India Infoline Limited

Results for the quarter ended September 30, 2012

October 26, 2012

SECTION 1: Performance highlights

SECTION 2: Business review

SECTION 3: Finance and lending

SECTION 4: Corporate overview

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

Performance highlights – quarter ended September 30, 2012

Overall consolidated financial performance

- Income at ₹6,532 mn, up 12% qoq, up 59% yoy
- PBT at ₹958 mn, up 17% qoq , up 172 % yoy
- PAT* at ₹672 mn, up 27% qoq , up 199% yoy

Equities broking and related

- Average daily equities turnover was ₹44 bn in Q2FY13 down 4% qoq and down 17% yoy
- Average daily commodities turnover was ₹23 bn in Q2FY13 up 51% qoq and up 27% yoy

Financing and Investing

- Total outstanding loan book stood at ₹78.5 bn in Q2FY13 as against ₹ 73.7 bn in Q1FY13
- Loan assets are fully secured and constantly performing well resulting in net NPAs of less than 0.5%
- Successfully raised ₹5,000 mn, by issue of subordinated debt, eligible as Tier II capital

Marketing and Distribution

- Marketing and distribution income was ₹593 mn, up 24% qoq, up 41% yoy
- Our product portfolio includes structured products, bonds, debentures, insurance and mutual funds

**Before providing for Minority interest, PAT after Minority interest is ₹ 658 mn*

Performance for quarter ended September 30, 2012

₹ Mn	Q2FY13	Q1FY13	Q2FY12	Q-Q	Y-Y
Equities broking and related income	1,340.0	1,250.2	1,388.8	7%	(4%)
Financing and Investing income	4,578.7	4,082.6	2,284.9	12%	100%
Marketing and Distribution income	593.0	479.4	421.1	24%	41%
Other income	20.3	13.8	13.8	47%	47%
Total Income	**6,531.9**	**5,826.0**	**4,108.6**	**12%**	**59%**
A. Operating cost	843.8	731.9	579.7	15%	46%
B. Employee cost	1,392.4	1,246.9	1,078.9	12%	29%
C. Other expenses	1,170.6	927.2	838.9	26%	40%
EBITDA	**3,125.0**	**2,920.0**	**1,611.1**	**7%**	**94%**
Interest	1,965.3	1,908.2	1,068.9	3%	84%
Depreciation and amortization	201.9	191.0	189.4	6%	7%
Profit / (Loss) before tax	**957.9**	**820.8**	**352.8**	**17%**	**172%**
Provision for taxation	285.5	293.0	127.6	(3%)	124%
Profit/(Loss) after tax before minority	**672.4**	**527.8**	**225.2**	**27%**	**199%**
Minority Interest	14.0	5.7	4.5	148%	213%
Profit/(Loss) after tax	**658.4**	**522.2**	**220.7**	**26%**	**198%**

Performance for half year ended September 30, 2012

₹ Mn	H1FY13	H1FY12	Y-Y
Equities, Broking and related income	2,590.2	2,728.3	(5%)
Financing and Investing income	8,661.3	4,112.8	111%
Marketing and Distribution income	1,072.4	839.7	28%
Other income	34.1	23.3	46%
Total Income	**12,357.9**	**7,704.1**	**60%**
A. Direct cost	1,574.9	1,128.4	40%
B. Employee cost	2,639.3	2,038.9	29%
C. Administration expenses	2,097.8	1,532.0	37%
EBITDA	**6,045.9**	**3,004.8**	**101%**
Interest	3,874.3	1,887.2	105%
Depreciation and amortization	392.9	340.5	15%
Profit / (Loss) before tax	**1,778.7**	**777.1**	**129%**
Provision for taxation	578.5	268.4	116%
Profit/(Loss) after tax before minority	**1,200.2**	**508.7**	**136%**
Minority Interest	19.6	14.9	32%
Profit/(Loss) after tax	**1,180.6**	**493.8**	**139%**

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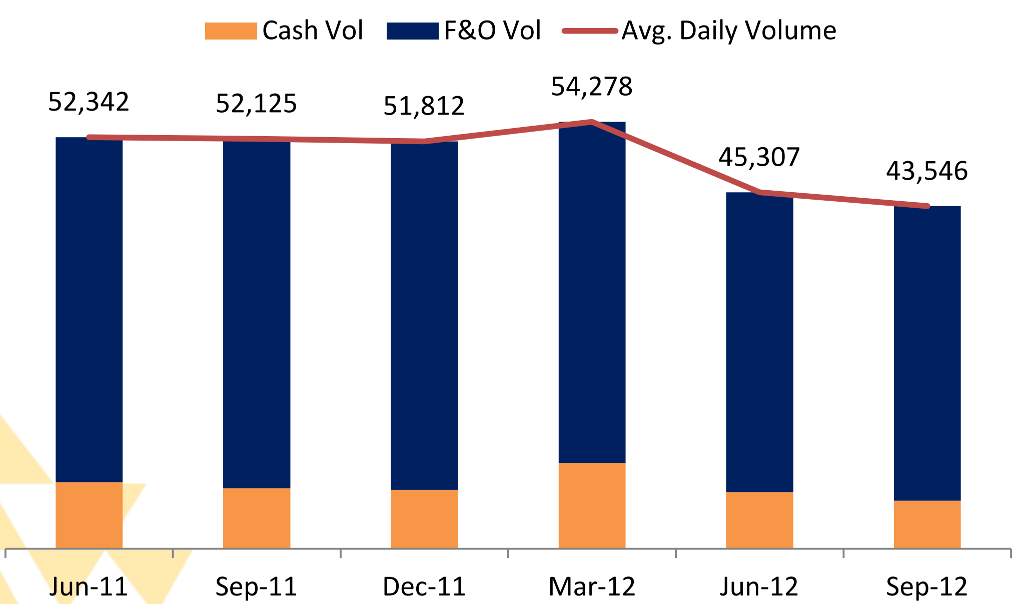
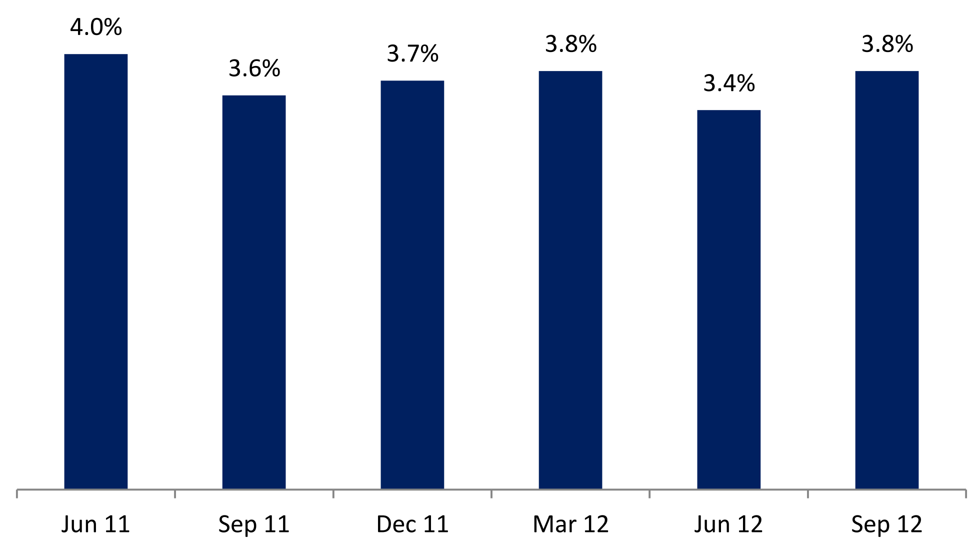
Equities broking

- Equities broking and related income was ₹ 1,340 mn for Q2FY13 up 7% qoq, down 4% yoy
- Average daily turnover was at ₹44 bn in Q2FY13 down 4% qoq, down 17% yoy
- Market share on NSE was at 3.8% in Q2FY13 as compared to 3.4% in Q1FY13
- Present in over 2,000 business locations through branches and sub-brokers

