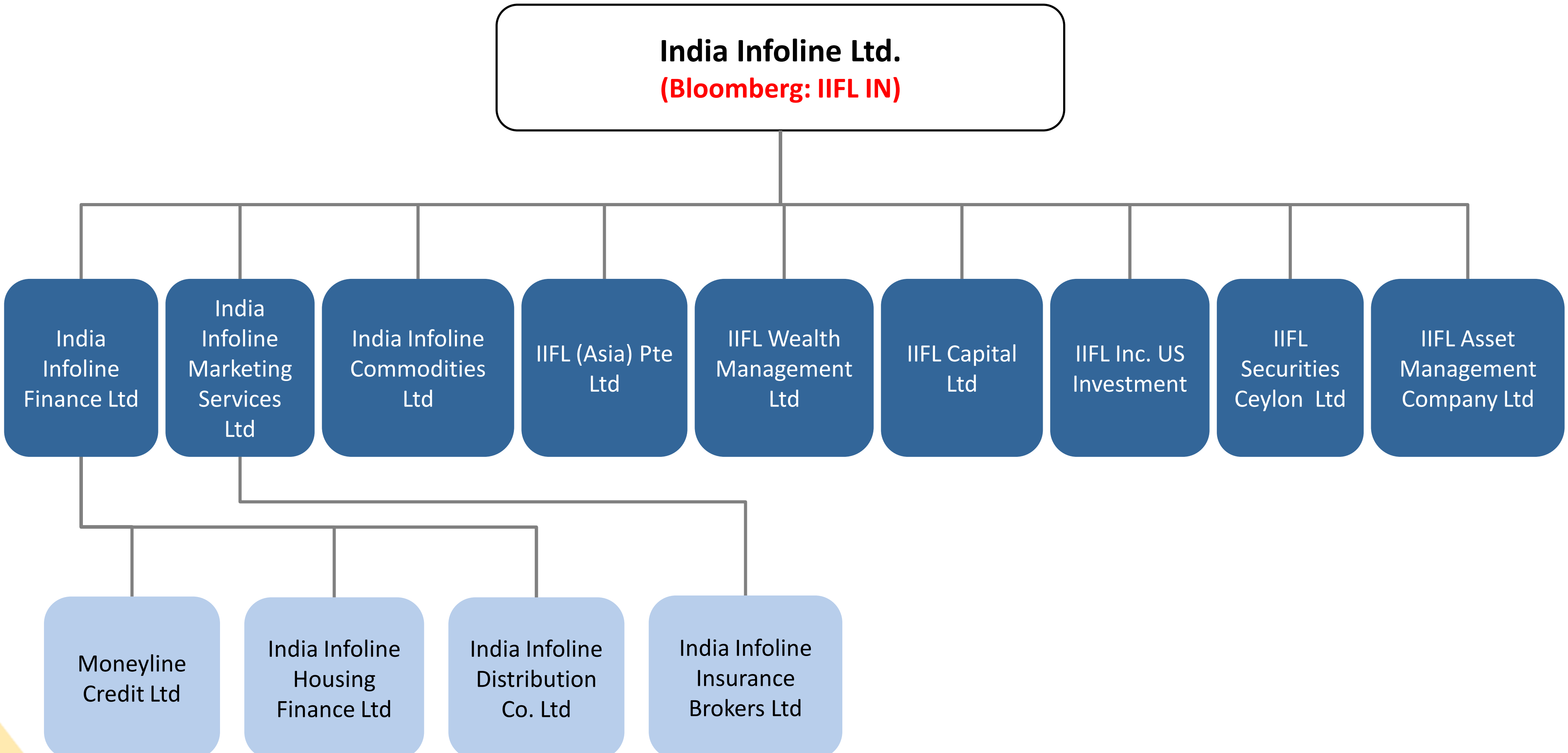
Business model



Our service offerings

- Equities
- Insurance
- Credit & finance
- Wealth management
- Asset management
- Investment banking

Corporate structure



** The above chart does not cover all group companies*

Vision and Strategy

Vision

"To become the **Most Respected Company** in the financial services space"

Business Strategy

- Continuously assimilate, analyse and apply knowledge to power superior financial decisions
- Focus on core competence in financial services
- Ensure de-risked business through multiple products and diverse revenue streams

Customer Strategy

- Drive stickiness through high quality research & service
- Maintain cutting-edge proprietary technology
- Wide, multi-modal network serving as one-stop shop to customers

People Strategy

- Attract exceptionally talented and driven people
- Ensure conducive environment
- Liberal Ownership-sharing

Management team

- Team with impeccable academic and professional credentials
- Open door, transparent and performance oriented culture
- Increasing level of employee ownership

