India Infoline Limited

Results for Quarter ended June 30, 2011

July 30, 2011

- Performance highlights
- Business review
- Corporate overview
- Industry update

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

Performance highlights: Quarter ended June 30, 2011

Overall consolidated financial performance

- Income at ₹3,596 mn, up 18% yoy, down 2% qoq
- PBT and PAT at ₹424 mn and ₹273 mn, down 35% and 37% yoy, down 35% and 42% qoq respectively
- Lower brokerage income and higher interest cost have impacted margins

Equities broking and related

- Average daily turnover in the equities segment at ₹52 bn, up 20% yoy, down 15% qoq
- Yields under pressure due to change in the product mix in favor of futures and options segment
- Overall market share in NSE maintained at 4% in Q1FY12
- Commodities market share maintained at 2.2% in Q1FY12

Financing and Investing

- The aggregate loan book more than doubled to around ₹39 bn from ₹19 bn in Q1FY11
- NPAs on the book continue to remain less than 1%
- Investment in new branches and infrastructure increased overhead costs

Distribution and Marketing

- Distribution and Marketing income was ₹419 mn, up 0.4% yoy and down 7% qoq
- IIFL offers a wide bouquet of products to customers from all leading insurance companies
- Product mix is dominated by endowment products

Q1FY12 performance - YoY

₹ Mn	Q1FY12	Q1FY11	*Y-Y*
Equities, Broking and related income	1,339.6	1,543.3	*(13.2%)*
Financing and Investing income	1,827.9	1,097.8	*66.5%*
Distribution and Marketing income	418.6	417.0	*0.4%*
Other income	9.4	1.8	*415.7%*
Total Income	**3,595.5**	**3,059.9**	***17.5%***
A. Direct cost	548.7	477.4	*15.0%*
B. Employee cost	960.0	919.7	*4.4%*
C. Administration expenses	693.2	572.5	*21.1%*
EBITDA	**1,393.6**	**1,090.3**	***27.8%***
Interest	818.3	282.9	*189.3%*
Depreciation and amortization	151.0	154.2	*(2.0%)*
Profit / (Loss) before tax	**424.3**	**653.2**	***(35.0%)***
Provision for taxation	140.8	212.8	*(19.7%)*
Profit/(Loss) after tax before minority	**283.5**	**440.4**	***(35.6%)***
Minority Interest	10.4	9.0	*15.2%*
Profit/(Loss) after tax	**273.1**	**431.4**	***(36.7%)***

Q1FY12 performance - QoQ

₹ Mn	Q1FY12	Q4FY11	Q-Q
Equities, Broking and related income	1,339.6	1,649.8	*(18.8%)*
Financing and Investing income	1,827.9	1,576.6	*15.9%*
Distribution and Marketing income	418.6	447.6	*(6.5%)*
Other income	9.4	10.1	*(6.1%)*
Total Income	**3,595.5**	**3,684.1**	***(2.4%)***
A. Direct cost	548.7	535.0	*2.6%*
B. Employee cost	960.0	977.0	*(1.7%)*
C. Administration expenses	693.2	751.4	*(7.7%)*
EBITDA	**1,393.6**	**1,420.7**	***(1.9%)***
Interest	818.3	647.5	*26.4%*
Depreciation and amortization	151.0	121.7	*24.1%*
Profit / (Loss) before tax	**424.3**	**651.5**	***(34.9%)***
Provision for taxation	140.8	177.6	*(20.7%)*
Profit/(Loss) after tax before minority	**283.5**	**473.9**	***(40.2%)***
Minority Interest	10.4	6.0	*73.9%*
Profit/(Loss) after tax	**273.1**	**467.9**	***(41.6%)***

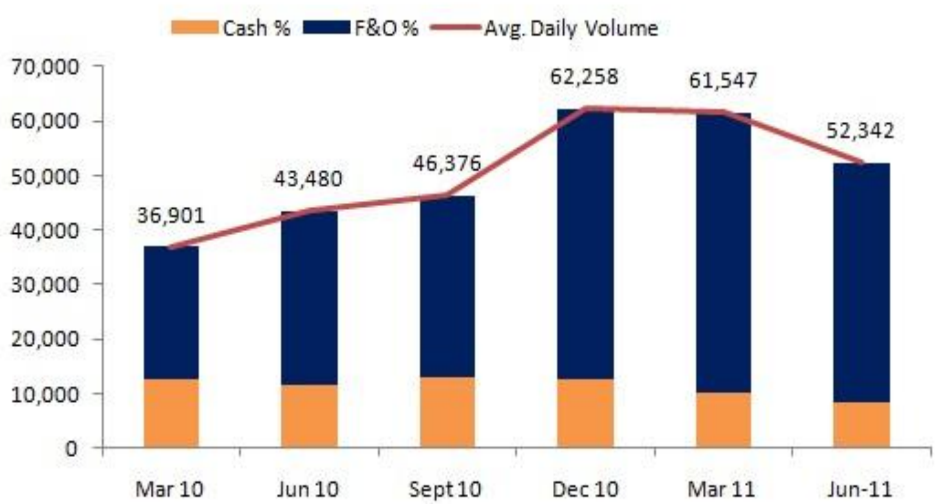
- Performance highlights
- **Business review**
- Corporate overview
- Industry update

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

Equities broking

- Equities, broking and related income for Q1FY11 was ₹1,340 mn, down 13% yoy and 19% qoq
- Market share on NSE continues to remain at 4.0% in Q1FY12
- Average daily turnover in the equities segment at ₹52 bn, up 20% yoy, down 15% qoq
- Yields continue to remain under pressure due to change in the product mix in favour of futures and options segment
- Present in above 3,000 business locations through branches and sub-brokers

Average Daily Turnover (₹ mn)



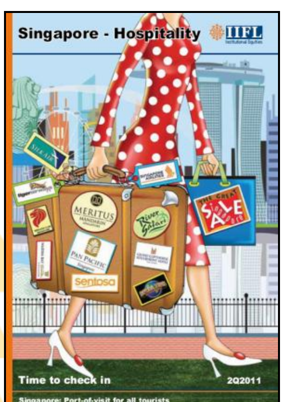
Market share on NSE (in %)

Research

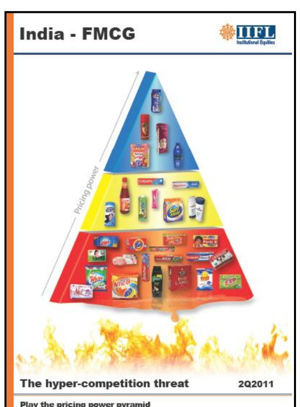
- Over 150 stocks under coverage
- Our in-depth, thematic research has been well received. Our recent research reports include:
  - Singapore Hospitality: A detailed analysis of Singapore's hospitality market
  - India -- FMCG: FMCG - the hyper-competition threat and the influence of pricing power
  - India – Strategy: A timely analysis on the current state of India's valuation
  - India Utilities: An analysis of India's cash-strapped utilities and implications for the sector
- 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

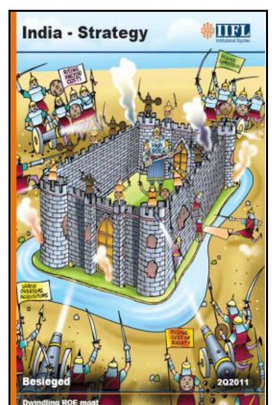
A detailed analysis of Singapore's hospitality market