Average Daily Turnover (₹ mn)



Market share on NSE (in %)

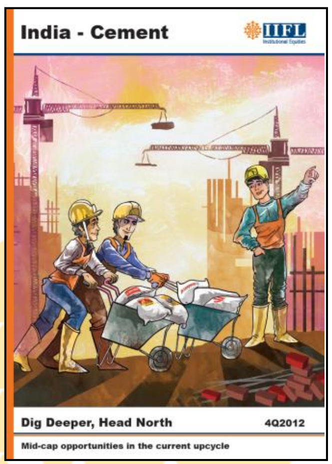


Research

- Over 250 stocks under coverage
- Our in-depth, thematic research has been well received. Our recent research reports include:
  - India – Cement: A detailed report on mid-cap cement companies
  - India – Economics: Detailed report on India's worsening external balance
  - Jubilant Foodworks : A detailed report on Jubilant Foodworks - best bet among consumer discretionary
- Market Mantra, our daily comprehensive retail product covers market outlook, latest news, economy snapshot, personal finance insights, event notes, management meets, research ideas

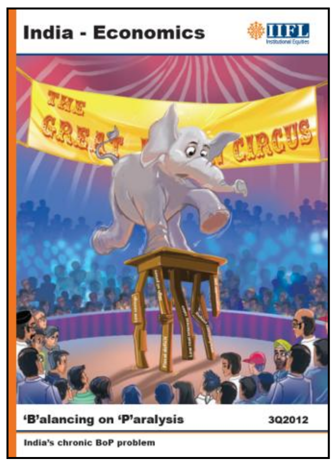
Research offerings – a few reports

Mid-cap cement companies – expect higher returns from north-based ones



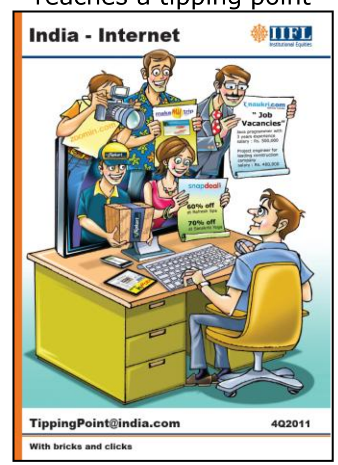
Jubilant Foodworks - best bet among consumer discretionary

Detailed report on India's worsening external balance

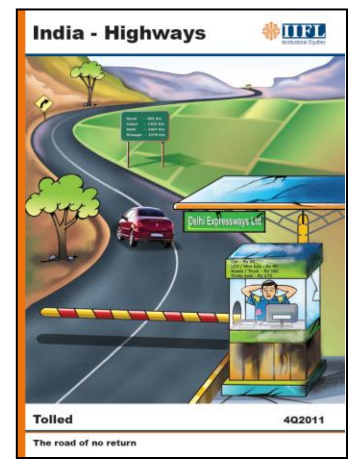


A detailed report on Bharti Airtel - why we think the worst is priced in

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



Analysis of operational BOT road projects

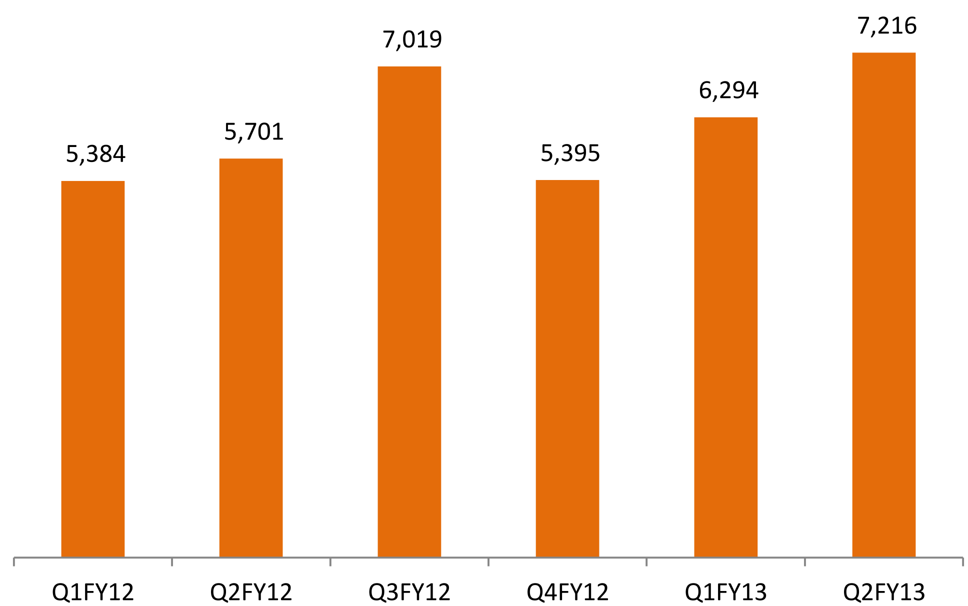


Commodities and Currency broking

- Average daily commodities turnover was at ₹23 bn in Q2FY13, up 51% qoq and up 27% yoy
- Commodities market share increased to 3.8% in Q2FY13
- Average daily currency turnover was ₹7 bn in Q2FY13
- We have invested significantly to augment our research capabilities and online trading platform

Average Daily Turnover of Commodity (₹ mn)

Average Daily Turnover of Currency (₹ mn)



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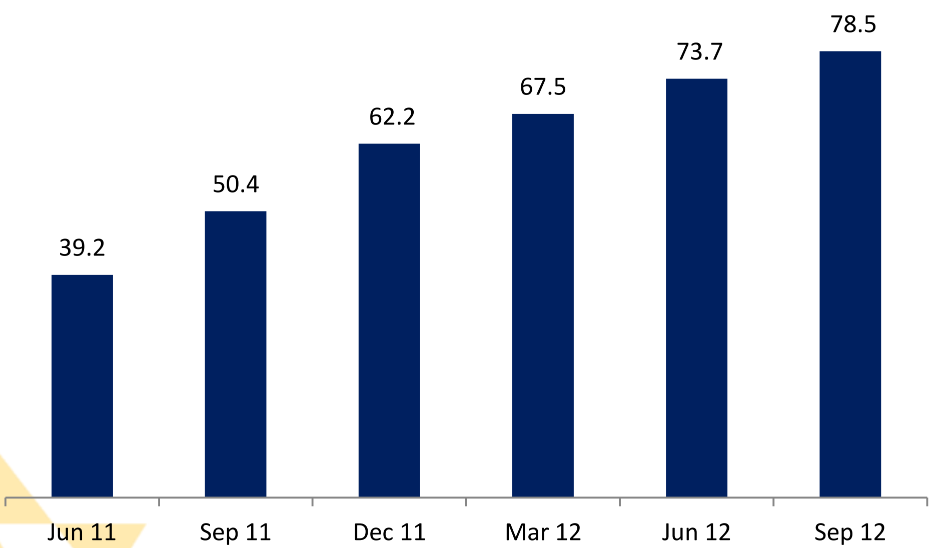
Financing and lending

