



India Infoline Limited

Results for the Year ended March 31, 2012

May 15, 2012



SECTION 1: Performance highlights

SECTION 2: Business review

SECTION 3: Corporate overview

SECTION 4: Industry update

Overall consolidated financial performance

- For FY12, Income was at ₹18,865 mn, 28% yoy; PBT at ₹1,995 mn, down 36% yoy; PAT at ₹1361 mn, down 37% yoy
- For the quarter, Income was at ₹6,356 mn, 73% yoy; PBT at ₹726 mn, up 11% yoy; PAT at ₹488 mn, up 3% yoy
- In FY12, our equities and related income fell by 19% whereas our financing and distribution income increased by 76% and 32% yoy
- EBITDA grew by 29% yoy in FY12 and PBT decreased by 36% due to high interest outgo

Equities broking and related

- Average daily equities turnover was marginally down to ₹53 bn in FY12
- Average daily commodities turnover was ₹14.8 bn in FY12, almost doubling on a yoy basis

Financing and Investing

- Total outstanding loan book stood at ₹67.5 bn in FY12 as against ₹32.9 bn in FY11, an increase of over 100% yoy
- Almost entire loan book is secured, with collateral of property, shares, gold, etc
- Net NPAs on the book continue to remain less than 0.5%

Marketing and Distribution

- Marketing and distribution income was ₹2,431 mn, up 32% yoy
- Our distribution of financial products includes insurance, mutual funds, bonds, debentures and structured products

Performance for quarter ended Mar 31, 2012



₹ Mn	Q4FY12	Q3FY12	Q4FY11	Q-Q	Y-Y
Equities broking and related income	1,466.9	1,262.4	1649.8	16.2%	(11.1%)
Financing and Investing income	3,916.8	2,874.9	1576.6	36.2%	148.4%
Marketing and Distribution income	935.9	655.0	447.6	42.9%	109.1%
Other income	36.5	12.1	10.0	201.2%	263.8%
Total Income	6,356.1	4,804.4	3684.1	32.3%	72.5%
A. Operating cost	918.3	536.6	535.0	71.1%	71.6%
B. Employee cost	1,575.5	1,303.0	977.0	20.9%	61.3%
C. Other expenses	1,078.8	912.6	751.4	18.2%	43.6%
EBITDA	2,783.6	2,052.1	1420.7	35.6%	95.9%
Interest	1,791.9	1,364.1	647.5	31.4%	176.7%
Depreciation and amortization	266.3	195.4	121.7	36.2%	118.8%
Profit / (Loss) before tax	725.5	492.7	651.5	47.3%	11.4%
Provision for taxation	237.5	128.6	177.6	84.7%	33.7%
Profit/(Loss) after tax before minority	488.0	364.1	473.9	34.1%	2.8%
Minority Interest	19.1	6.0	6.0	219.7%	224.5%
Profit/(Loss) after tax	468.8	358.1	467.9	31.0%	-

Performance for year ended Mar 31, 2012



₹ Mn	FY12	FY11	Y-Y
Equities, Broking and related income	5,457.6	6,697.3	(19%)
Financing and Investing income	10,904.1	6,180.5	76%
Marketing and Distribution income	2,430.7	1,842.7	32%
Other income	71.9	19.0	278%
Total Income	18,864.2	14,739.4	28%
A. Operating cost	2,583.4	2,152.7	20%
B. Employee cost	4,917.6	3,925.3	25%
C. Other expenses	3,523.5	2,593.9	36%
EBITDA	7840.5	6,067.5	29%
Interest	5,043.1	2,358.0	114%
Depreciation and amortization	802.2	581.7	38%
Profit / (Loss) before tax	1,995.2	3,127.9	(36%)
Provision for taxation	634.5	980.6	(35%)
Profit/(Loss) after tax before minority	1,360.1	2,147.3	(37%)
Minority Interest	40.0	36.0	11%
Profit/(Loss) after tax	1,320.7	2,111.4	(37%)

SECTION 1: Performance highlights

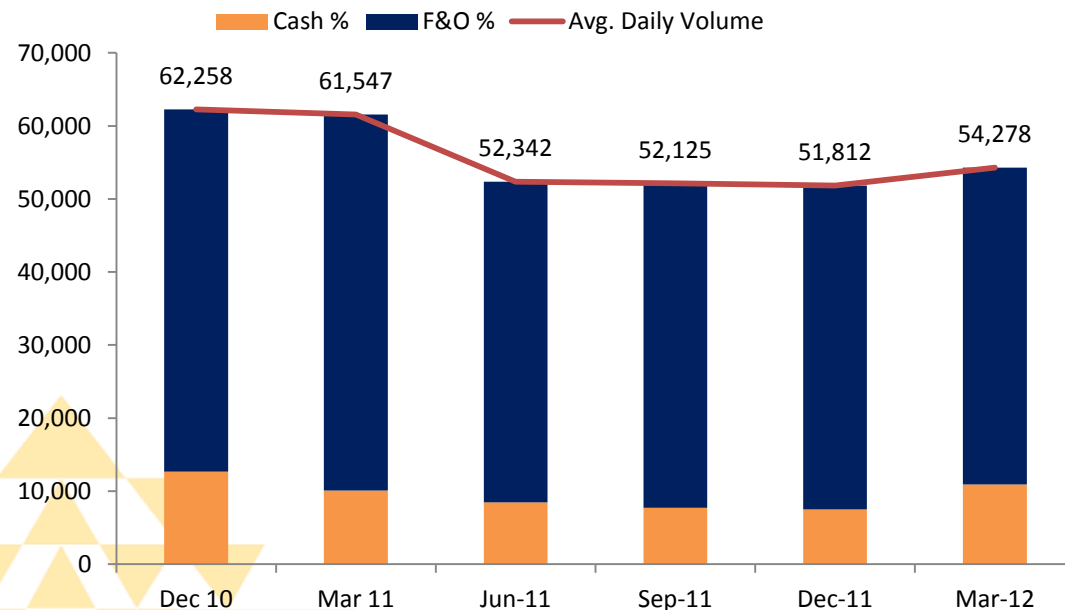
SECTION 2: Business review

SECTION 3: Corporate overview

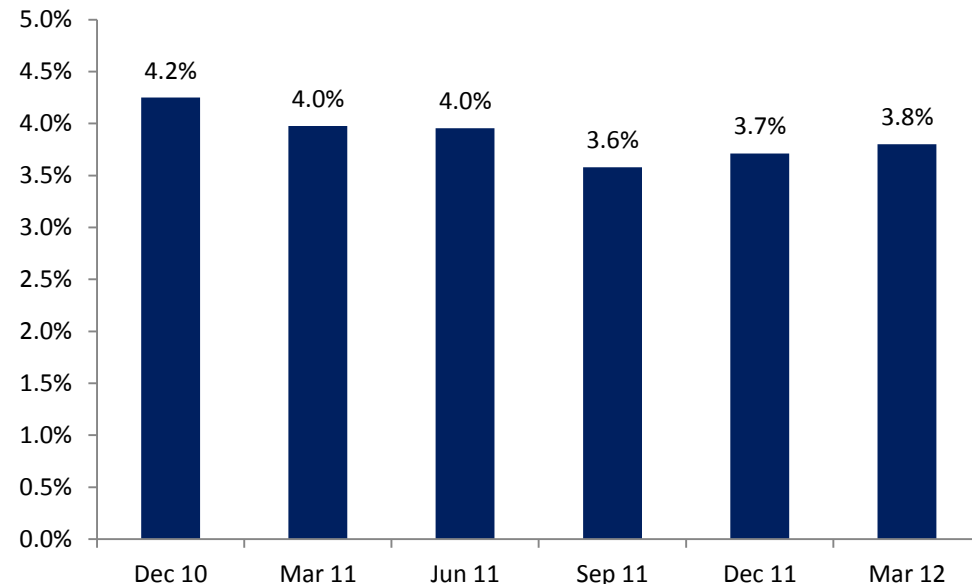
SECTION 4: Industry update

- Equities broking and related income was ₹1,467 mn for Q4FY12 up 16.2% qoq (down 11% yoy)
- Average daily turnover was at ₹54 bn in Q4FY12 up 4.8% qoq (down 11.8% yoy)
- Market share on NSE was at 3.8% in Q4FY12, marginally up from 3.7% in Q3FY12
- Present in over 2,000 business locations through branches and sub-brokers