FMCG - the hyper-competition threat and the influence of pricing power



A timely analysis on the current state of India's valuation



An analysis of India's cash-strapped utilities and implications for the sector

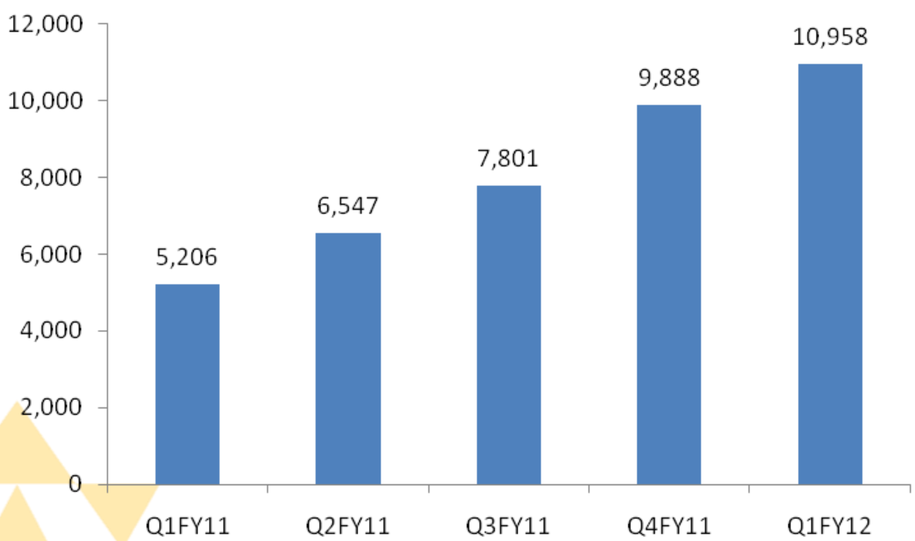
Rigorous company research that goes far beyond the basics

A detailed report on SingTel, the largest emerging-markets player in Singapore

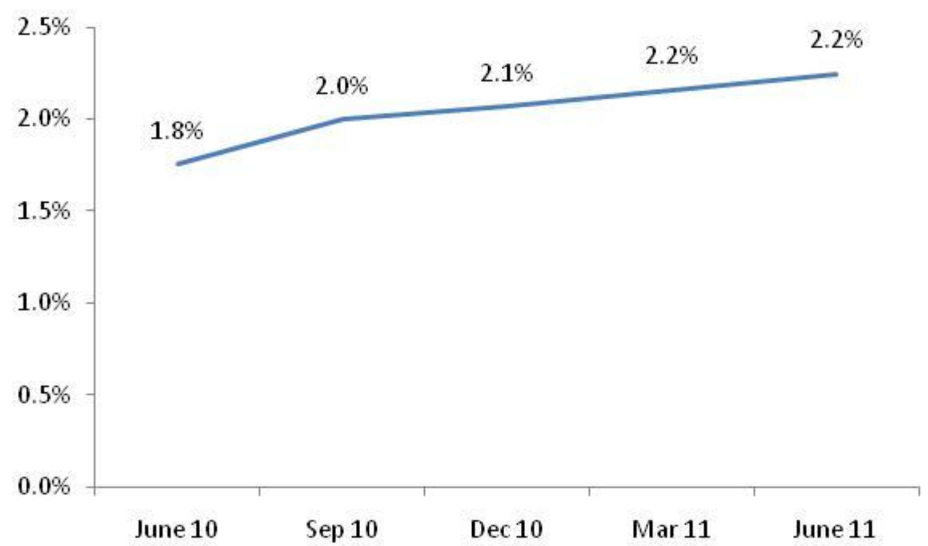
Commodities broking

- Commodities market share maintained at 2.2% in Q1FY12
- Average daily turnover is up 110.5% YoY in Q1FY12 to around ₹11 bn
- The commodities market turnover has increased by 64.4% YoY
- Become a member of National Spot Exchange Limited (NSEL) and commenced operations

Average Daily Turnover (₹ mn)



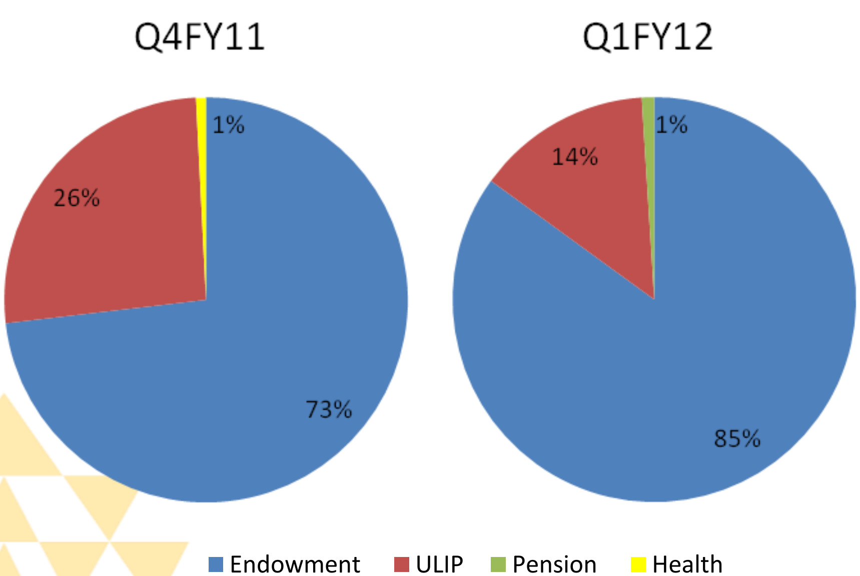
Market share (in %)



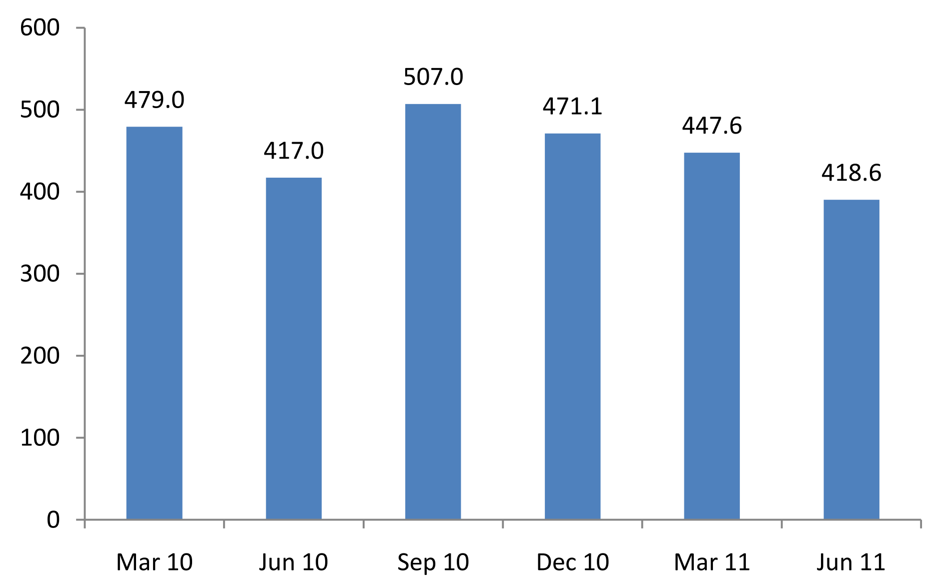
Financial product distribution

- Marketing and distribution income in Q1FY12 was ₹419 mn, up 0.4% yoy, down 7% qoq
- Insurance premium mobilization in Q1FY12 was ₹595 mn, up 7.3% yoy, down 24% qoq
- Share of Endowment products has increased by 12% qoq
- Industry is witnessing a downtrend with a drop in pension and ULIP sales post changes made by the regulators. Insurance industry private sector volumes down 29% yoy for the first 2 months of current fiscal year