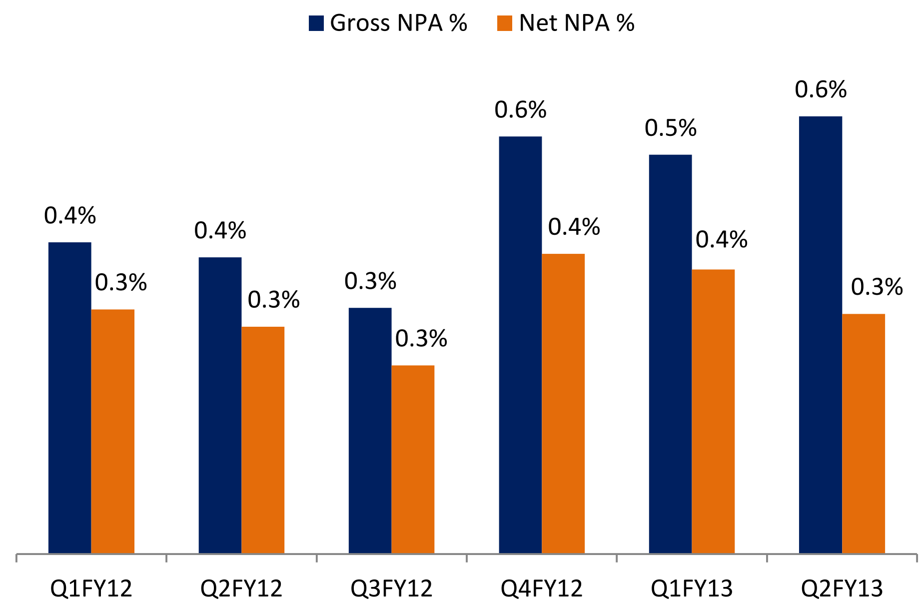
- Loan portfolio in Q2FY13 steadily increased to ₹78.5 bn as against ₹73.7 bn in Q1FY13
- Loan book comprises secured lending with collateral of property, gold, medical equipment, shares etc.
- As at September 2012, Gross NPAs are 0.6% and Net NPAs are 0.3%

Loan Portfolio (₹ bn)



Loans from March 2012 include loans given in the form of debentures

NPA break-up



Subordinate bond issue

- India Infoline Finance Limited successfully completed its bond issue of Un-Secured Redeemable Non-Convertible Debentures, considered as Tier II capital

- The issue received an overwhelming response; got subscribed over 2.36 times the base issue

- The company raised a total of ₹5,000 mn

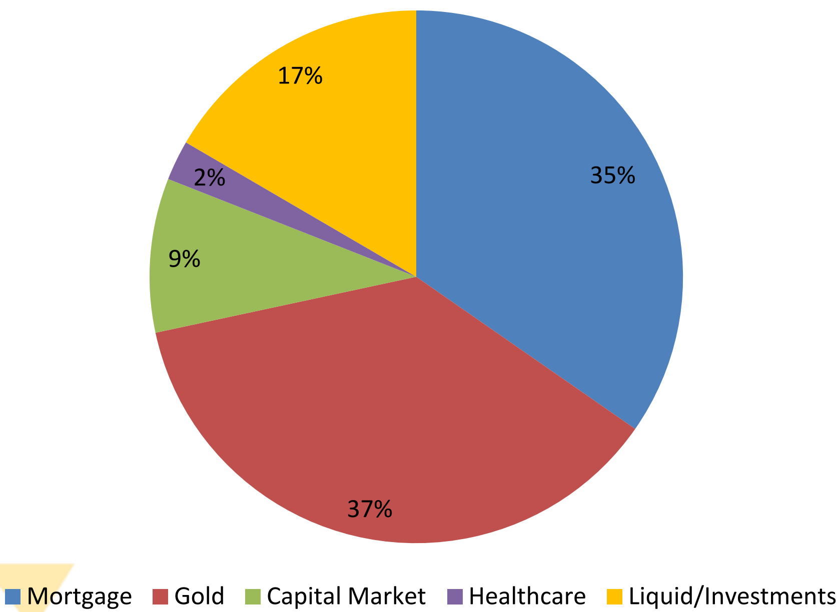
- All categories oversubscribed and over 25,000 applications received from all over the country

- The NCDs were rated '[ICRA]AA- (stable)' by ICRA and 'CRISIL AA-/Stable' by CRISIL

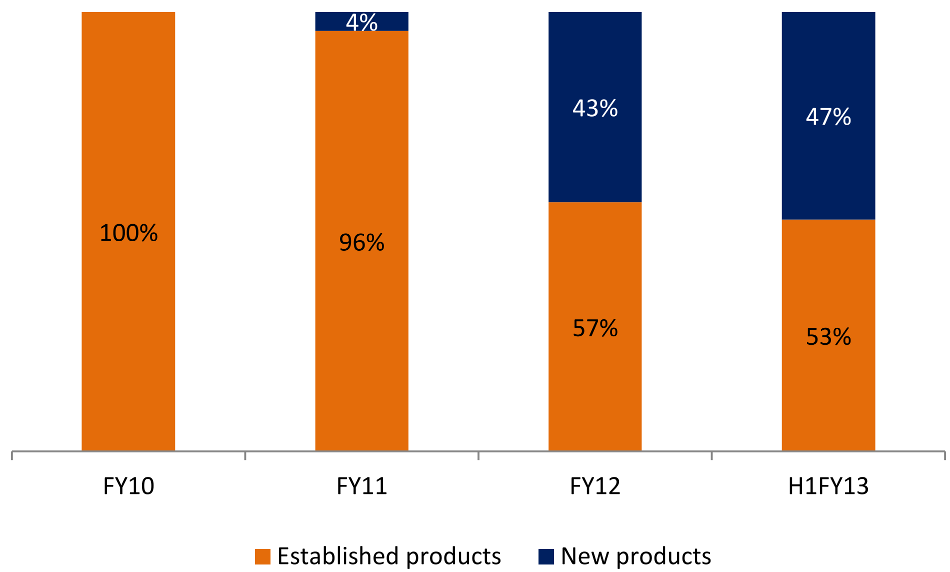
IIFL Finance NBFC

- Continued focus on asset backed lending
- Multiple product lines helps mitigate single sector exposure risk
- During the last 2 years asset growth has predominantly been on account of new products
- The entire loan book is now secured

Loan portfolio as a percentage of financial assets of H1FY13



Portfolio growth driven by new products



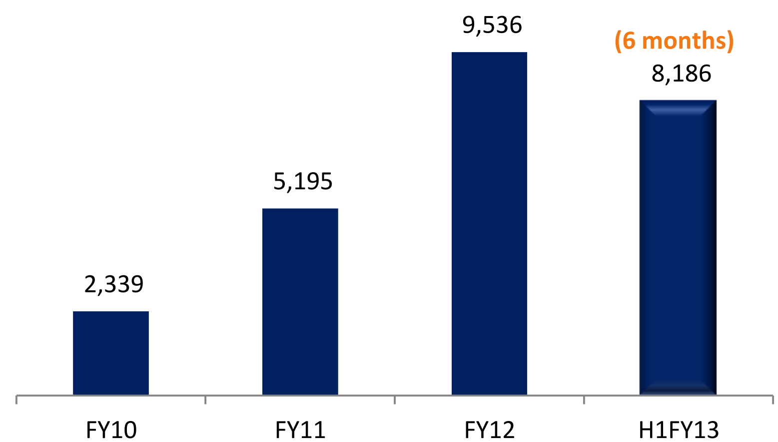
Established products include Mortgage loans and Capital market lending;
New products constitute Gold loans and Healthcare financing

IIFL Finance – consolidated P&L statement

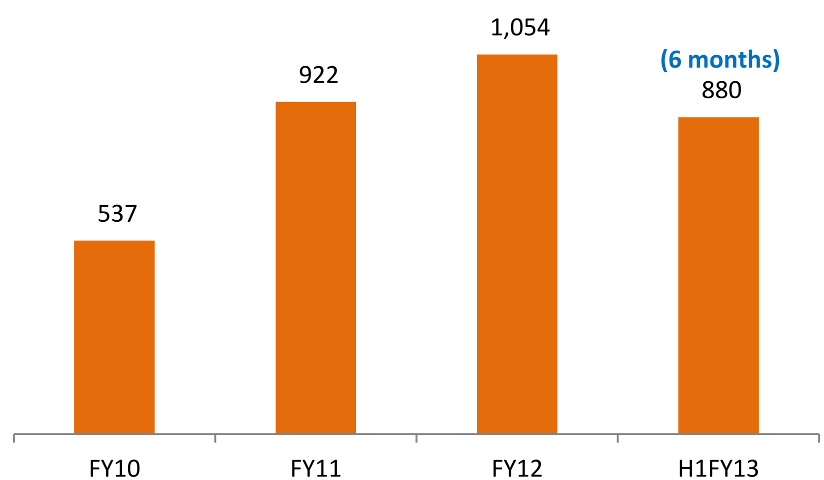
Particulars (₹ Mn)	FY 10	FY 11	FY12	H1FY13
Income from operations	2,225	4,698	9,085	7,969
Other income	114	497	451	217
Total income	**2,339**	**5,195**	**9,536**	**8,186**
Direct cost	550	451	622	791
Employee cost	451	690	1,093	828
Administration and other expense	293	504	1,371	1,145
EBITDA	**1,045**	**3,550**	**6, 450**	**5,422**
Interest and finance charges	268	2,193	4,798	4,008
Depreciation	12	17	150	107
Profit before tax	**766**	**1,340**	**1,502**	**1,307**
Provision for taxation	228	418	448	427
Profit after tax	**537**	**922**	**1,054**	**880**