Management Team

Chairman	Nirmal Jain	Managing Director	R. Venkataraman
Institutional Equities	H. Nemkumar	Finance	LP Aggarwal
Investment Banking	Ajay Srivastava	Compliance	R Mohan
Consumer Finance	Pratima Ram	Operations	Narendra Jain
Retail Broking	Prasanth Prabhakaran	Audit	Kamal Ahuja
Wealth Management	Karan Bhagat	Risk	Upendra Jaiswal
International Operations	Bharat Parajia	Human Resources	Pallab Mukherji
Offshore Asset Management	Deepesh Pandey	Technology	Sankarson Banerjee
Insurance Distribution	Mukesh Kumar Singh		

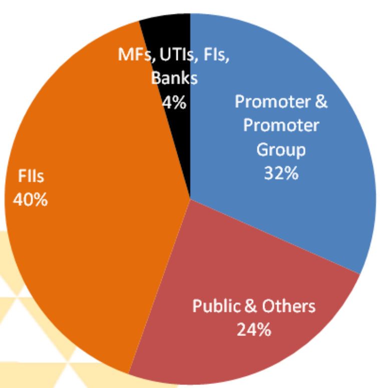
Verticals | Corporate Functions

Corporate governance

Eminent independent directors of group companies

Name	Designation	Brief Profile
A.K. Purwar	Independent Director	• Joined State Bank in 1968 and became chairman in 2002 • Became Chairman of SBI in 2002 and Indian Banks Association in the year 2005-06 • Received CEO of the year' and 'Outstanding Achiever of the year' award
Nilesh Vikamsey	Independent Director	• Chartered Accountant and partner of Khimji Kunverji & Co • Part of the Managing Council and heading the Corporate Members Committee of the Chamber of Tax Consultants (CTC)
Kranti Sinha	Independent Director	• Director and Chief Executive of LIC Housing Finance Limited -1998 to 2002 • Concurrently was the MD of LICHFL Care Homes • Served as Deputy President of Governing Council of Insurance Institute
M. N. Singh	Independent Director	• Joined the 'Indian Police Service' in 1967 • Worked as the chiefs of the crime branch of Mumbai Police, State CID and Anti-Corruption Bureau
Sunil Kaul	Independent Director	• Senior Director in the Carlyle Group • Has over 20 years of experience in corporate and consumer banking and has served as President of Citibank Japan's corporate and retail banking operations

Category-wise shareholding (%)



Board Committees

Board Committees	Key Role
Audit Committee	Supervise financial reporting process and ensure compliance with statutory requirements
Compensation Committee	Review compensation of Executive & Non – Executive Directors and senior employees
Share Transfer & Investor Grievance	Review investor grievances and ensure redressal to the satisfaction of the shareholders

How we differentiate ourselves

Managerial depth	• Promoted by first generation professional entrepreneurs • Highly qualified and experienced Management team
Well-capitalized	• Net worth of ₹17.6 bn • Significant unutilized capacity to leverage
Distribution reach	• Present at over 3,000 business locations across 500 cities in India • Global footprint covers Colombo, Dubai, New York and Singapore
Owner-mindset	• The top management is driven by pride and reward of ownership • To think and work like an owner is part of organization’s DNA
Technology edge	• Uniquely placed with proprietary front, mid and back office software • Effectively harnessed technology to provide superior customer experience
De-risked	• De-risked and diversified business model across multiple revenue streams • Multiple products across all segments of financial services

Recent awards and accolades

BEST BROKING HOUSE WITH GLOBAL PRESENCE	BEST WEALTH MANAGEMENT HOUSE – INDIA	BEST BROKER - INDIA, 2011	BEST EQUITY BROKER 2011	BEST MARKET ANALYST 2009
'Best Broking House with Global Presence' awarded by D&B Equity Broking Awards 2011	Awarded 'Best Wealth Management House – India' by The Asset Triple A 2011	Awarded 'Best Broker – India' by FinanceAsia Country Awards for Achievement 2011	'Best Equity Broker of the Year' at Bloomberg UTV Financial Leadership Awards 2011	Best Analyst awards in the 'Oil & Gas' and 'Commodities' sectors at the Zee Business for 2009

BEST BROKERAGE 2009	INDIA'S MOST VALUABE CEOs --2009	FASTEST GROWING BROKING HOUSE 2008

FLAME (IIFL's Financial Literacy Campaign) update

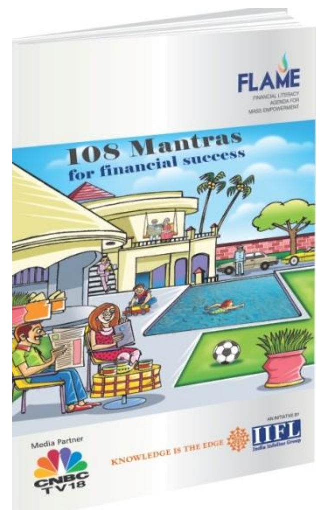
Launched a financial literacy certification course for students