Average Daily Turnover (₹ mn)



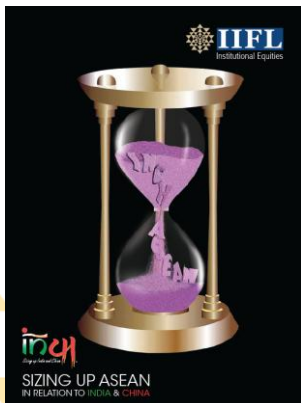
Market share on NSE (in %)



- 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

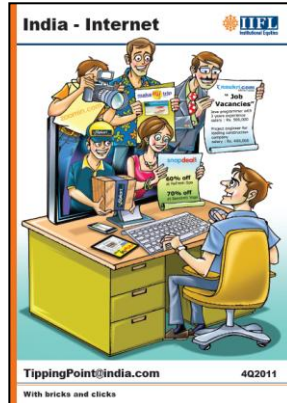
INCH-ASEAN Chartbook:
Sizing Up ASEAN in relation to
India and China



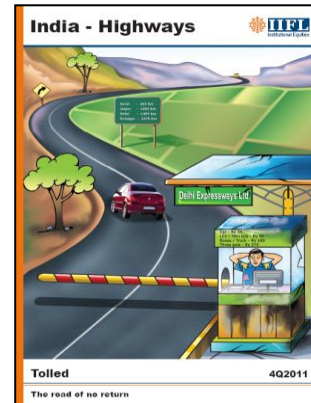
Key charts on eight
important facets of the
Indian economy



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



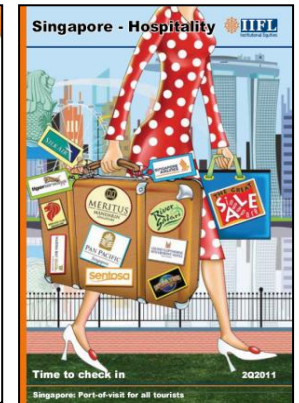
Analysis of operational
BOT road projects



Rigorous company research
that goes far beyond the
basics

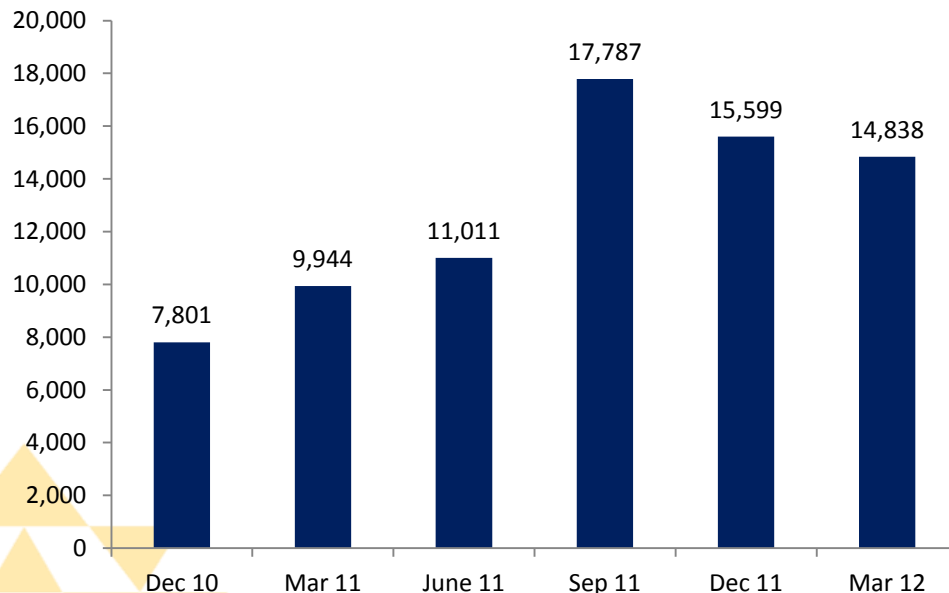


A detailed analysis of
Singapore's hospitality
market

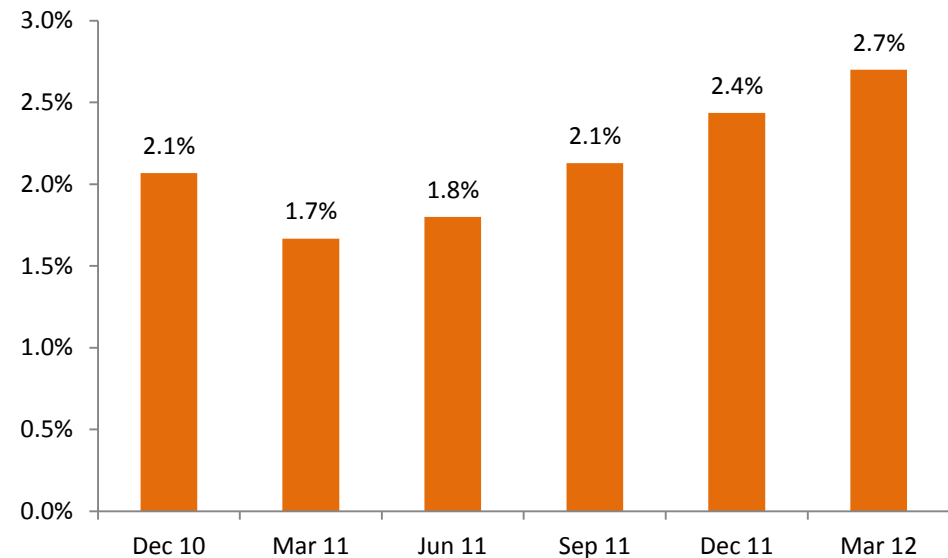


- Daily commodities turnover was at ₹14.8 bn in Q4FY12, down 5% qoq (up 49% yoy)
- Commodities market share increased to 2.7% in Q4FY12 as against 2.4% in Q3FY12 and 1.7% in Q4FY11
- The commodities market turnover has increased by 78% yoy in FY12, however, IIFL commodities volume has more than doubled in the same time period

Average Daily Turnover (₹ mn)