Note: H1FY13 numbers not comparable

Total Income (₹ mn)



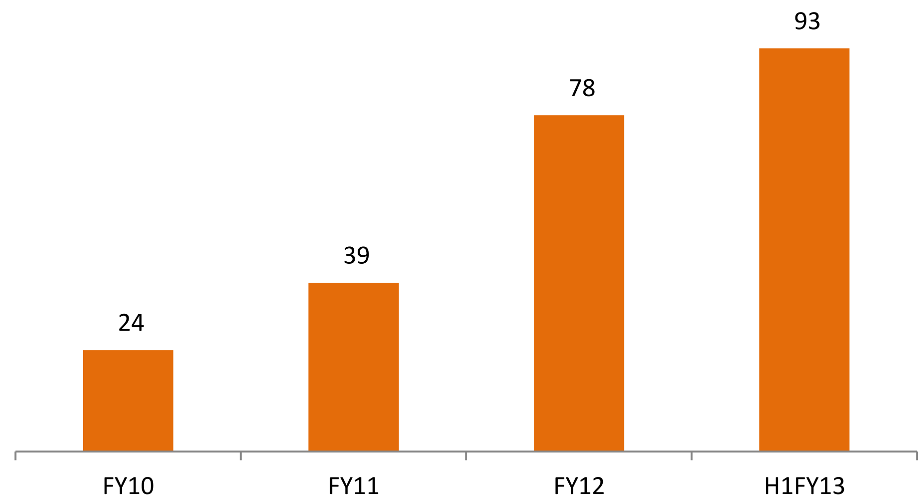
Profit after Tax (₹ mn)



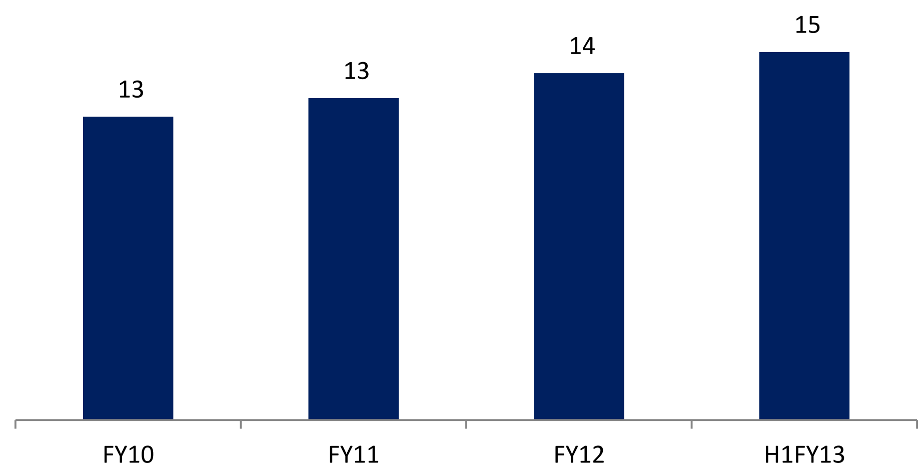
IIFL Finance – consolidated Balance Sheet

Particulars (₹ Mn)	FY 10	FY 11	FY12	H1FY13
Loans and advances	16,267	32,874	67,465	78,495
Total Assets	**23,525**	**39,075**	**77,799**	**93,284**
Secured loans	3,609	13,998	39,995	40,943
Unsecured loans	6,590	8,932	19,389	30,516
Total loan funds	**10,199**	**22,930**	**59,384**	**71,459**
Total liabilities	**10,881**	**25,664**	**63,351**	**77,957**
Share capital	237	2,371	2,372	2,372
Reserves and surplus	12,407	11,040	12,076	12,956
Networth	**12,644**	**13,411**	**14,447**	**15,328**
Total Liabilities and Networth	**23,525**	**39,075**	**77,790**	**93,285**

Balance sheet size(₹ bn)

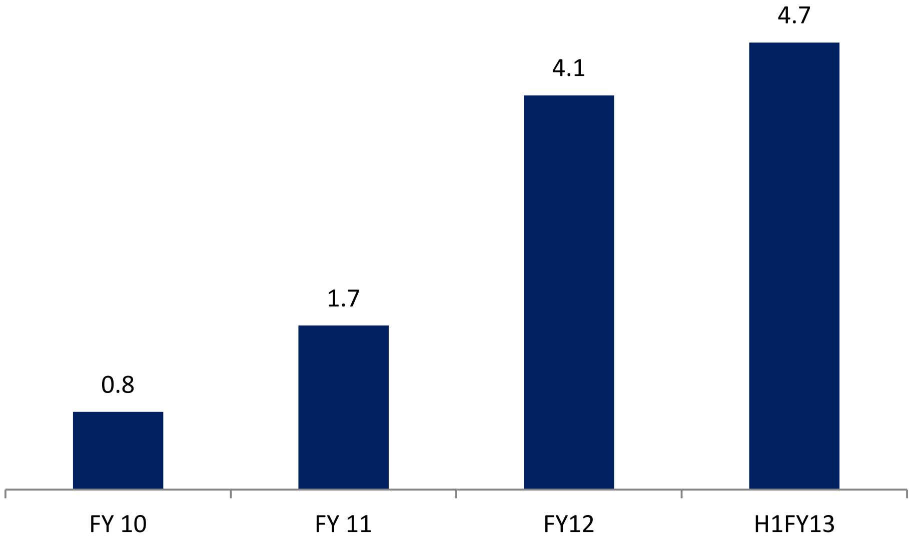


Networth (₹ bn)