Changing product mix (Insurance)



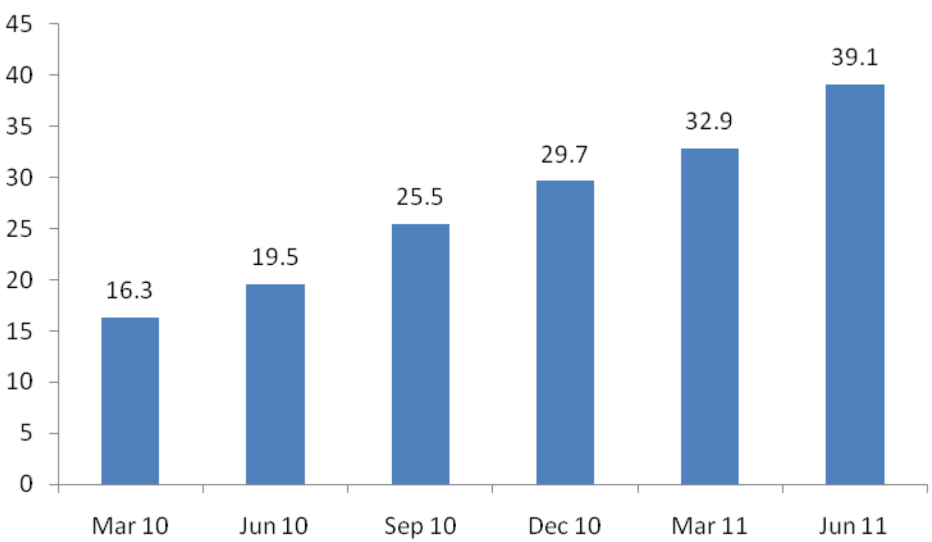
Distribution and Marketing income (₹ mn)



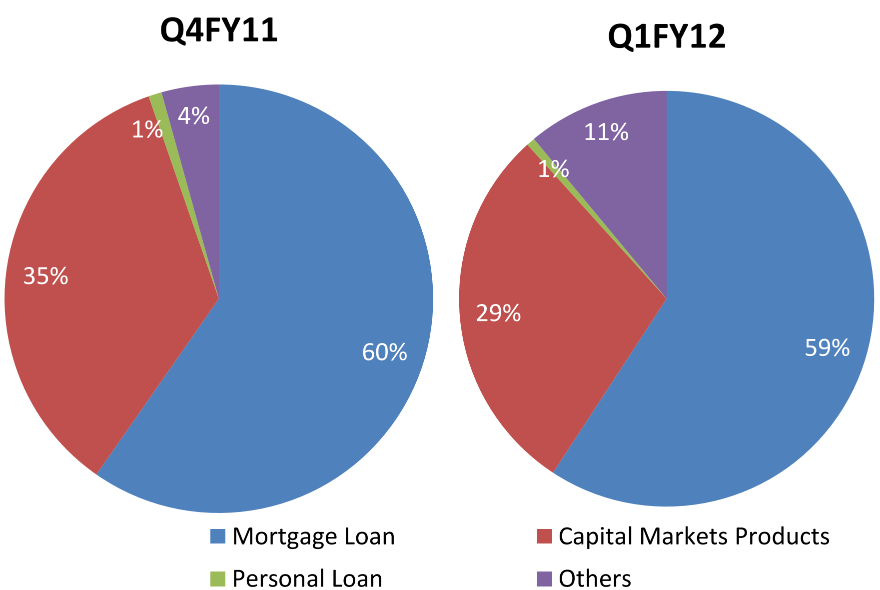
Financing and Lending

- The loans portfolio as on June 30, 2012 increased to around ₹39 bn
- Our loan book largely comprises secured lending with mortgages comprising 59% of the total loan book and capital market products comprising 29%. Other loans including gold loans and medical equipment financing comprise 11%
- Set up 490 gold loan branches which has led to an increase in admin and operating costs

Loan Portfolio (₹ bn)



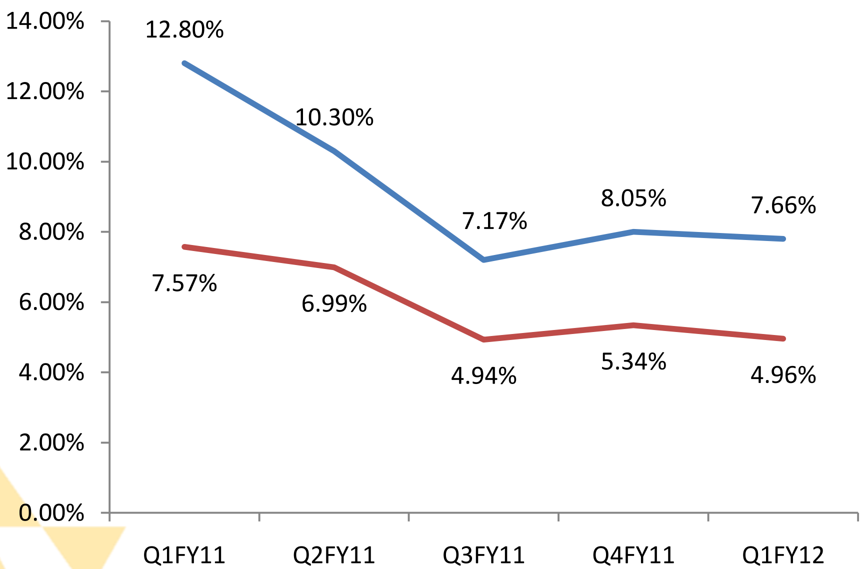
Portfolio break-up



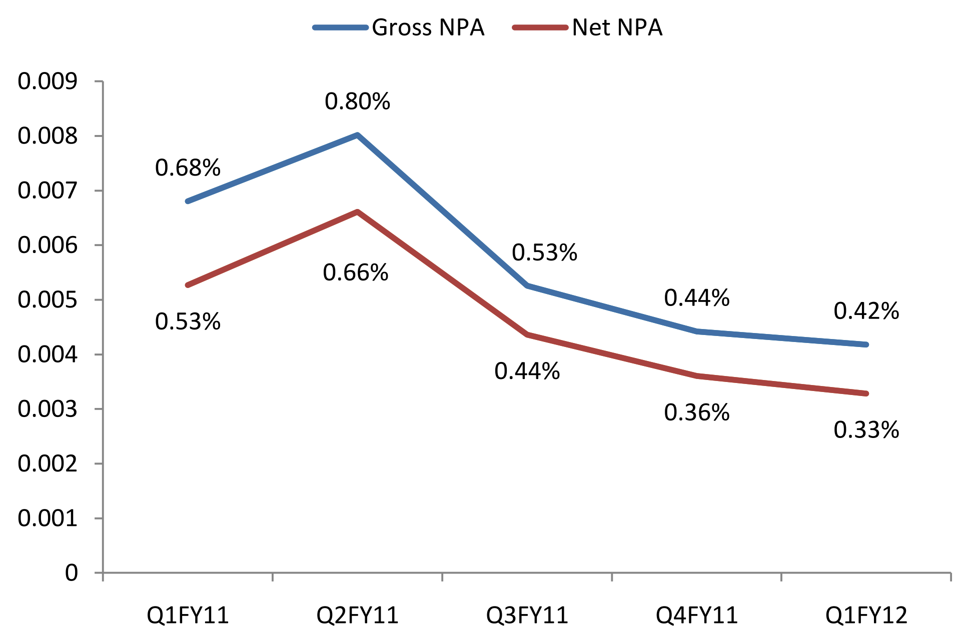
Financing and Lending continued

- NPAs on the books continue to remain less than 1%
- Net interest margin and loan spreads, both are at healthy levels
- Presence of robust credit and underwriting mechanisms, audit and risk management processes and policies which help to maintain the quality of the loan portfolio