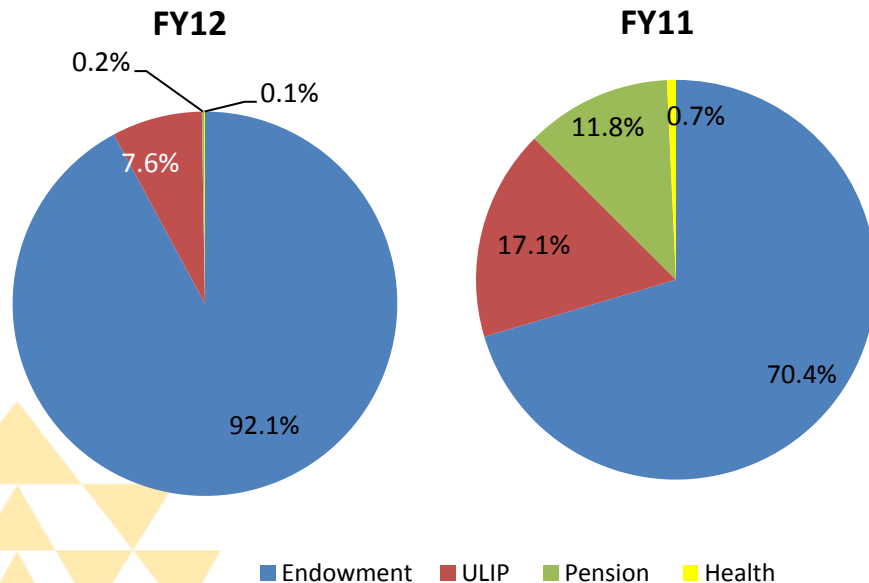


Market share (in %)

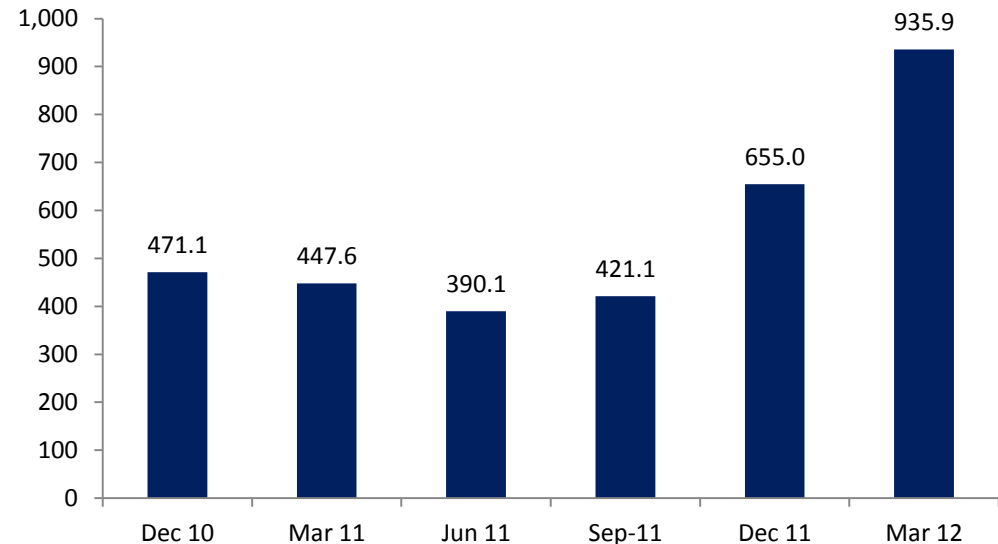


- Marketing and distribution income in was ₹936 mn in Q4FY12 up 42% qoq (up 109% yoy)
- Our product portfolio includes products like structured products, bonds, debentures, insurance and mutual funds
- We have increased our market share in life insurance distribution and have emerged as one of the leading non-bank distributors in the country.

Changing product mix

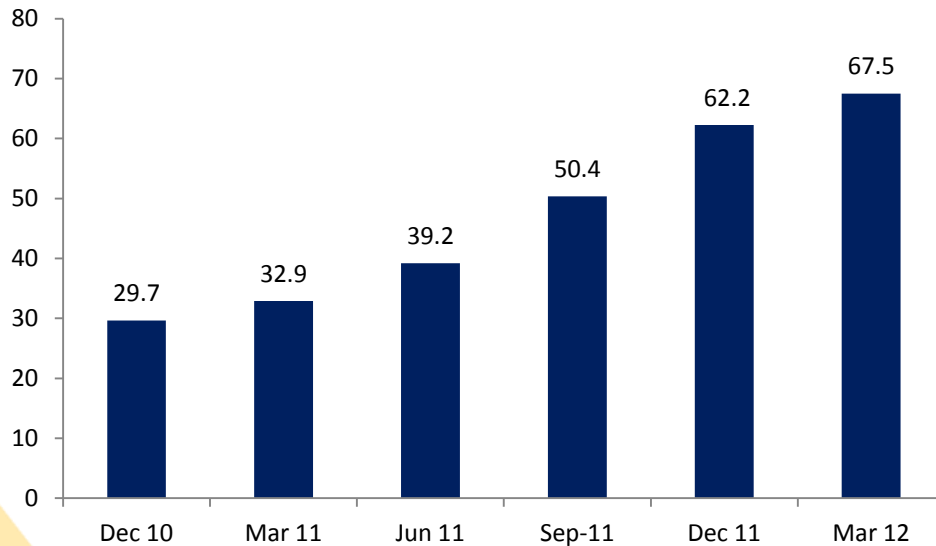


Marketing and Distribution income (₹ mn)



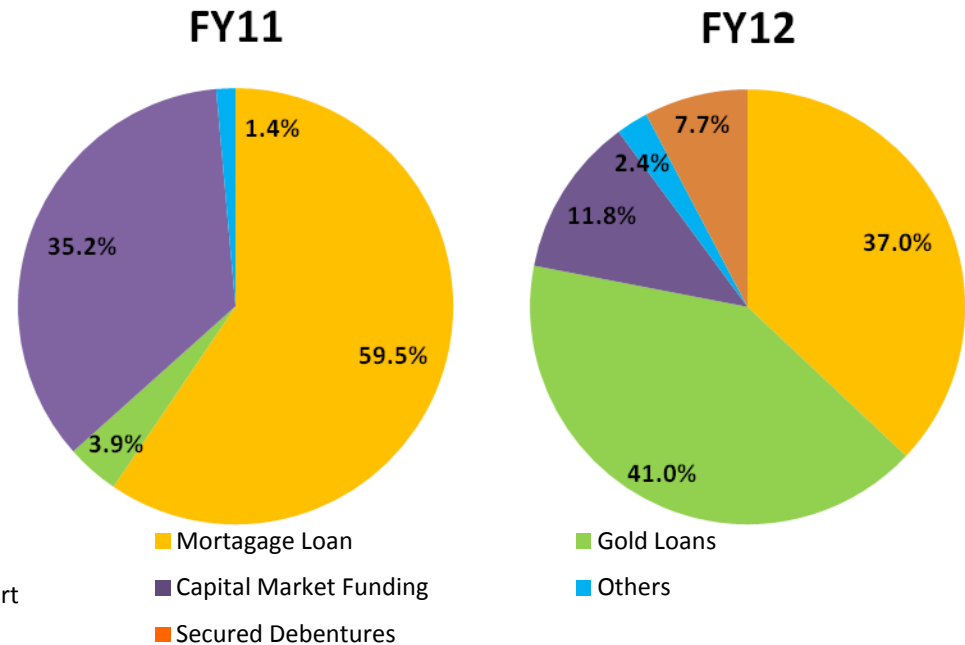
- NBFC loan portfolio in Q4FY12 increased to ₹67.5 bn as against ₹62.2 bn in Q3FY12
- Our loan book almost entirely comprises secured lending with collateral of gold, property, shares etc.
- Gross NPAs on the books are less than 1%