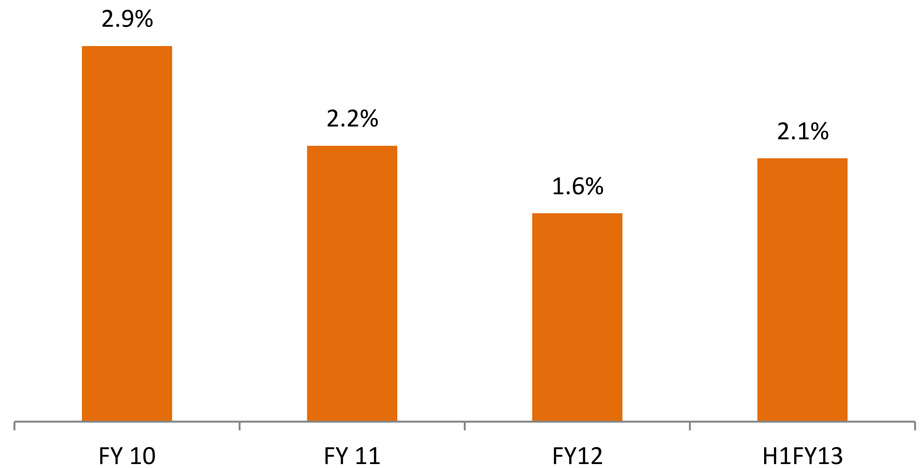


IIFL Finance – consolidated Balance Sheet

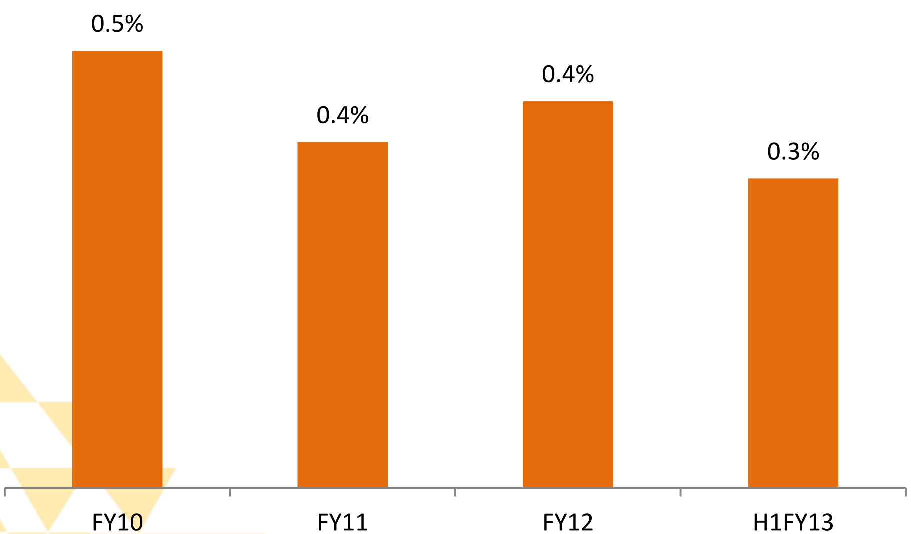
Debt to Equity ratio



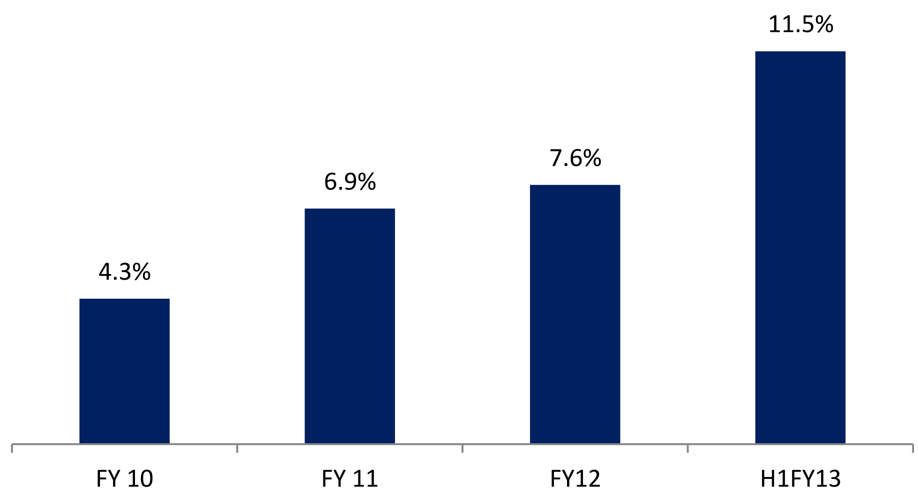
Return on Assets



Net NPAs



Return on Networth



IIFL Finance – strategy for growth

Capital adequacy
- Maintain adequate margin of safety
- Raise subordinated debt, down sell loan portfolio
- Raise equity whenever capital markets are conducive

Liquidity
- Asset liability management – a focus area for top management
- Loan portfolio has healthy mix of both short and long tenure products
- Keep unutilized bank lines to manage short term tightness

Resources
- Ability to diversify resource profile and mobilize long term debt
- Experienced team in place to help raise resources
- Regular interactions with lenders

Earnings
- Judicious mix of products to ensure healthy NIM
- Asset growth without compromising on credit
- At Group level, diversify sources of earnings
- Venturing into new products and scaling up only after putting robust processes in place and testing them

Management
- Distinguished Board and experienced management team with relevant industry knowledge
- Work extensively with renowned consultants to set up systems and processes before scaling up

Asset quality
- Focus on asset backed secured lending, add product lines in a systematic way
- Robust credit and underwriting processes to ensure creditworthiness along with in-built culture of audit

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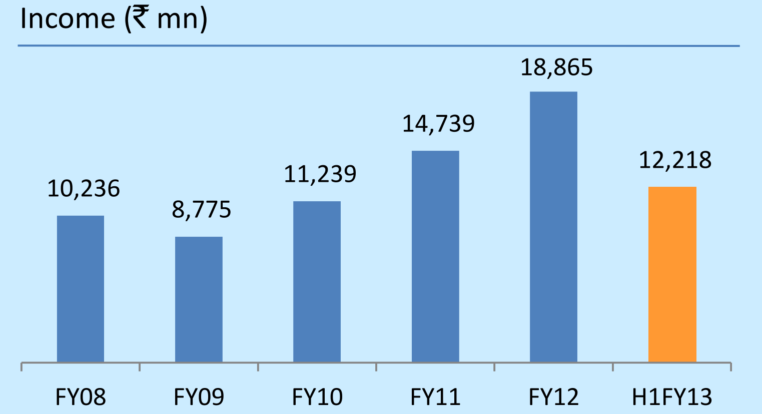
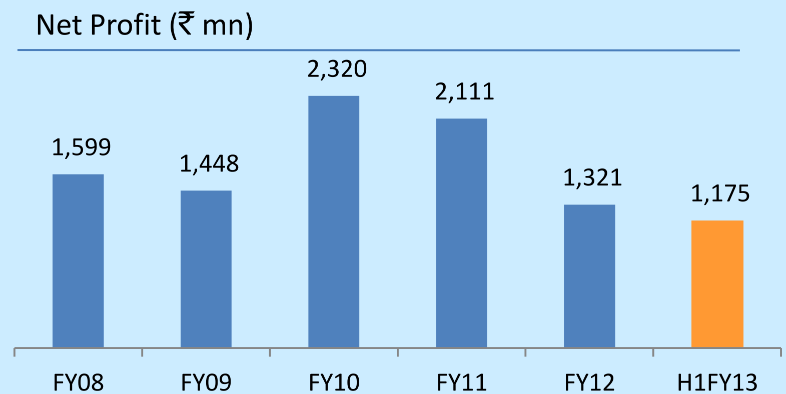
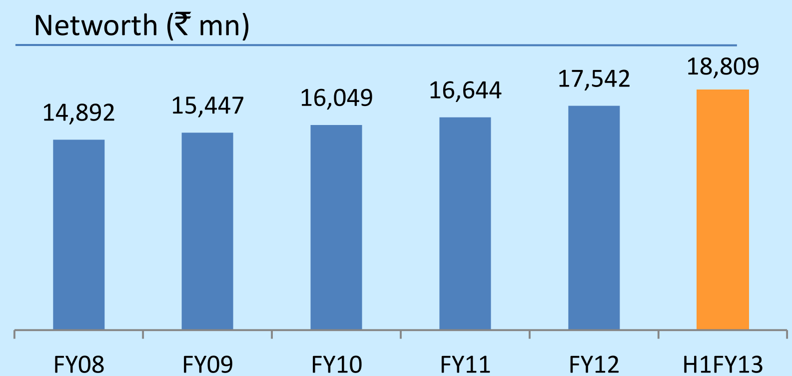
Evolution