Net interest margin and Loan spread (%)



Gross and Net NPA (%)



Wealth management

- Assets Under Advisory(AuA) of over ₹240 bn
- Strong product platform across all asset classes backed by research across fixed income as well as equity
- Established global presence in London and Geneva
- Launched the Query Management System – both internal (for own team) and external (clients)
- Launched NRI Equity Advisory Desk with focus on Middle East and South East Asia
- Continuously investing in training infrastructure and resources to further enhance the existing knowledge and skill set of employees

PLATFORM

EQUITY

- Direct Equity
- Equity Mutual Funds
- Equity Structure Products
- Equity Managed A/c's (DPMS)
- Private Equity Transactions
- Separate Demat

Debt

- Bonds & Other Debt
- Debt Mutual Funds
- Debt Structured Products
- Debt Managed A/c's (DPMS)
- Loan Assignments

Real Estate

- Real Estate Advisory
- Real Estate Managed A/c's (DPMS)

Cash

- Cash & Cash Equivalents

Best Equity Broker of the Year - 2011

- IIFL has been awarded the ‘**Best Broker in India**’ by Finance Asia. This was a result of FinanceAsia’s annual look at the best financial services firms in each country around Asia which culminated in the Country Awards 2011
- IIFL was awarded the **'Best Equity Broker of the Year'** at the Bloomberg UTV Financial Leadership Awards, 2011 by the Hon'ble Finance Minister of India, Shri Pranab Mukherjee

IIFL awarded ‘India’s Best Equity Broker of the Year’

COUNTRY AWARDS FOR ACHIEVEMENT 2011 FinanceAsia

BEST BROKER - INDIA
FINANCEASIA 2011

Bloomberg UTV FINANCIAL LEADERSHIP AWARDS 2011

INDIA’S BEST EQUITY
BROKER 2011
BLOOOMBERG UTV 2011

March 26, 2011 | Hon'ble Finance Minister presenting India’s Best Equity Broker Award to IIFL.

IIISL to make a public issue of NCDs

- India Infoline Investment Services Limited (IIISL), an NBFC subsidiary of IIFL will open its maiden public issue of Secured Redeemable NCDs
- The NCD Issue with three investment options and interest rate of upto 11.90% p.a. for 5 year NCDs opens on August 4, 2011, and closes on August 12, 2011
- The NCDs will be listed on the NSE and BSE
- The NCDs under this Issue have been rated 'ICRA+AA- (stable)' by ICRA, and 'CARE AA-' by CARE

Prospectus
July 28, 2011

INDIA INFOLINE INVESTMENT SERVICES LIMITED

A Public Limited Company incorporated under the Companies Act, 1956, as amended ("the Act").
Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934).
Registered Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-2, Thane Industrial Area, Wagle Estate, Thane – 400 604
Tel: +91 22 2580 6650 Fax: +91 22 2580 6654
Corporate Office: IIFL Center, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
Tel.: +91 22 4249 9000 Fax: +91 22 2495 4313 Website: www.iiflinvestments.com
Compliance Officer and Contact Person: Mr. Binoy Parikh; E-mail: binoy.parikh@indiainfoline.com

Public Issue by India Infoline Investment Services Limited, ("Company" or "Issuer") of Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each, ("NCDs"), aggregating upto ₹ 3,750 million with an option to retain over-subscription upto ₹ 3,750 million for issuance of additional NCDs aggregating to a total of upto ₹ 7,500 million, hereinafter referred to as the "Issue".

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to the chapter titled "*Risk Factors*" on pages x to xxiii of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated '[ICRA] AA – (stable)' by ICRA for an amount of upto ₹7,500 million vide its letter dated July 19, 2011, and 'CARE AA-' by CARE for an amount of upto ₹7,500 million vide its letter dated July 19, 2011. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The modifier "-" (minus) reflects the comparative standing within the category. The rating of NCDs by CARE indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by ICRA and/or CARE may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to page 7 of this Prospectus for the rationale for the above ratings.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on the National Stock Exchange of India Limited ("*NSE*") and Bombay Stock Exchange Limited ("*BSE*"). Our Company has obtained 'in-principle' approvals for the Issue from NSE and BSE vide their letters both dated July 28, 2011. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

LEAD MANAGERS			REGISTRAR TO THE ISSUE
AXIS BANK LIMITED 5th floor, Axis House, Bombay Dyeing Mills Compound, P.B. Marg, Worli, Mumbai 400 025, Maharashtra, India Tel: +91 22 2425 4560 Fax: +91 22 2425 7100 Email: [illegible] Investor Grievance Email: [illegible] Website: www.axisbank.com Contact Person: Mr Kartik Shah/ Mr Rajneesh Kumar Compliance Officer: Mr. Advait Majmudar SEBI Regn. No. INM000006104	JM FINANCIAL CONSULTANTS PRIVATE LIMITED 141 Maker Chambers III, Nariman Point, Mumbai 400 021, Maharashtra, India Tel: + 91 22 6630 3030 Fax:+91 22 2204 2137 Email: [illegible] Investor Grievance Email: [illegible] Website: www.jmfinancial.in Contact Person: Ms. Lakshmi Lakshmanan Compliance Officer: Mr. Chintal Sakaria SEBI Regn. No.: INM000010361	A.K. CAPITAL SERVICES LIMITED 30-39, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021, Maharashtra, India Tel: + 91 22 6754 6500/6634 Fax: + 91 22 6610 0594 Email: [illegible] Investor Grievance Email: [illegible] Website: [illegible] Contact Person: Mr. Hitesh Shah Compliance Officer: Mr.Vikas Agarwal SEBI Regn. No.: INM000010411	LINK INTIME INDIA PRIVATE LIMITED C – 13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078, Maharashtra, India Tel: +91 22 2596 0320; Fax: +91 22 2596 0329 Toll free: 1-800-220320 Email: [illegible] Investor Grievance mail: [illegible] Website: www.linkintime.co.in Contact Person: Mr. Sanjog Sud SEBI Regn. Number: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON: August 4, 2011	ISSUE CLOSES ON: August 12, 2011*

**The subscription list for the Issue shall remain open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated above or earlier or on such date as may be decided at the discretion of the duly authorized committee of Directors of our Company subject to necessary approvals. In the event of such early closure of subscription list of the Issue, our Company shall ensure that notice of such early closure is given on such early date of closure through advertisement/s in a leading national daily newspaper.*

IDBI Trusteeship Services Limited has by its letter dated July 18, 2011 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

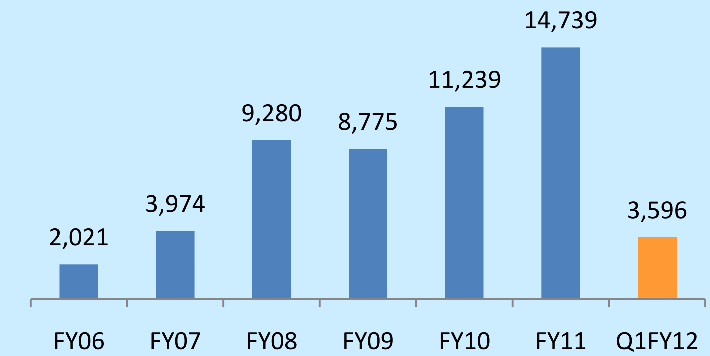
A copy of the final Prospectus and written consents of our Promoter, our Directors, our Company Secretary and Compliance Officer, our Auditor, the legal advisor, the Lead Managers, the Syndicate Members, the Registrar to the Issue, Escrow Collection Bank(s), Refund Bank, Credit Rating Agency, the Bankers to our Company, the Debenture Trustee, and the Lead Brokers to act in their respective capacities shall be filed with the Registrar of Companies, Mumbai, in terms of section 58 and section 60 of the Act along with the requisite endorsed/certified copies of all requisite documents. For further details please refer to the chapter titled "*Material Contracts and Documents for Inspection*" beginning on page 275 of this Prospectus.