Loan Portfolio (₹ bn)



March 2012 figures includes debentures classified as investments in the Annual Report

Portfolio break-up



Others include Medical equipment financing and Personal Loans

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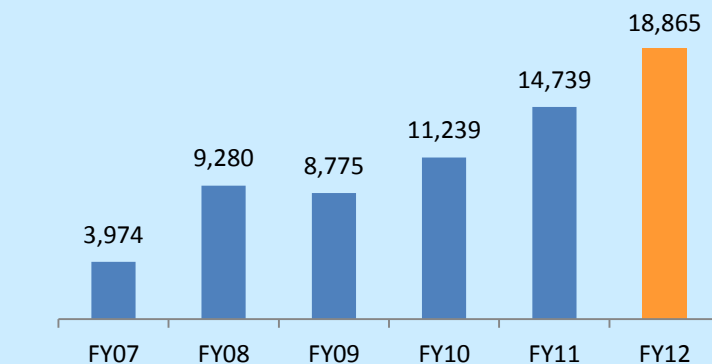
SECTION 4: Industry update

Evolution

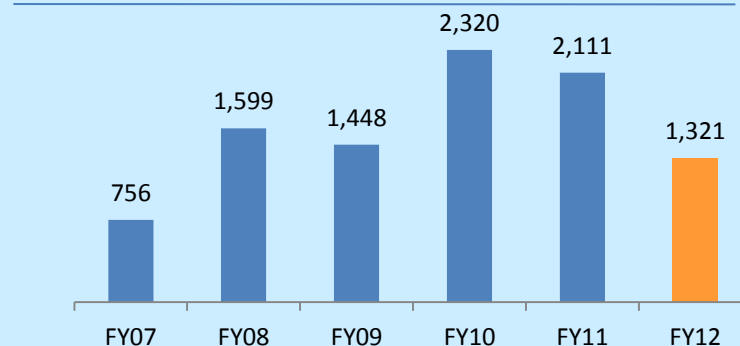


1995	➤ Commenced operations as an Equity Research firm
1997	➤ Launched research products of leading Indian companies, key sectors and the economy
1999	➤ Launched www.indiainfoline.com
2000	➤ Launched online trading through www.5paisa.com ➤ Started distribution of life insurance and mutual fund
2003	➤ 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 and commenced operations
2011	➤ Received SEBI final approval for IIFL Mutual Fund and launched IIFL Nifty ETF

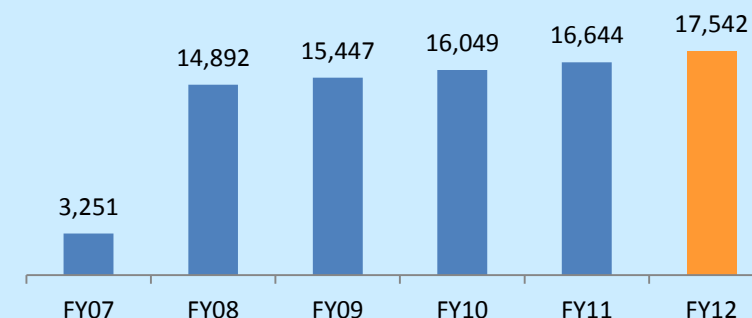
Income (₹ mn)