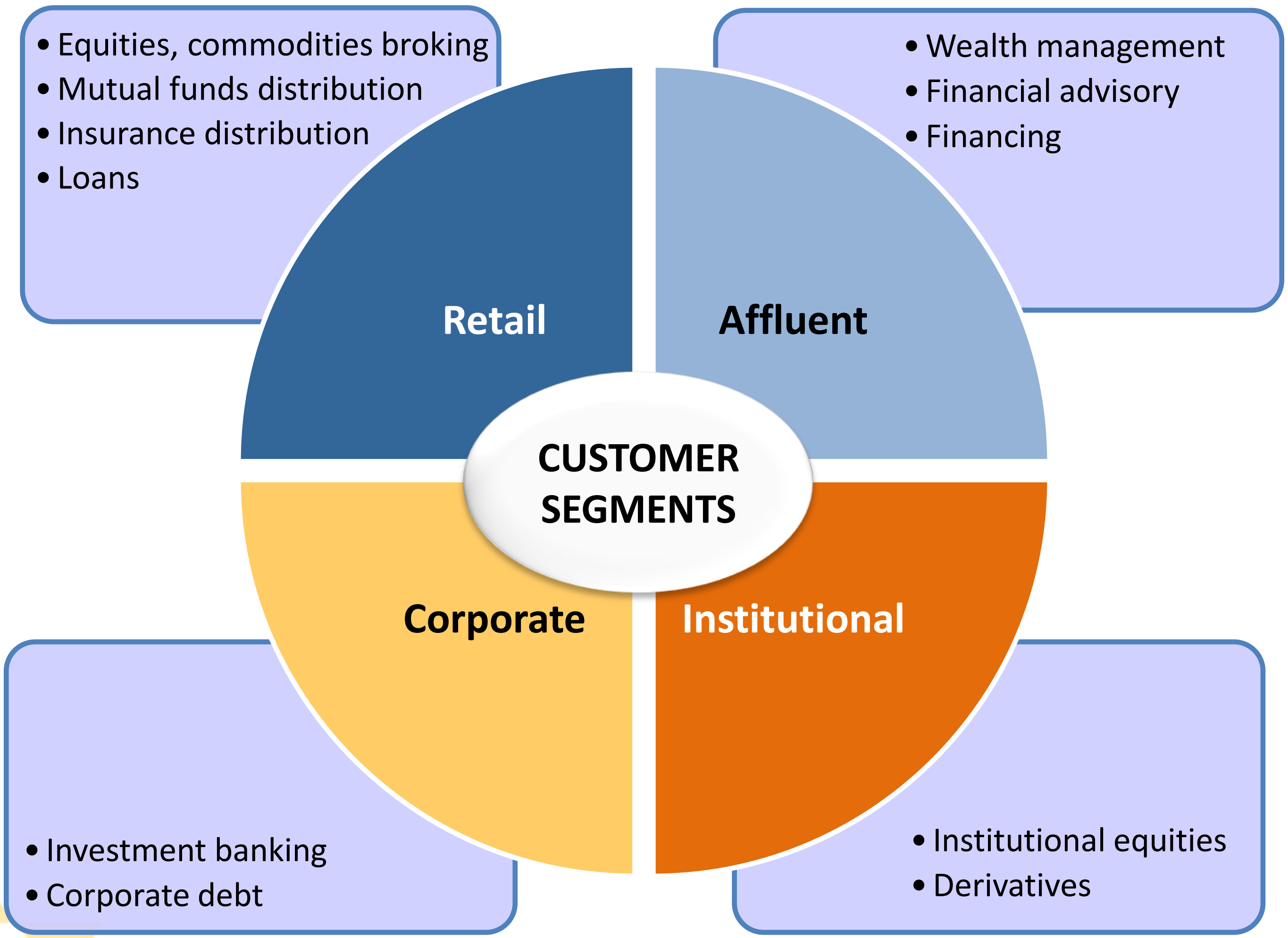
1995	Commenced operations as an Equity Research firm
1997	Launched research products of leading Indian companies, key sectors and the economy
1999	Launched www.indiainfoline.com
2000	Launched online trading through www.5paisa.com Started distribution of life insurance and mutual fund
2003	Launched proprietary trading platform Trader Terminal
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 Colombo Stock Exchange
2011	Received SEBI final approval for IIFL Mutual Fund and launched IIFL Nifty ETF
2012	Received registration for distribution of NPS from PFRDA







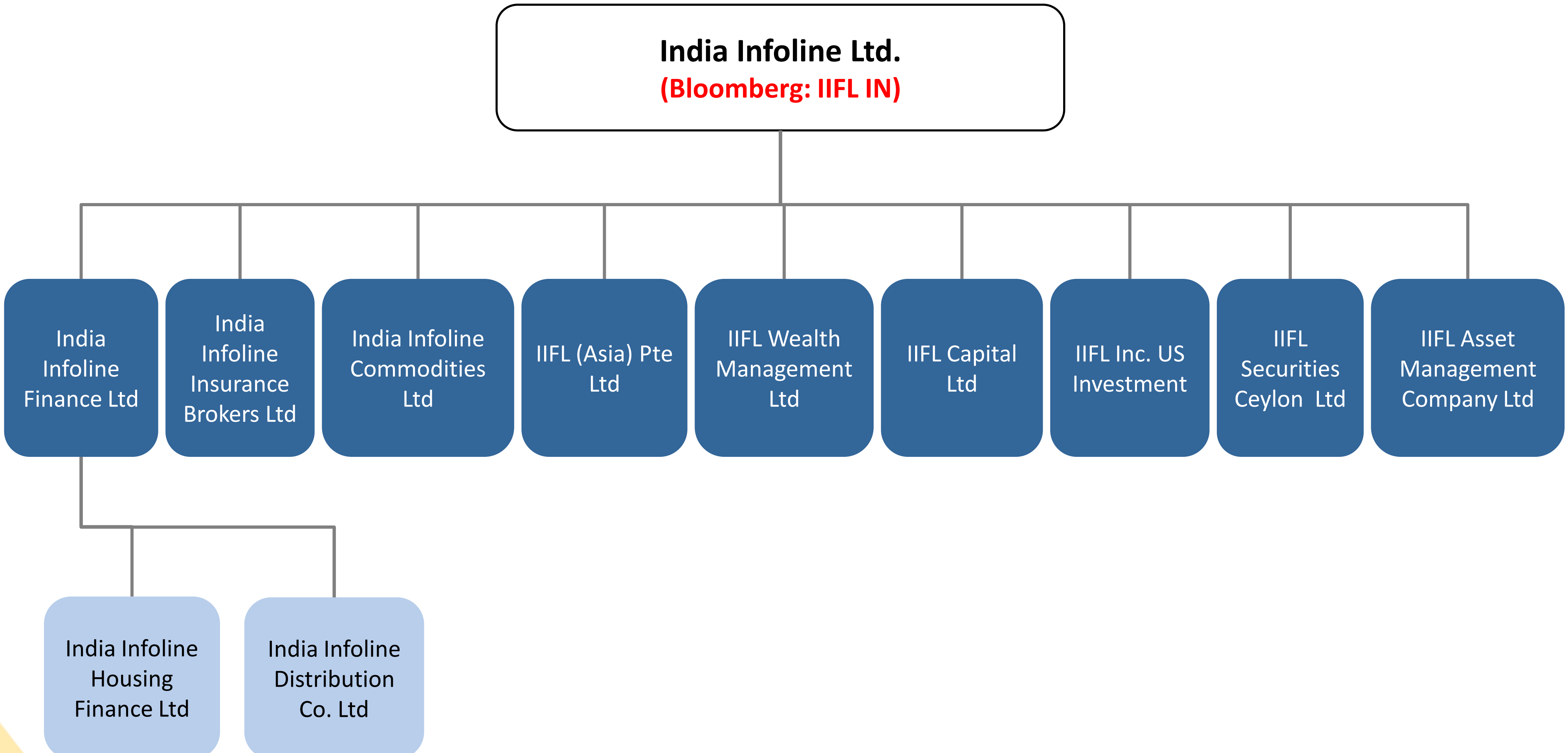
Business model



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"

1 Business Strategy	2 Customer Strategy	3 People Strategy
Continuously assimilate, analyse and apply knowledge to power superior financial decisions	Drive stickiness through high quality research & service	Attract exceptionally talented and driven people
Focus on core competence in financial services	Maintain cutting-edge proprietary technology	Ensure conducive merit environment
Ensure de-risked business through multiple products and diverse revenue streams	Wide, multi-modal network serving as one-stop shop to customers	Liberal ownership-sharing