- Performance highlights
- Business review
- **Corporate overview**
- Industry update

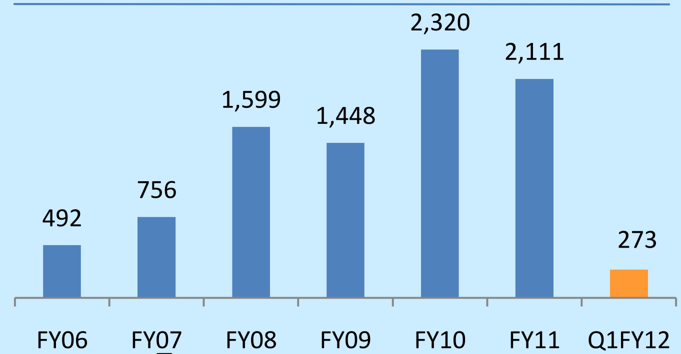
Evolution

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 ↗ Commenced operations in Singapore & Colombo
2011	↗ Received SEBI final approval for IIFL Mutual Fund

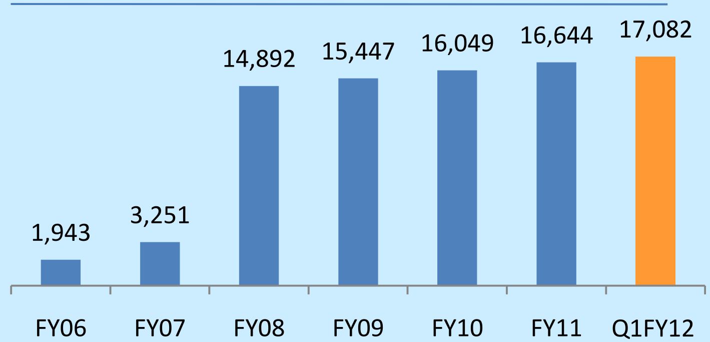
Income (₹ mn)



Net Profit (₹ mn)



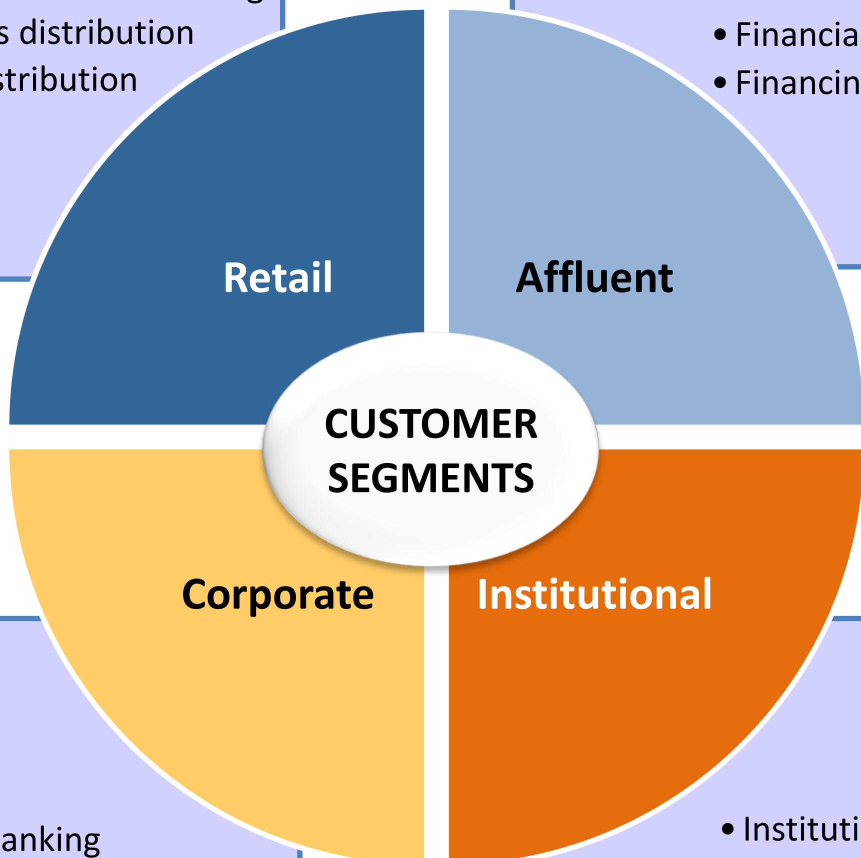
Networth (₹ mn)



Business model

- Equities, commodities broking
- Mutual funds distribution
- Insurance distribution
- Loans