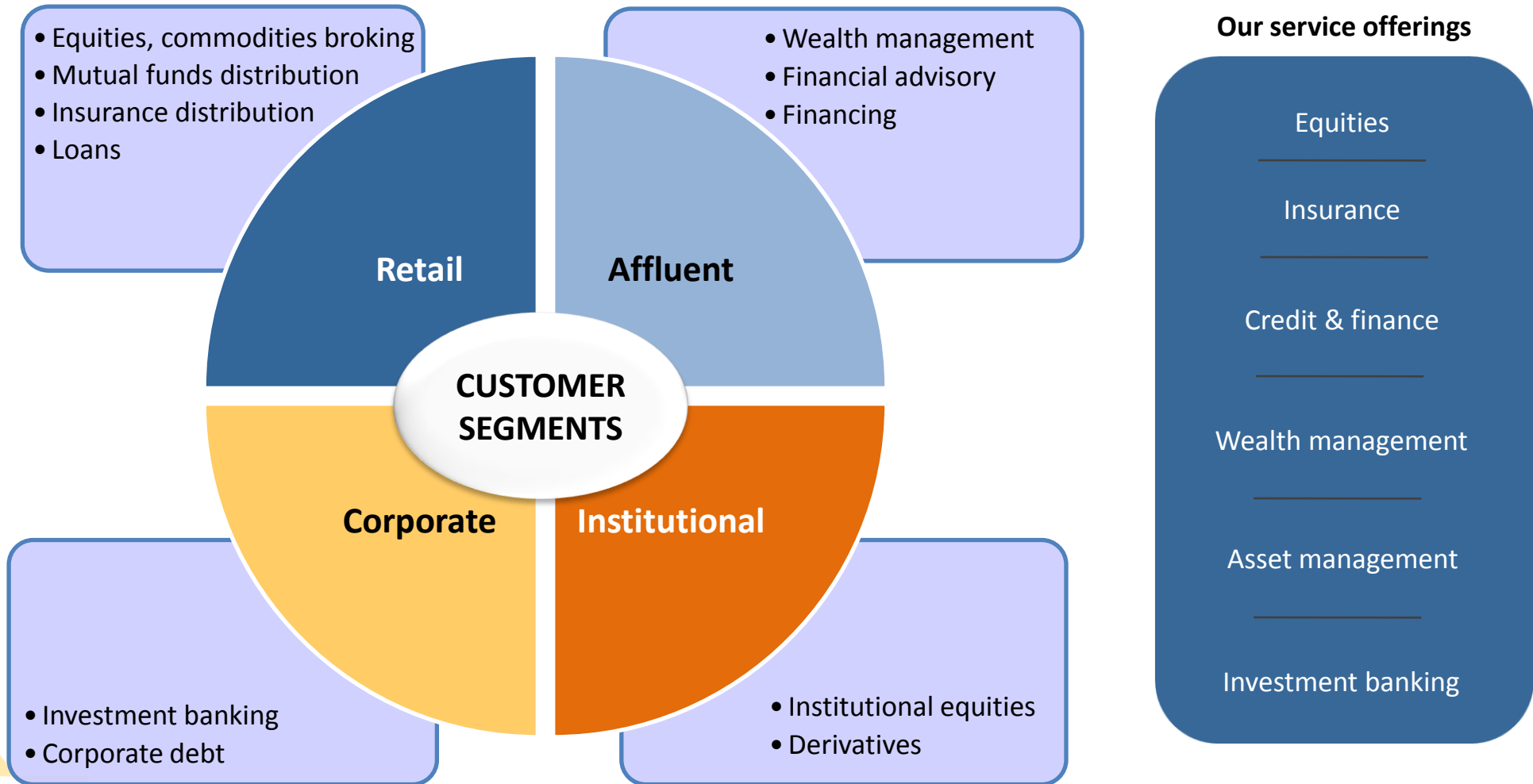


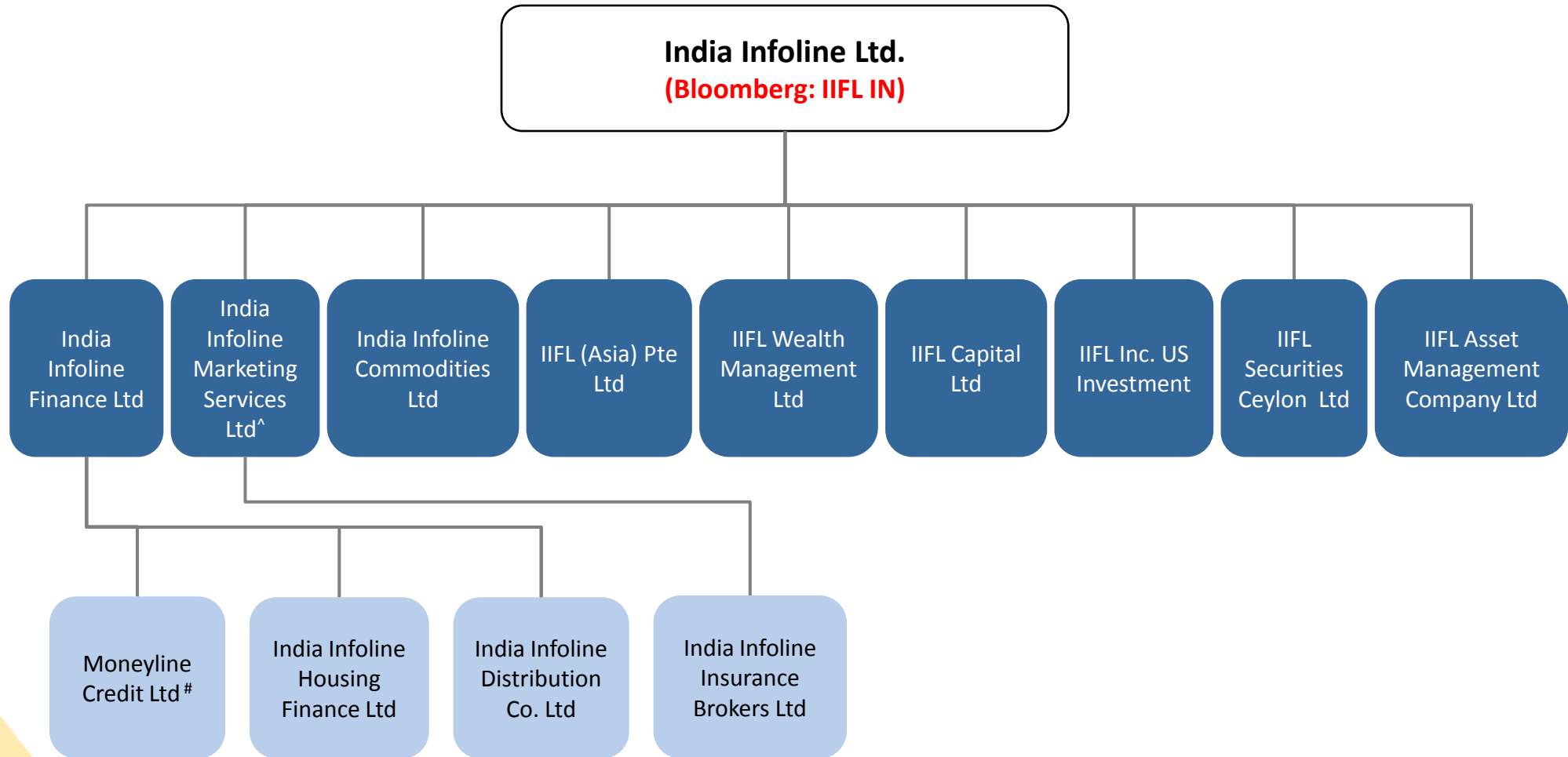
Net Profit (₹ mn)



Networth (₹ mn)







- The above chart does not cover all group companies
- # Merged with India Infoline Finance Ltd
- ^ Merged with India Infoline Ltd

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	Nipun Goel	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

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 LICHL 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	Non Executive 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
Chandran Ratnaswami	Non Executive Director	- Managing Director of Hamblin Wasta Investment Counsel Limited - Serves on the board of ICICI Lombard General Insurance Company Ltd and Fairbridge Capital in India, Ridley Inc in USA and Zoomermedia Ltd in Toronto, Canada

How we differentiate ourselves

Managerial depth

- Promoted by first generation professional entrepreneurs
- Highly qualified and experienced Management team

Well-capitalized

- Net worth of ₹17.5 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 FIXED INCOME PORTFOLIO MANAGEMENT

Best Fixed Income Portfolio Management in India at the Euromoney Private Banking survey 2012



Decide with Confidence

BEST BROKING HOUSE WITH GLOBAL PRESENCE

'Best Broking House with Global Presence' awarded by D&B Equity Broking Awards 2011



BEST WEALTH MANAGEMENT HOUSE – INDIA

Awarded 'Best Wealth Management House – India' by The Asset Triple A 2011



BEST BROKER - INDIA, 2011

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



BEST EQUITY BROKER 2011

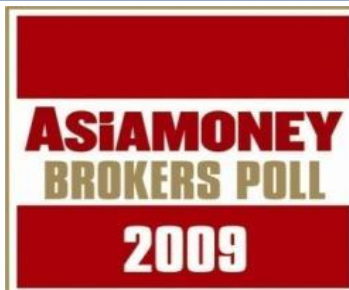
'Best Equity Broker of the Year' at Bloomberg UTV Financial Leadership Awards 2011



BEST COMMODITIES INVESTMENT 2012



BEST MARKET ANALYST 2009



BEST BROKERAGE 2009



INDIA'S MOST VALUABLE CEOs --2009



FASTEST GROWING BROKING HOUSE 2008

IIFL's Global Investor's Conference



- IIFL Global Investors' Conference 'Enterprising India III' was a raging success
- More than 600 institutional investors and over 70 Indian companies participated in the event
- The institutional investors who participated at the conference included a number of marquee long-only funds that have estimated investments of more than US\$100 billion in India.