KNOWLEDE IS THE EDGE

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	Dhruv Jain
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		
Insurance Distribution	Mukesh Kumar Singh		

Verticals

Corporate Functions

Corporate governance

Eminent independent directors of group companies

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
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

V K Chopra
Independent Director
Has over 35 years of experience in Banks. Was Chairman and Managing Director in Corporation Bank and SIDBI. He was also Executive Director in Oriental Bank of Commerce

Dr S Narayan
Independent Director
Holds M.Sc., MBM, M Phil, Ph.D. degree. Was Economic Advisor to the Prime Minister of India. Experienced in formulation of macro-economic policy for the Government tariff and taxation polices

R S Loona
Independent Director
Corporate Lawyer with an experience of over 30 yrs in the legal field. Held senior positions such as Chief General Manager (Legal) in IDBI and Executive Director (Law) in SEBI

J H Mehta
Independent Director
Management Consultant with an experience of over 30 years. Associated with renowned organizations like HLL as Executive Director and RPG Group as President

Homai Daruwala
Independent Director
Former Chairperson and Managing Director of Central Bank of India. Varied and rich experience of over 34 years in Banking Sector of LIC. Handled varied assignments in 3 large Public Sector Banks

Pranab Pattanayak
Independent Director
Rich experience of 37 years in Banking & Financial Services. Former Managing Director of State Bank of Mysore. Held senior positions in SBI and State Bank of Travencore

How we differentiate ourselves

Managerial depth	• Promoted by first generation professional entrepreneurs • Highly qualified and experienced Management team
Well-capitalized	• Group net worth of around ₹19 bn • Significant unutilized capacity to leverage
Distribution reach	• Present at over 4,000 business locations across more than 900 cities in India • Global footprint covers Colombo, Dubai, New York, Mauritius 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

Amit Harchekar receives the award from Honourable President, then Finance Minister, Shri Pranab Mukherjee; Mr. Subhash Chandra on the right

Mr R Venkataraman received the award on behalf of IIFL at the D&B Equity Broking Awards, 2012

D&B Decide with Confidence

BEST BROKING HOUSE WITH GLOBAL PRESENCE 2011 and 2012

Z BUSINESS

BEST MARKET ANALYST 2009 and 2012

ASIAN AWARDS 2011 THE Asset TRIPLE A

BEST WEALTH MANAGEMENT HOUSE – INDIA 2011 and 2012

EUROMONEY PRIVATE BANKING SURVEY 2012

BEST COMMODITIES INVESTMENT 2012

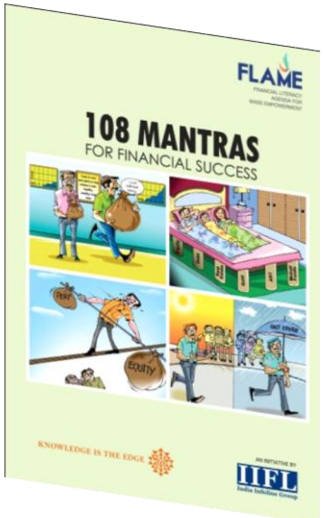
COUNTRY AWARDS FOR ACHIEVEMENT 2011 FinanceAsia

BEST BROKER - INDIA, 2011

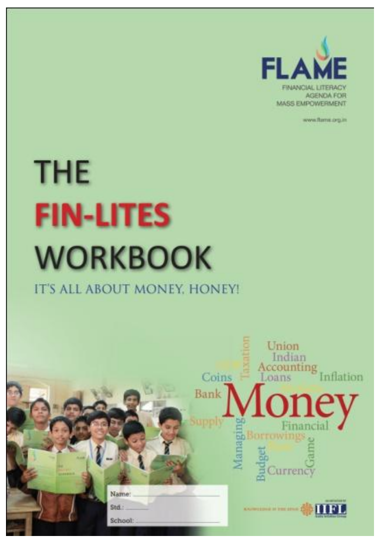
MCX Bloomberg UTV FINANCIAL LEADERSHIP AWARDS 2011

BEST EQUITY BROKER 2011

FLAME (IIFL's Financial Literacy Campaign) update



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



Over 50,000 school students have evinced interest in FIN-LITES, the FLAME educational programme for school students

IIFL Holds Financial Literacy Workshop at Hindustan Unilever, Haridwar

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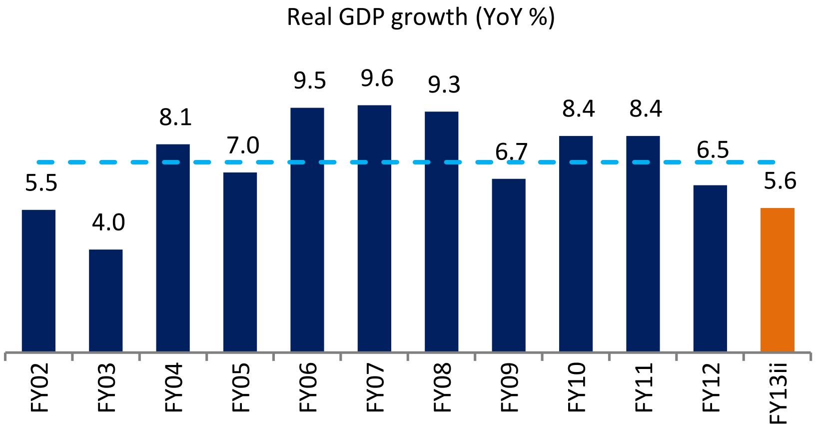
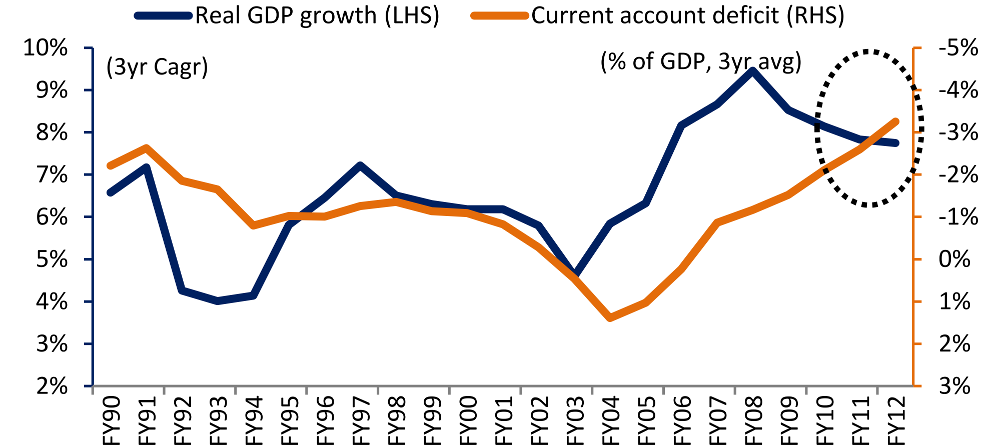
Macro economy

Growth may remain below trend



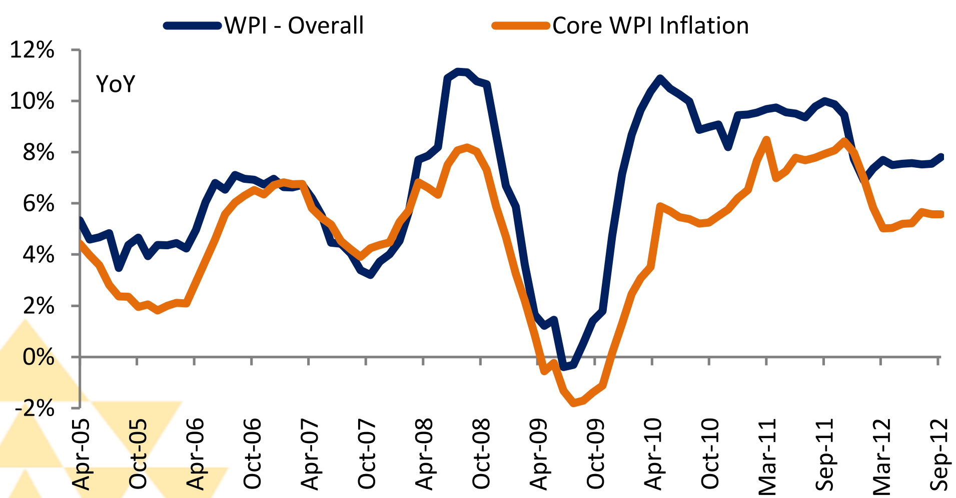
Source: CMIE, IIFL Research, FY13 GDP data is Advance Estimate