Partnered with Swadhaar Finaccess (SFA), an NGO to impart financial education to women living in slum communities

Financial Literacy workshops being held across the country

Tied up with K J Somaiya and launched a 6-month program to impart financial knowledge to physically handicapped sections of the society

Our book on financial literacy '108 Mantras for Financial Success' is available across 70+ cities at 400+ top-line retail outlets across the country



Media campaigns in leading newspaper

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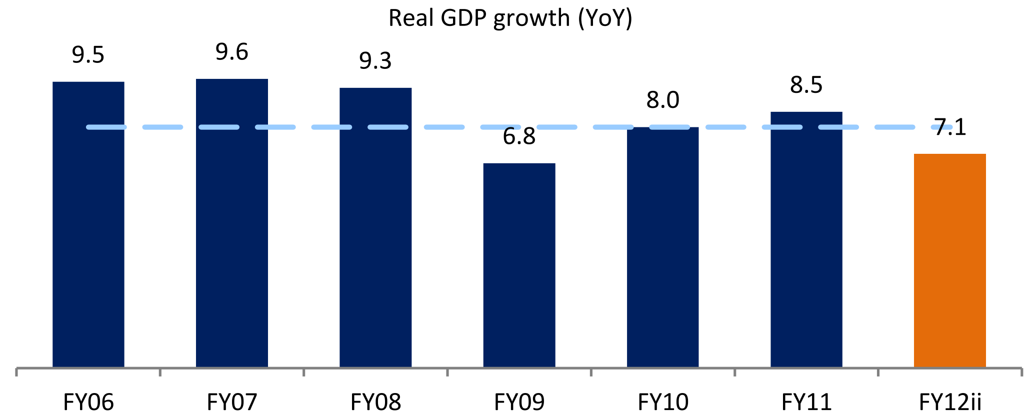
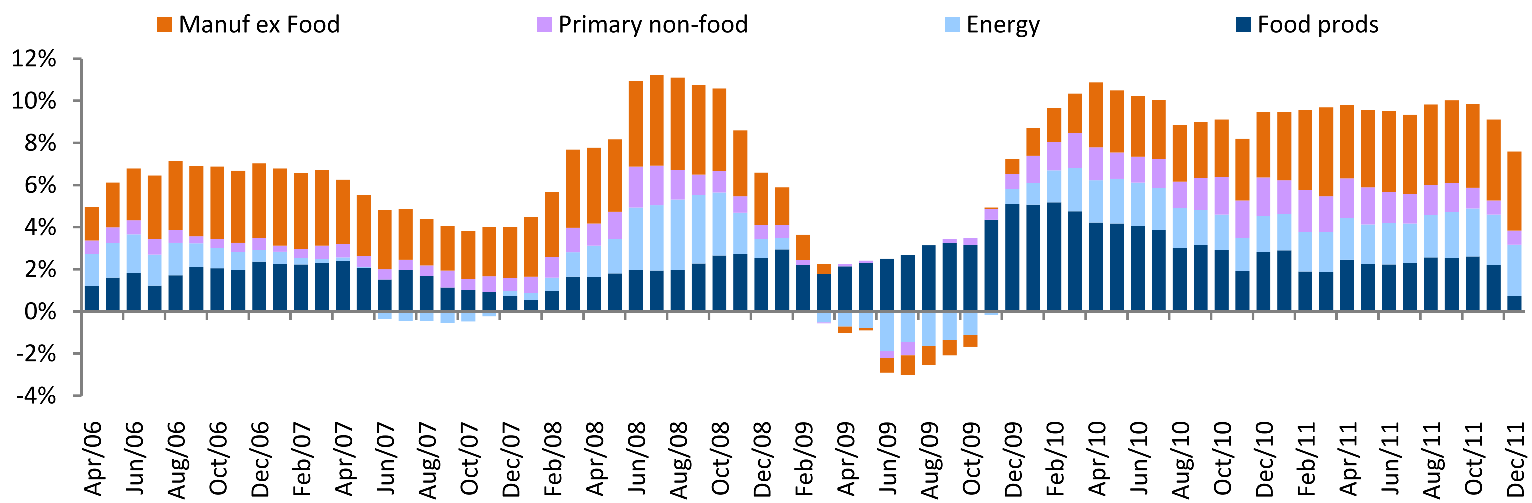
Economy