- Wealth management
- Financial advisory
- Financing



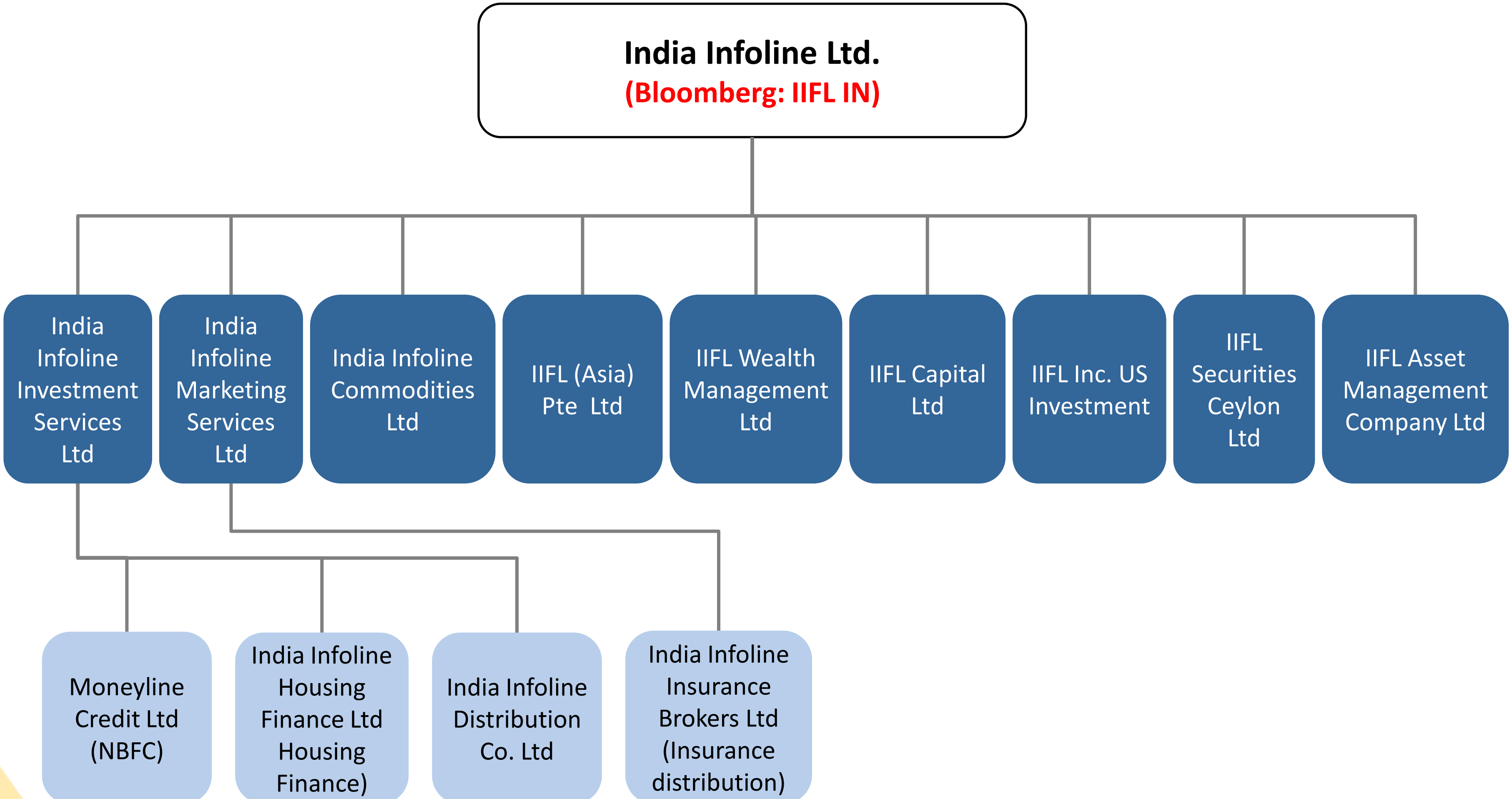
- Investment banking
- Corporate debt

- Institutional equities
- Derivatives

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	Ajit Menon, Donald D'Souza	Compliance	R Mohan
Consumer Finance	Pratima Ram	Operations	Narendra Jain
Retail Broking	Nandip Vaidya	Audit & Risk	Upendra Jaiswal
Wealth Management	Karan Bhagat	Human Resources	Pallab Mukherji
International Operations	Bharat Parajia	Technology	Sankarson Banerjee
Offshore Asset Management	Deepesh Pandey		
Insurance Distribution	Mukesh Kumar Singh		

Verticals

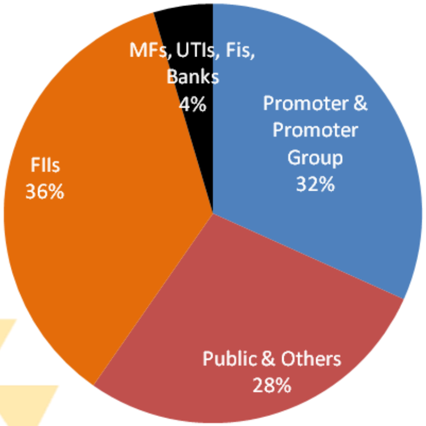
Corporate Functions

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 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

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 more than ₹ 17 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 BROKER - INDIA FINANCEASIA 2011

Awarded 'Best Broker – India' by FinanceAsia Country Awards for Achievement 2011

BEST EQUITY BROKER 2011

'Best Equity Broker of the Year' at Bloomberg UTV Financial Leadership Awards 2011

BEST MARKET ANALYST 2009

Best Analyst awards in the 'Oil & Gas' and 'Commodities' sectors at the Zee Business for 2009

BEST BROKERAGE 2009

Amongst the top 3 for 'Best Brokerage' in India by AsiaMoney for 2009

INDIA'S MOST VALUABE CEOs 2009

Nirmal Jain ranked second in 'India's Most Valuable CEOS' by Business World for 2009

BEST BROKER – INDIA 2008

MOST IMPROVED BROKERAGE – INDIA 2008

FASTEST GROWING BROKING HOUSE 2008

- Performance highlights
- Business review
- Corporate overview
- **Industry update**

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

Equities

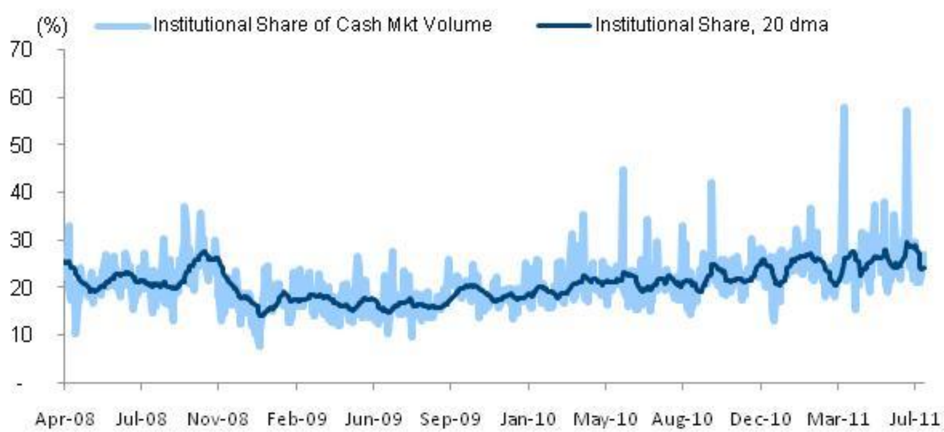
Daily cash market turnover (US$bn)

Source: Bloomberg, IIFL Research

Daily derivatives market turnover (US$bn)

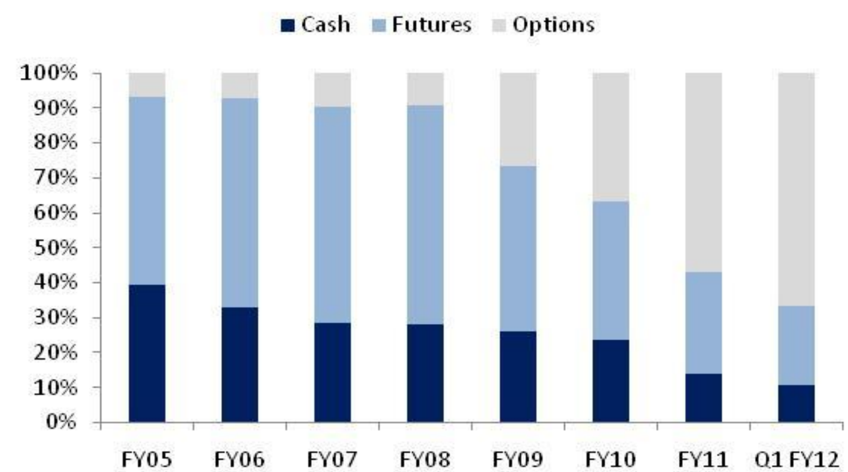
Source: Bloomberg, IIFL Research

Institutional Share of cash market volumes



Source: Bloomberg, IIFL Research. Based on provisional data from the exchanges

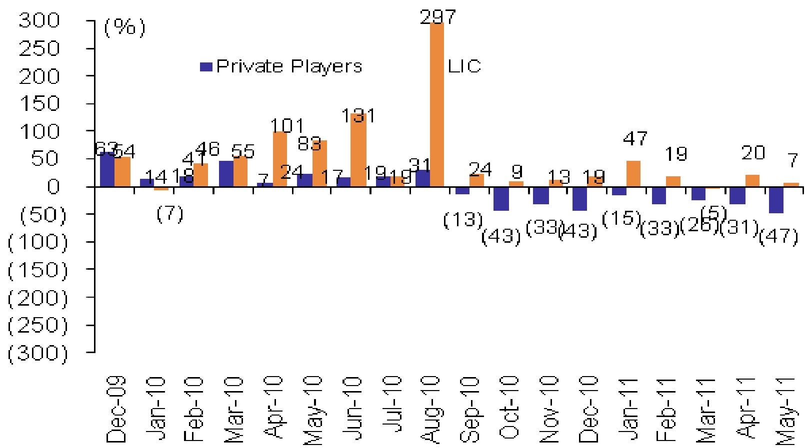
Increasing share of derivatives turnover in market