IIFL Global Investor Conference – 'Enterprising India III'

FLAME (IIFL's Financial Literacy Campaign) update



FLAME literacy Merit certificates awarded to school students



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

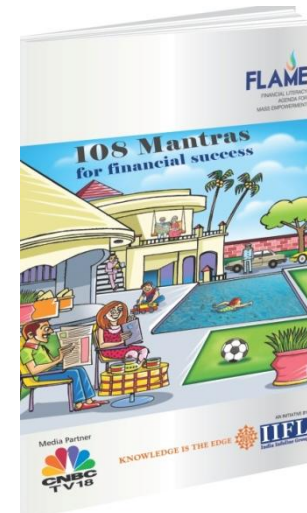


Financial Literacy workshops being held across the country



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

Attempts have been made to employ engaging techniques like story-telling and do-it-yourself exercises to elucidate the theory – Received an overwhelming response from principals and teachers on the content



Media campaigns in leading newspaper

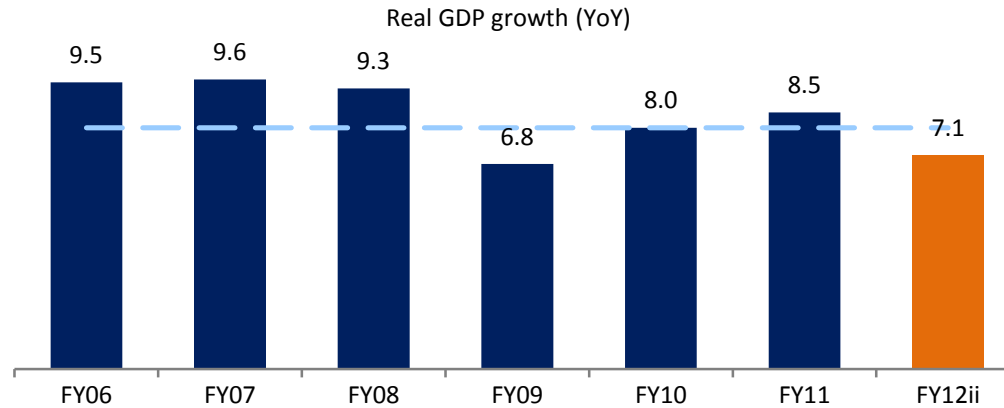
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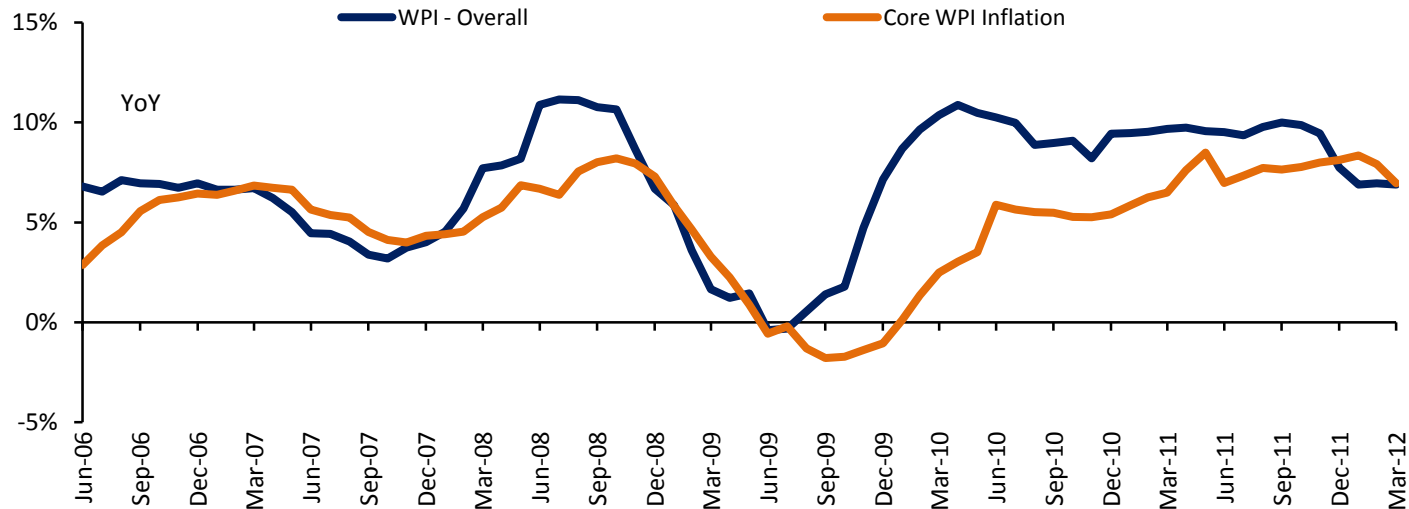
SECTION 4: Industry update

Growth may remain below trend in FY12



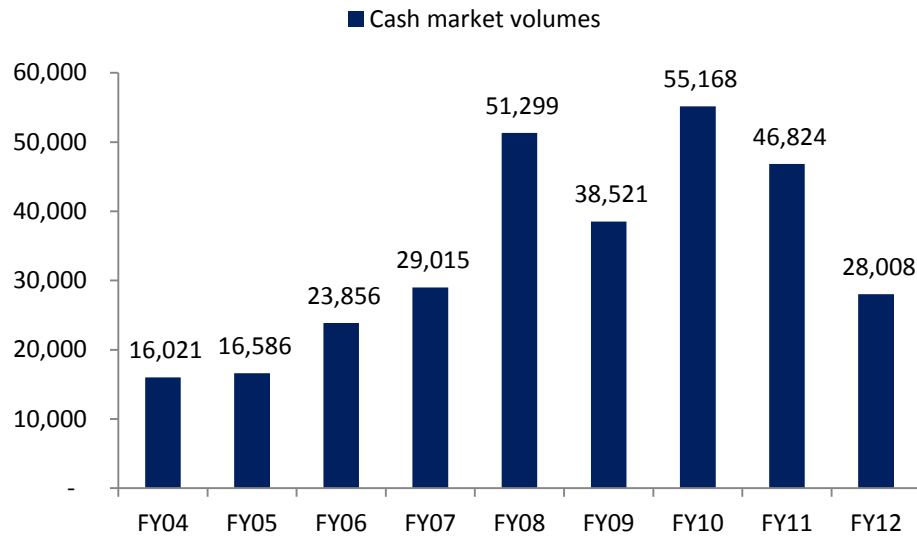
Source: CMIE, IIFL Research, FY12 GDP data is Advance Estimate