Growth may remain below trend in FY12



Source: CMIE, IIFL Research

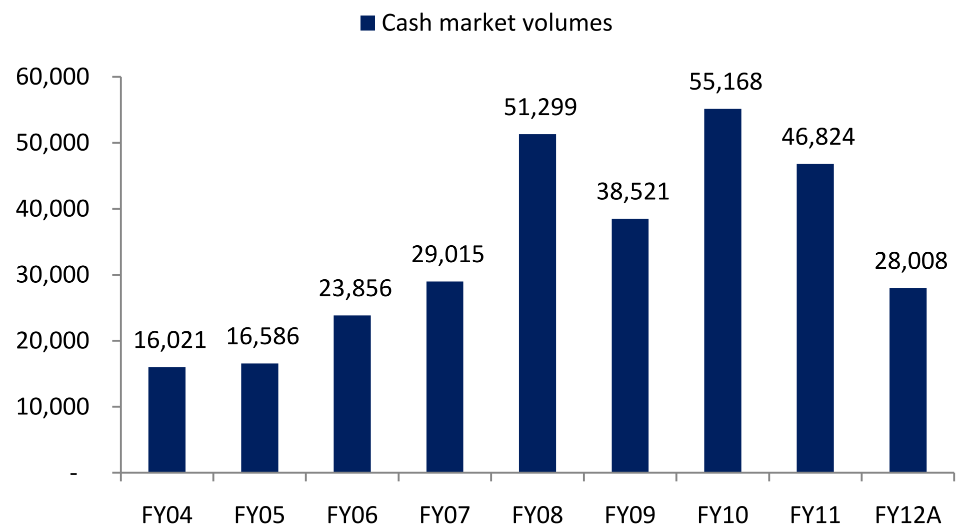
Inflation will come off as food and manufactured inflation comes off



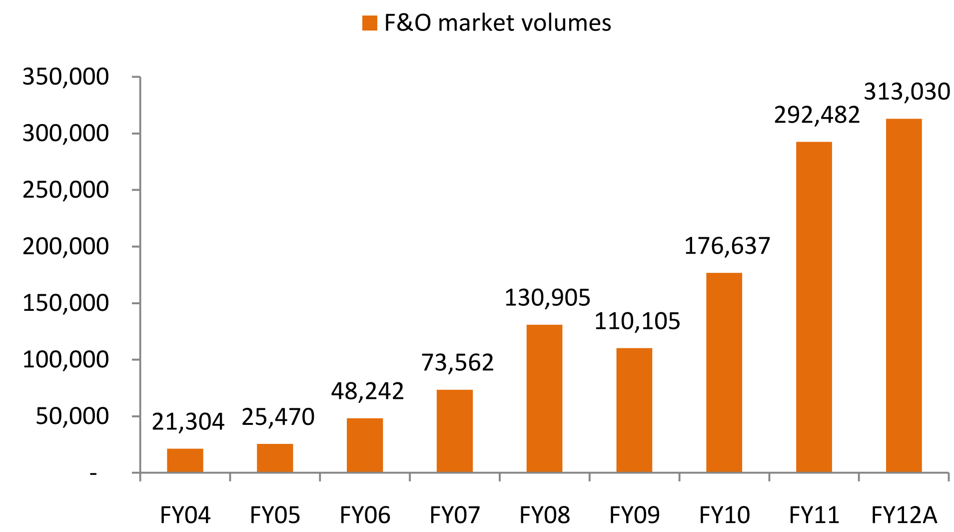
Source: CSO, IIFL Research

Equities

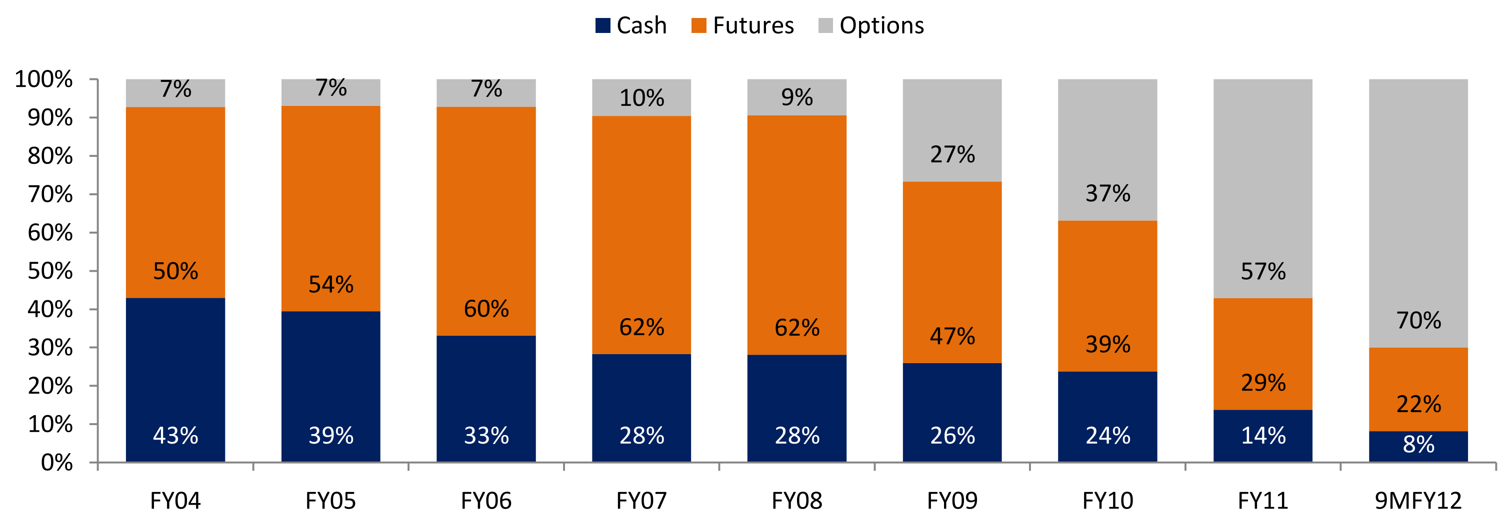
Continuous fall in cash market volumes (₹ bn)