Source: Exchange website, IIFL Research

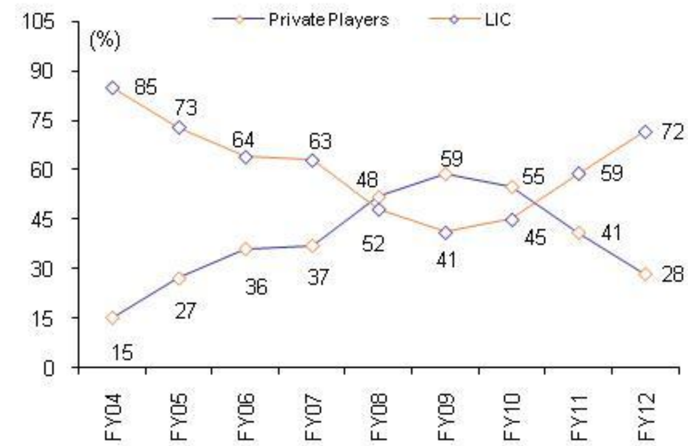
Insurance

APE YoY growth (%) – May 2011



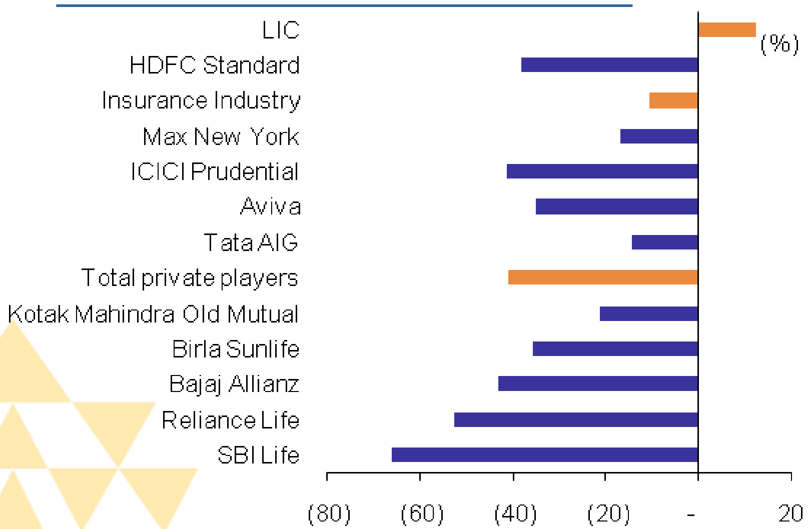
Source: IRDA

APE market share (%) – May 2011



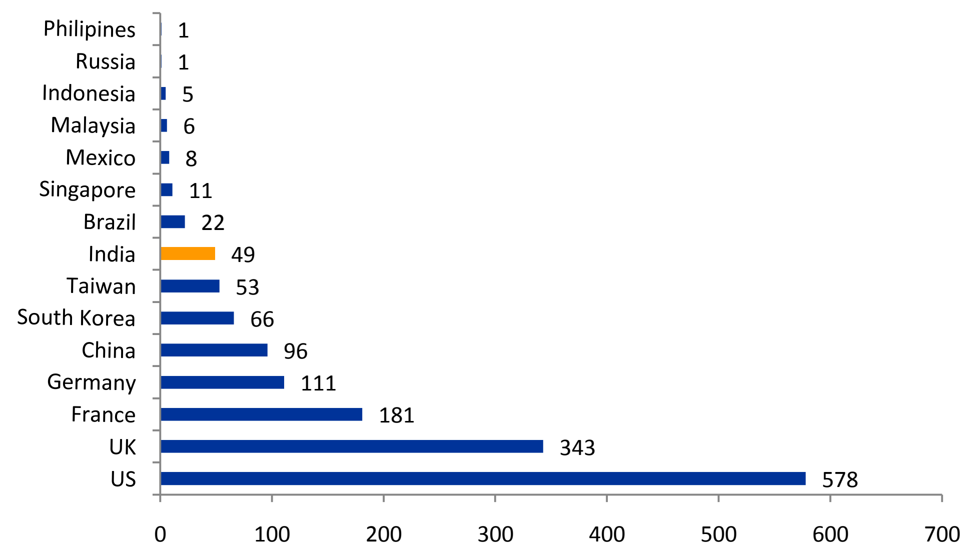
Source: IRDA

APE growth YTD YoY (%) – May 2011



Source: IRDA

Annual life insurance premiums in USD bn (2008)