Near term Inflation is coming off due to base effect

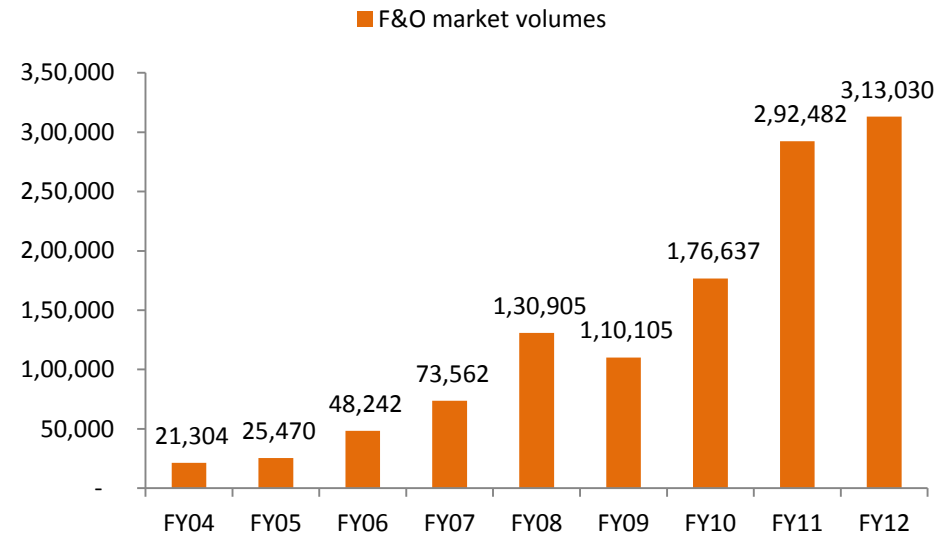


Source: Bloomberg, IIFL Research

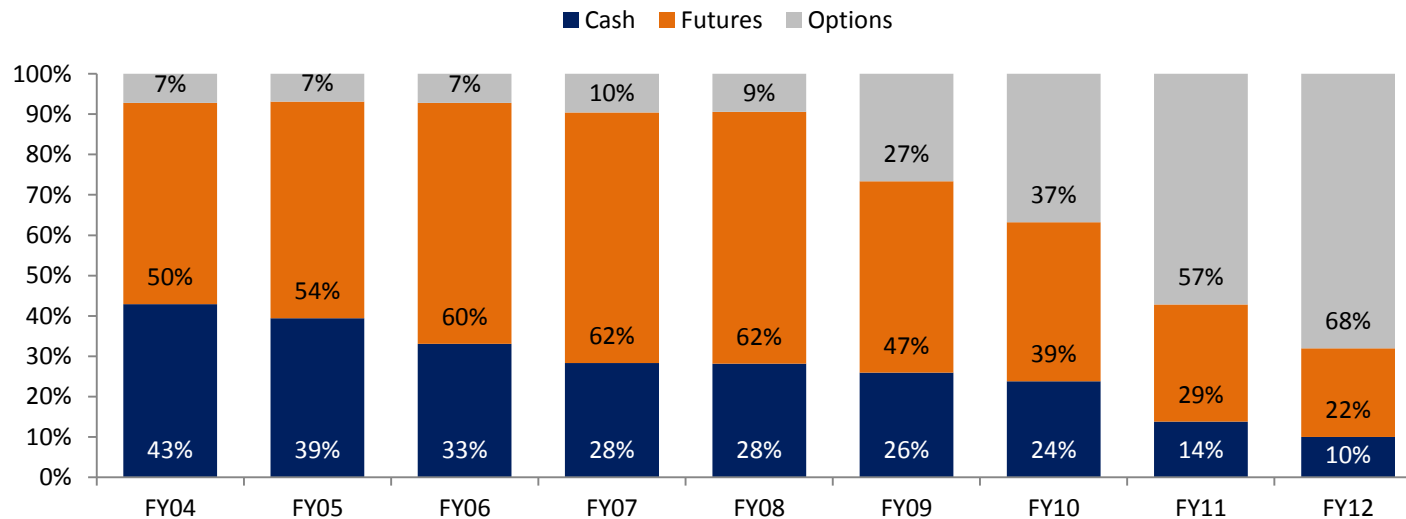
Continuous fall in cash market volumes (₹ bn)



F&O market volumes (₹ bn)



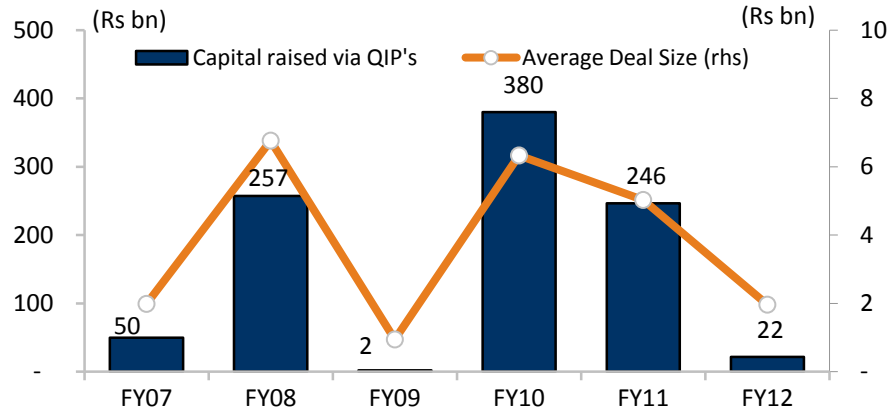
Share of cash market volumes continuously falling



Source: Exchange website, IIFL Research

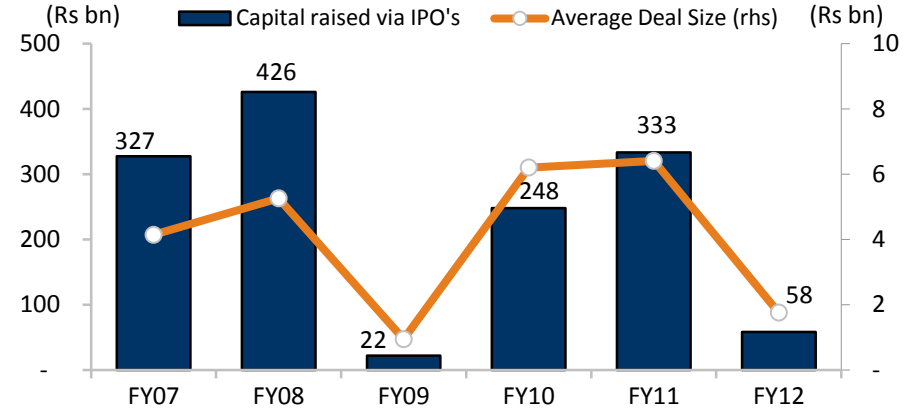
Capital raising and Fund flows

Capital raised through QIPs (₹ bn)



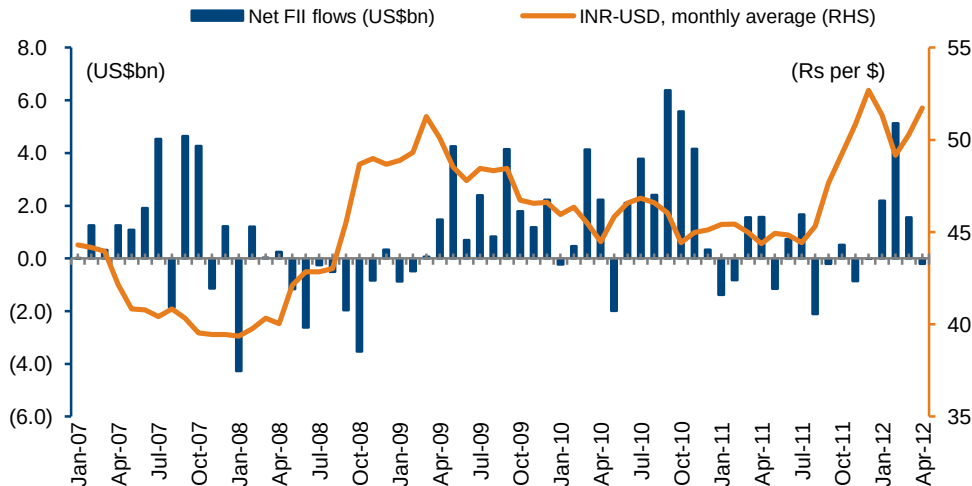
Source: Bloomberg, IIFL Research

Capital raised through IPOs (₹ bn)