F&O market volumes (₹ bn)



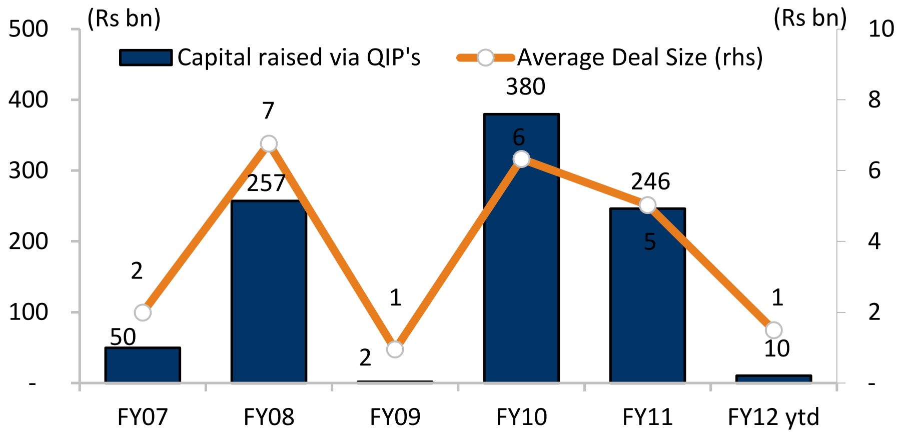
Share of cash market volumes continuously falling



Source: Exchange website, IIFL Research

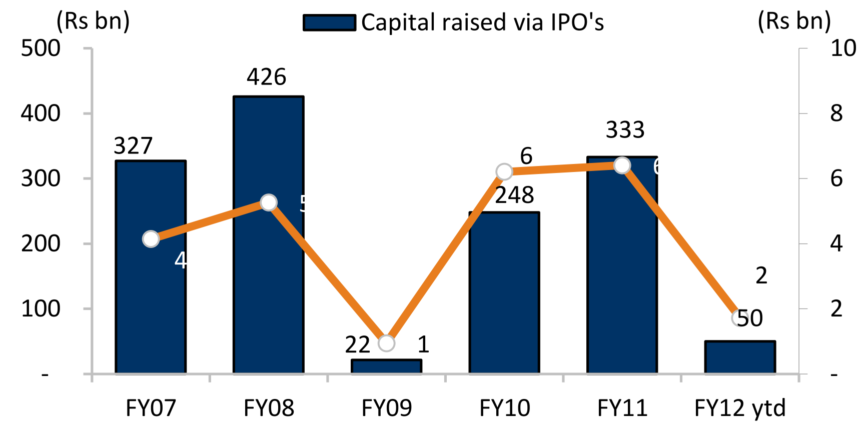
Capital raising and Fund flows

Capital raised through QIPs (₹ bn)



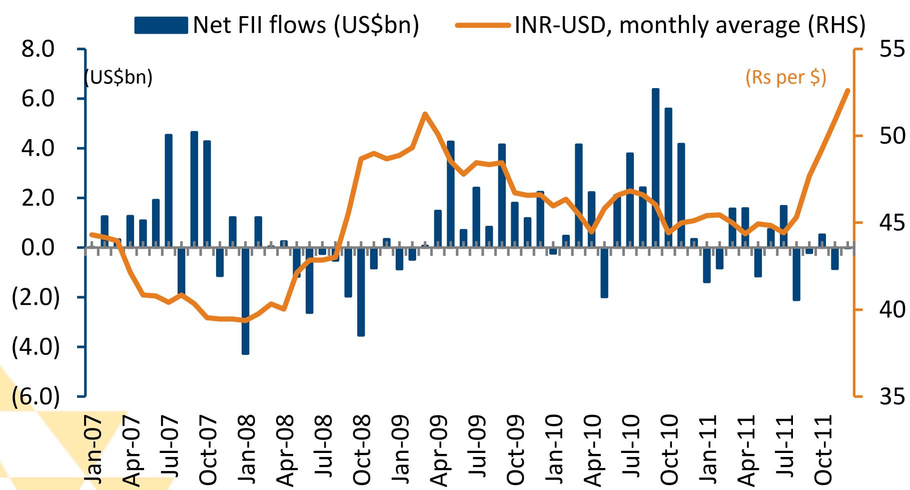
Source: Bloomberg, IIFL Research

Capital raised through IPOs (₹ bn)