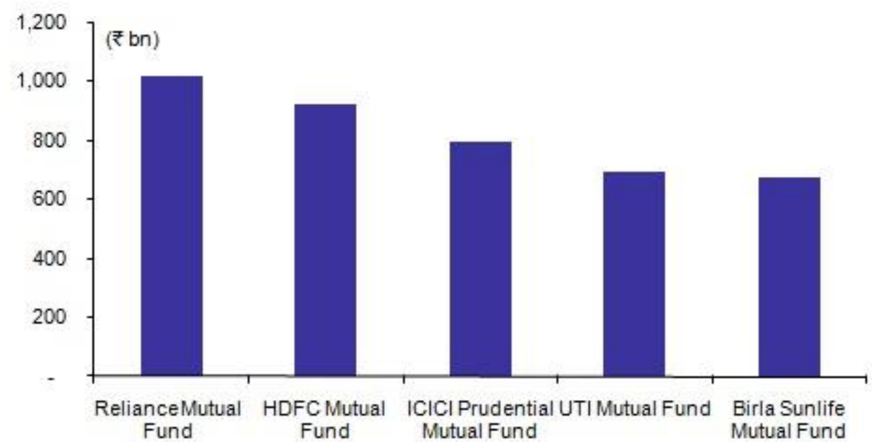


Source: IIFL Research

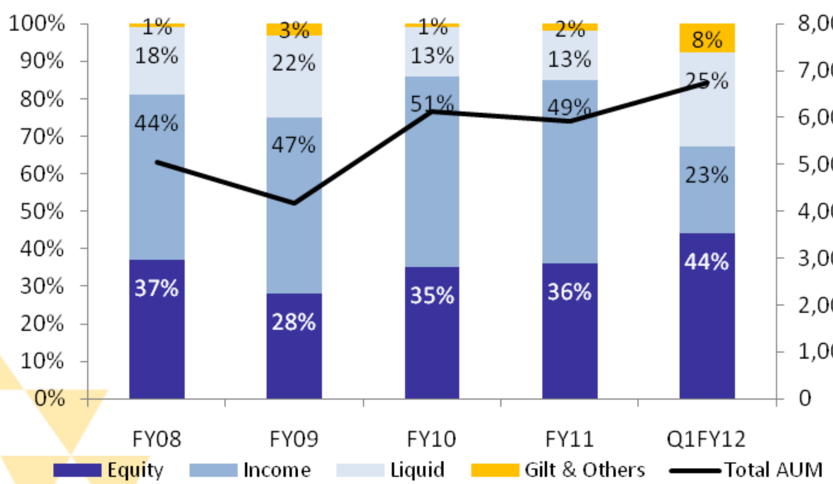
Mutual funds

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

Top 5 AMCs contribution (₹ bn) – Jun 2011

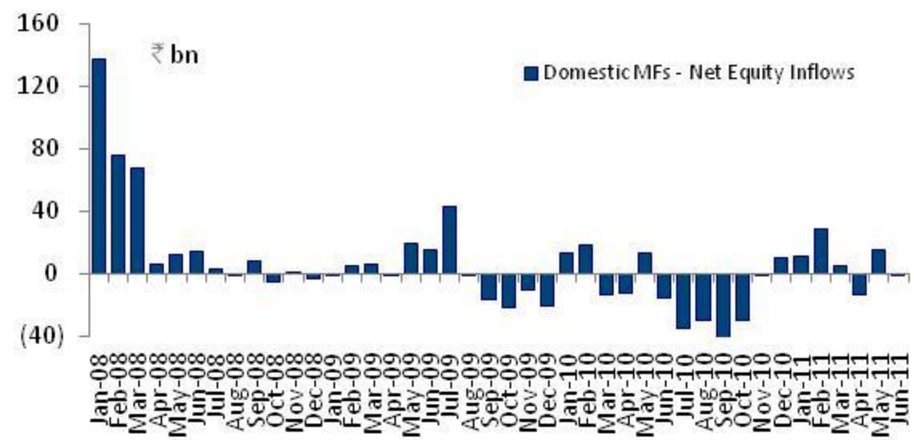


AUM by asset class (₹ bn)



Source: AMFI

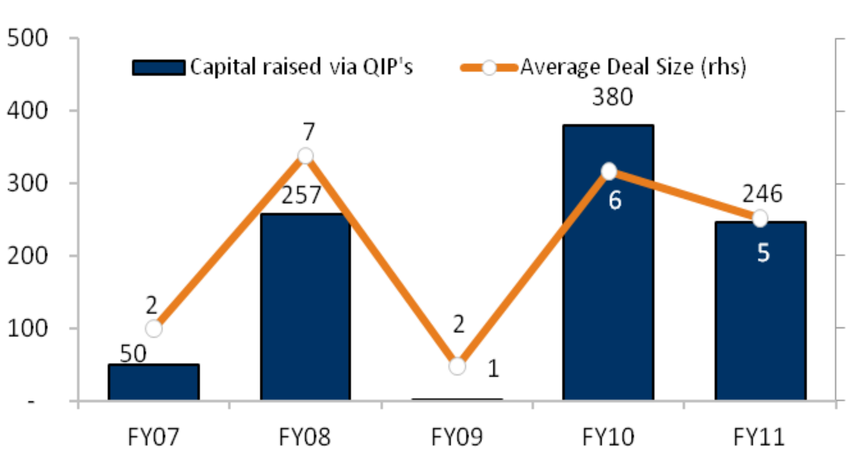
Domestic equity MFs have seen net outflows YTD (₹ bn)



Source: IIFL Research

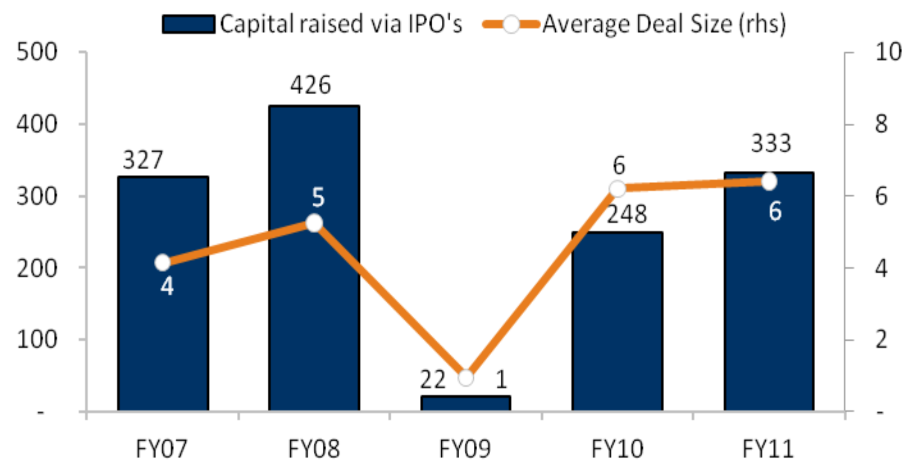
Capital raising and Fund flows

Capital raised through QIPs (₹ bn)



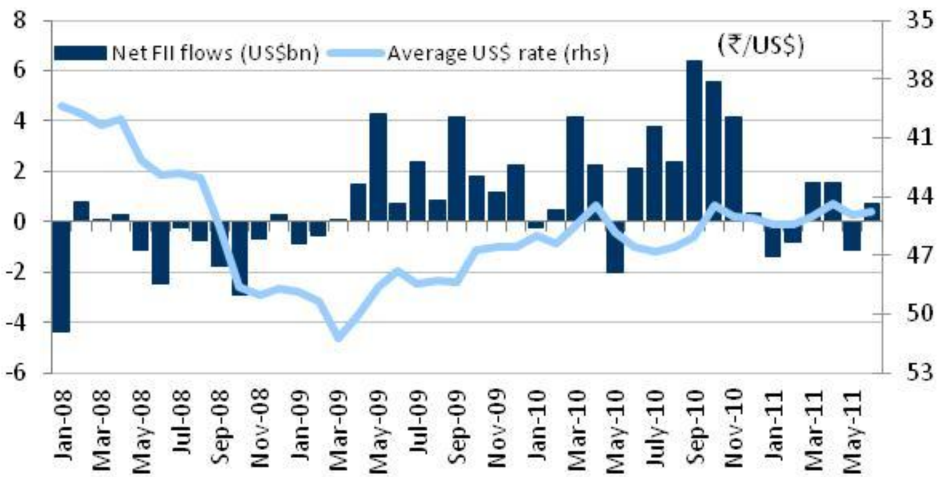
Source: Bloomberg, IIFL Research

Capital raised through IPOs (₹ bn)



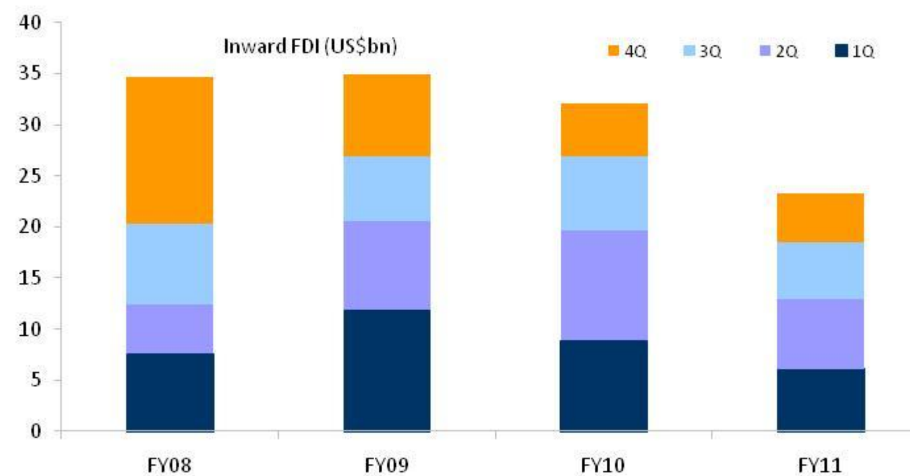
Source: Bloomberg, IIFL Research

Net FII flows (US$bn)



Source: Bloomberg, IIFL Research

FDI inflows (US$bn)



Source: RBI, CMIE, IIFL Research

Thank you