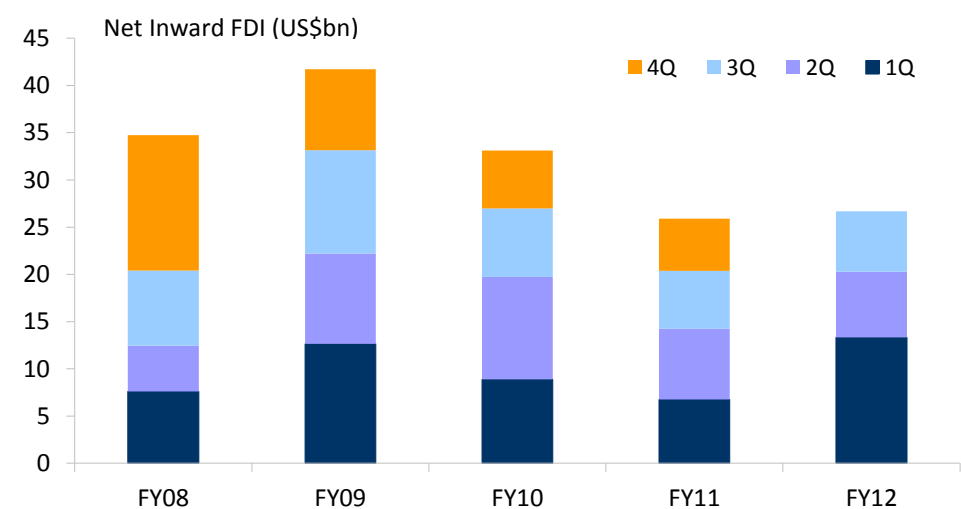
Source: Bloomberg, IIFL Research

Net FII flows (US\$bn)



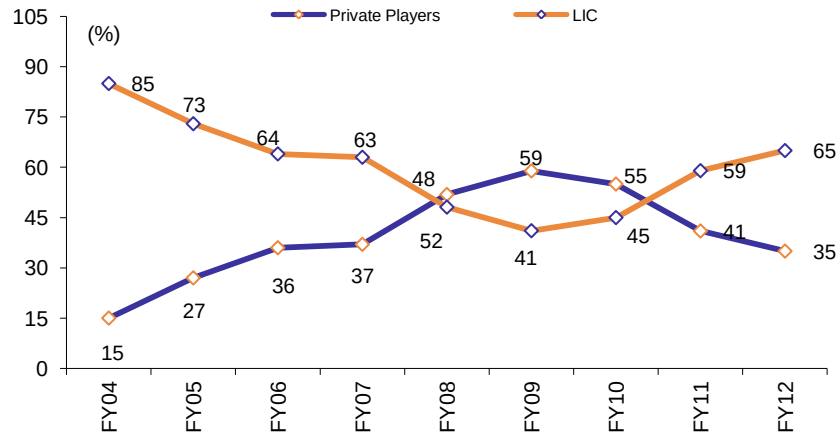
Source: Bloomberg, IIFL Research

FDI inflows (US\$bn)



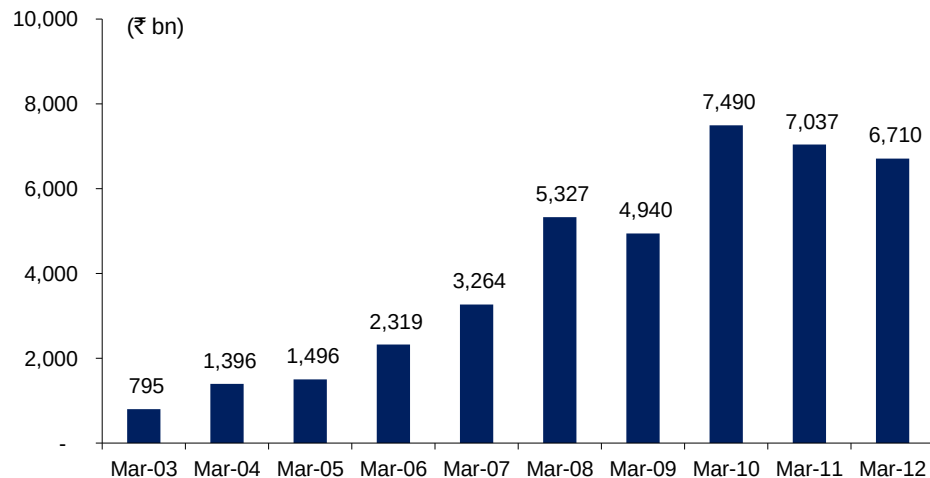
Source: RBI, CMIE, IIFL Research

APE market share (%) – Mar 2011



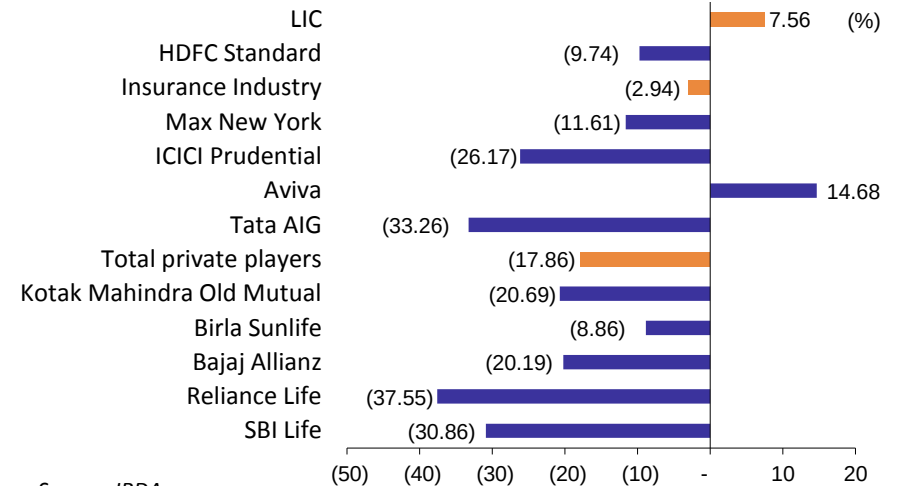
Source: IRDA

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



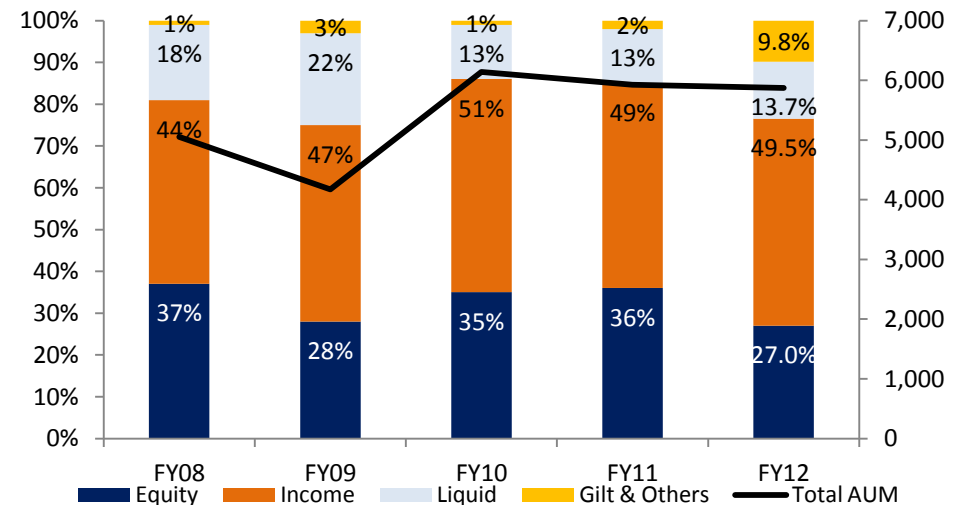
Source: AMFI

APE growth YTD yoy (%) – Dec 2011



Source: IRDA

AUM by asset class (₹ bn)



Source: AMFI

Thank you

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