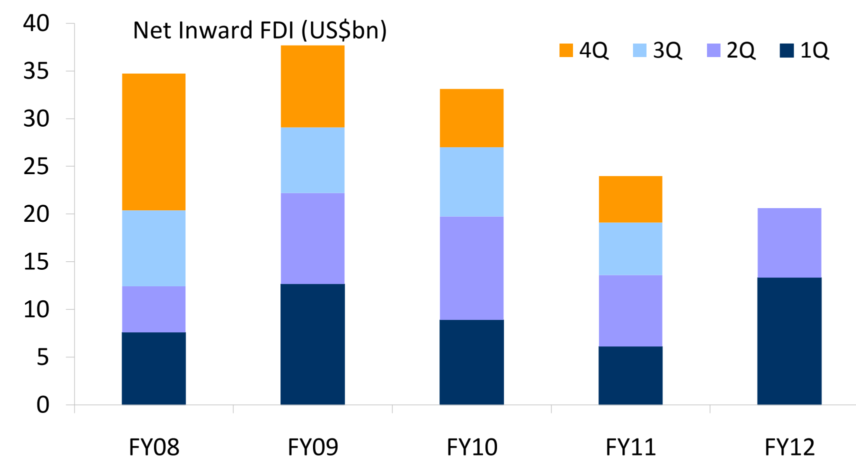
Source: Bloomberg, IIFL Research

Net FII flows (US$bn)



Source: Bloomberg, IIFL Research

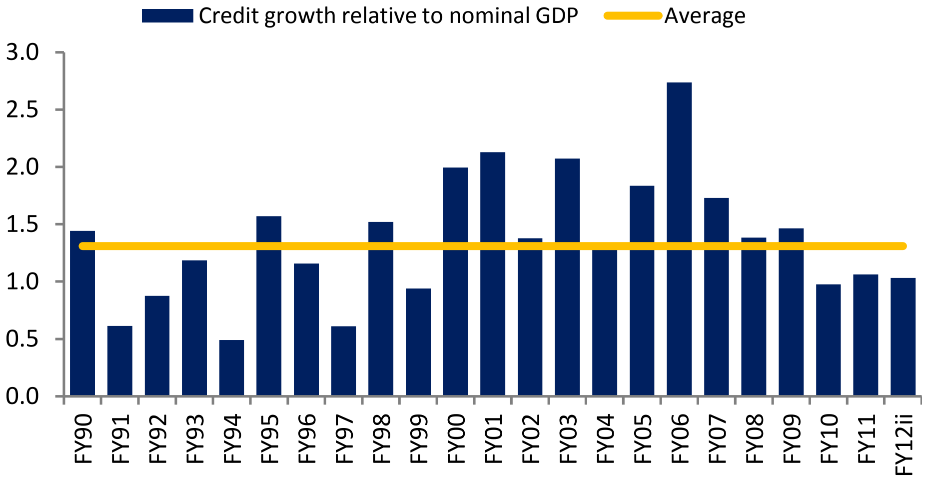
FDI inflows (US$bn)



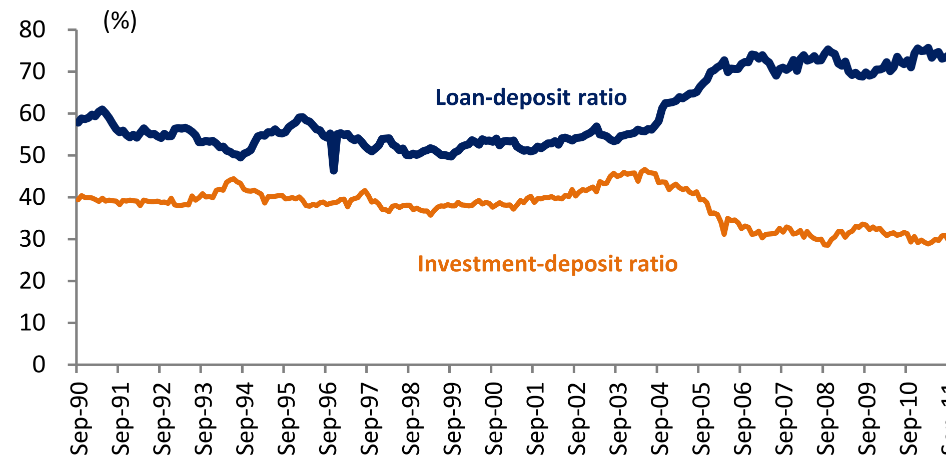
Source: RBI, CMIE, IIFL Research

Credit and Finance

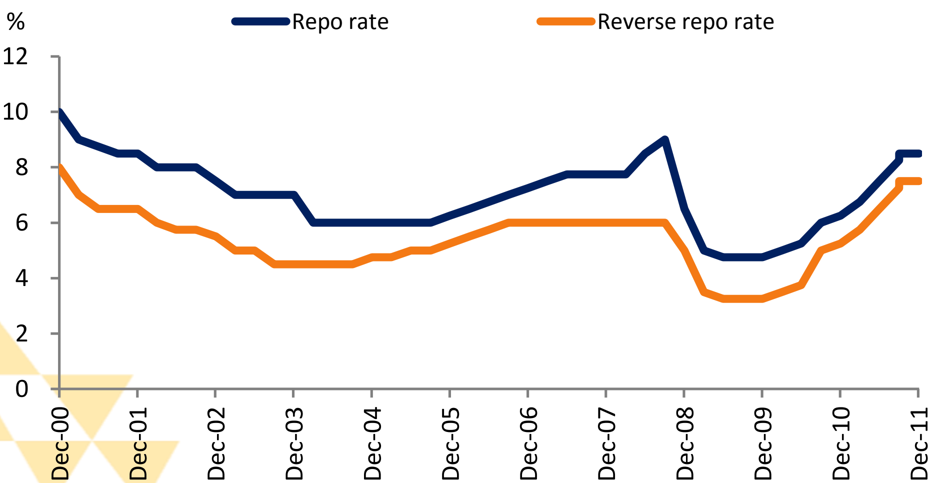
Credit growth to nominal GDP has been relatively sluggish



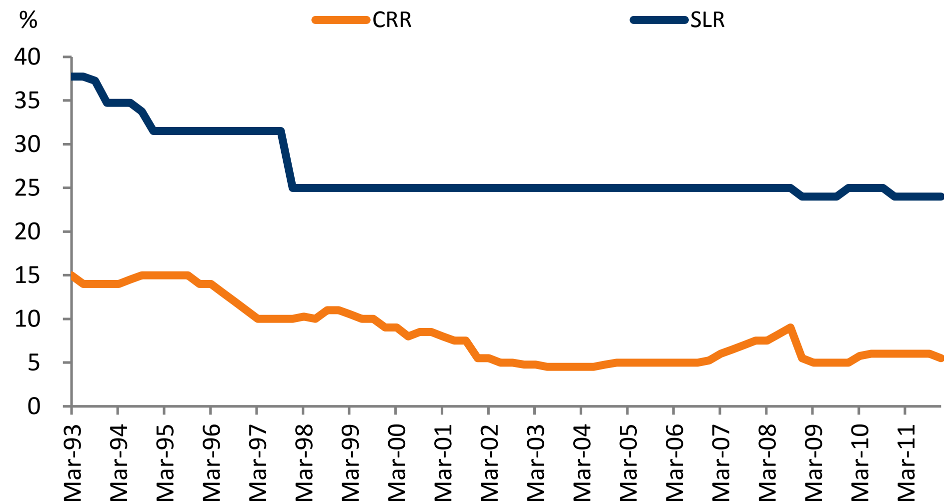
Loan–deposit ratio has structurally moved up



Policy rates have structurally come down



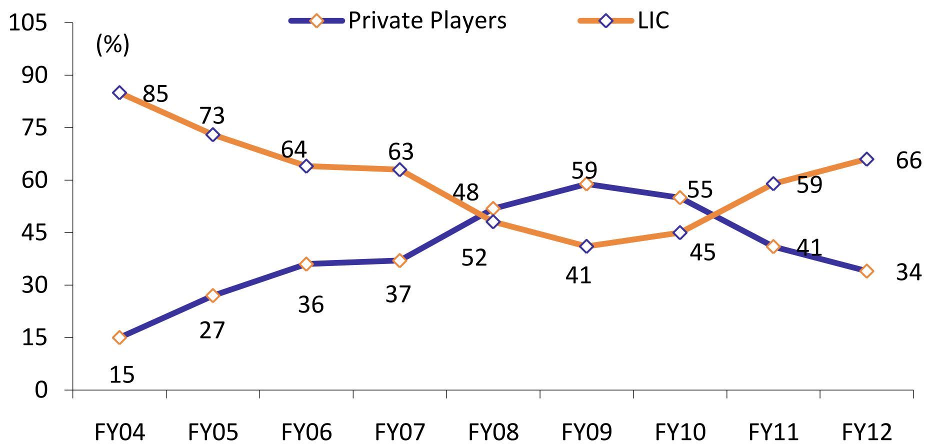
Reserve ratios - CRR and SLR trend



Source: CMIE, RBI, World Bank, IIFL Research

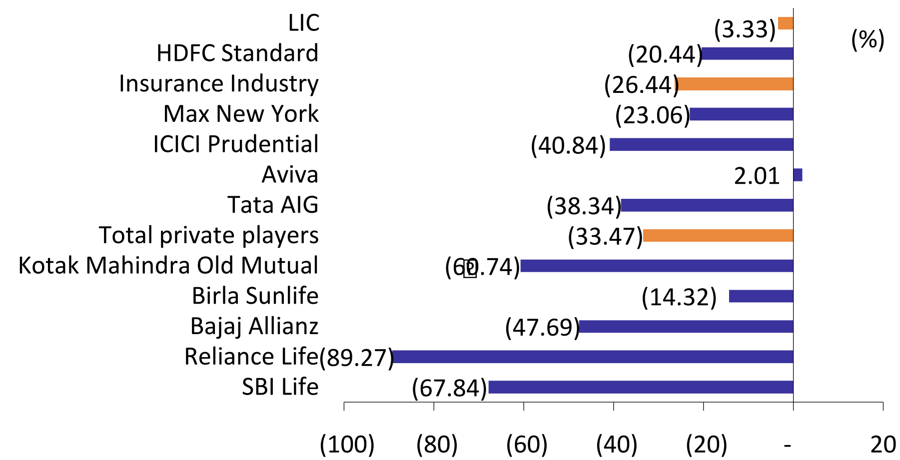
Insurance and Mutual funds

APE market share (%) – Dec 2011



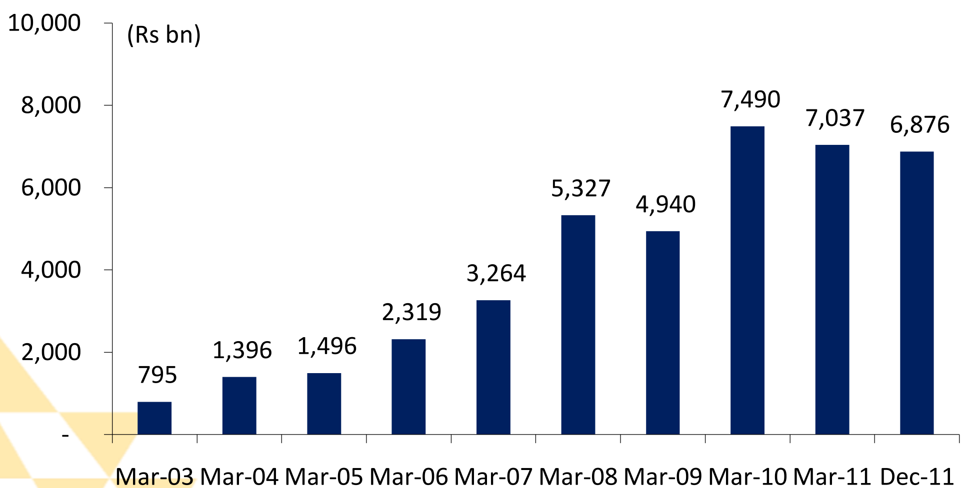
Source: IRDA

APE growth YTD yoy (%) – Dec 2011



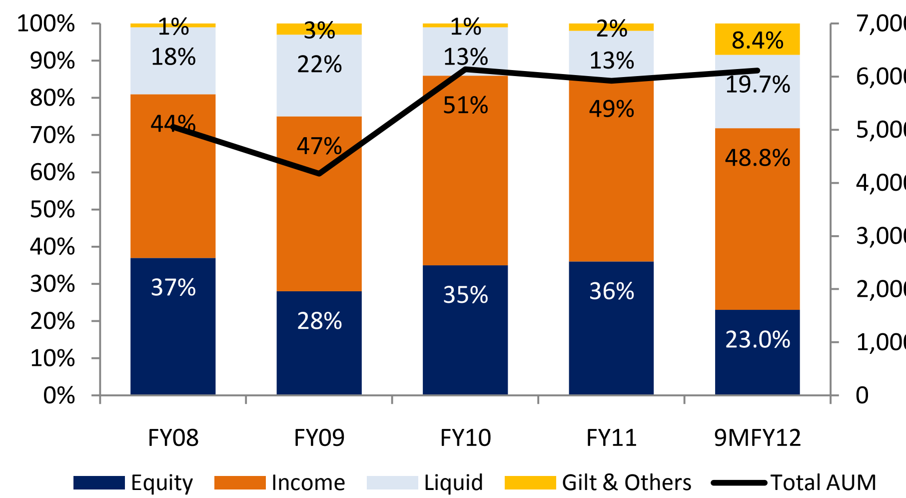
Source: IRDA

Total AUM for the industry (₹ bn) – Dec 2011



Source: AMFI

AUM by asset class (₹ bn)



Source: AMFI

Thank you