Until recently, widening current account deficit has generally meant faster growth



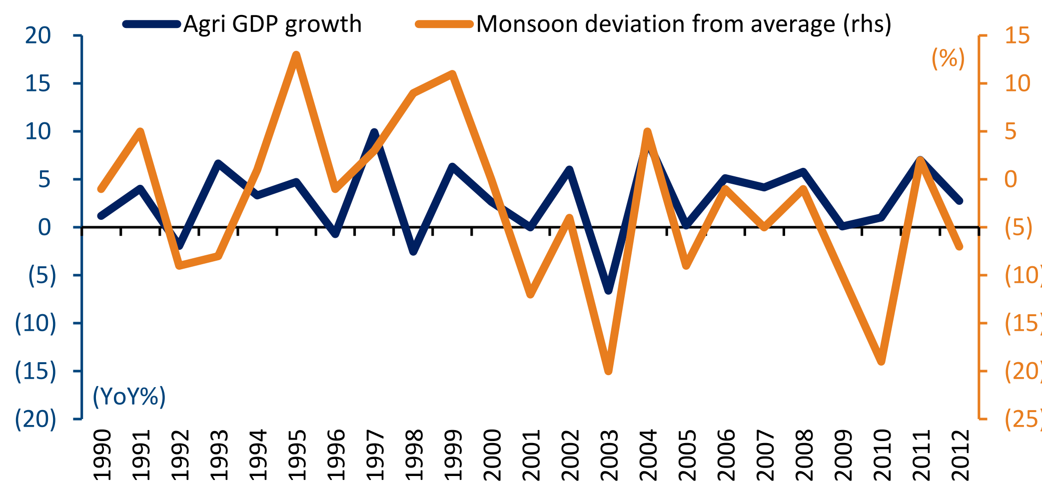
Source: CMIE, IIFL Research

Near term Inflation is coming off due to base effect



Source: Bloomberg, IIFL Research

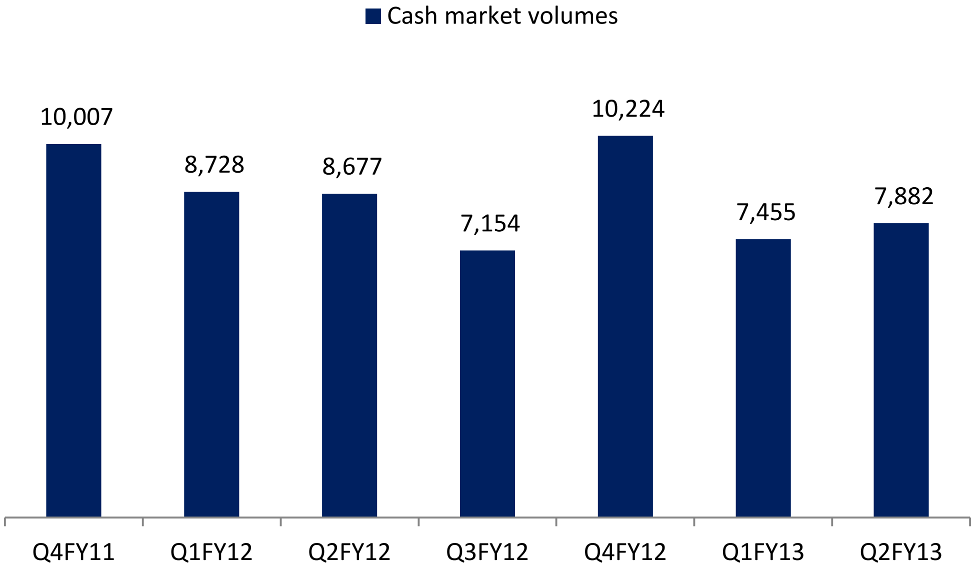
Monsoon is the key driver of near term growth



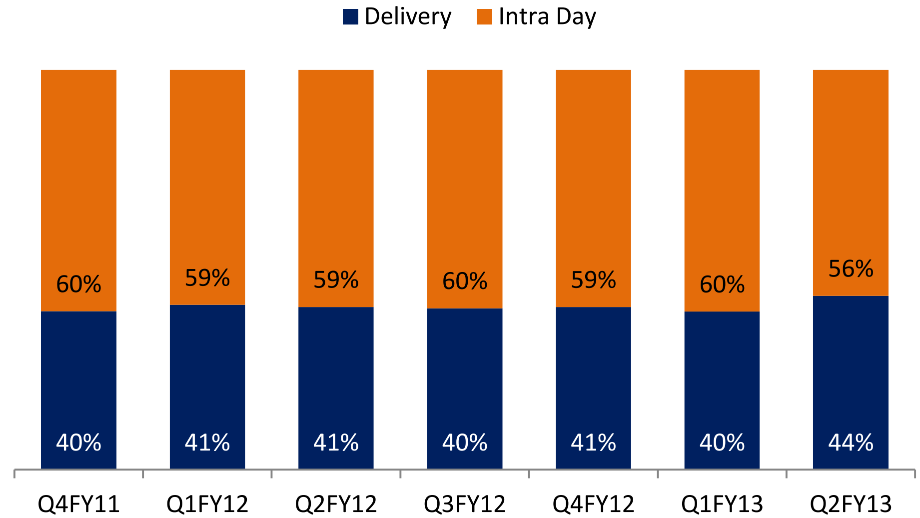
Source: CMIE, FAO, Govt of India, NDDB, IMD, IIFL Research

Equities

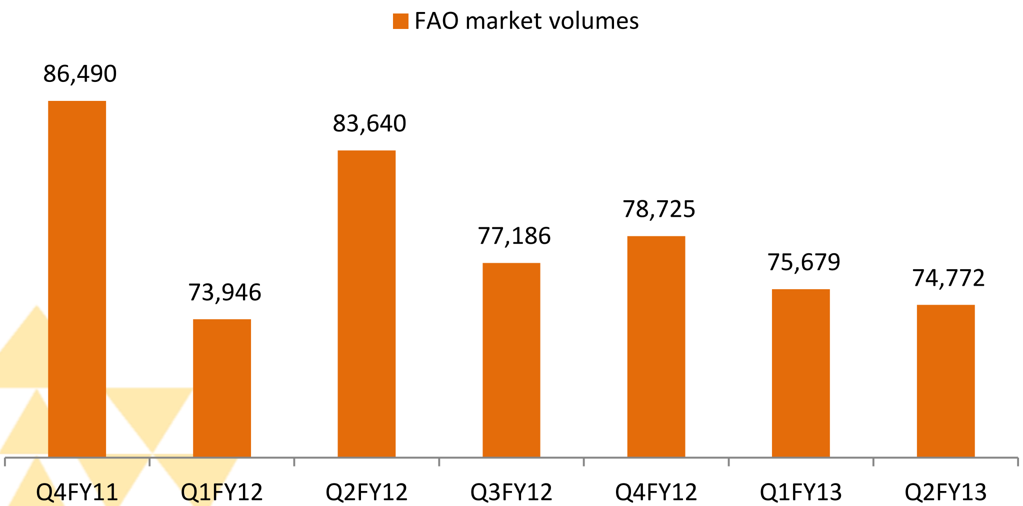
Cash market volumes picking up again (₹ bn)



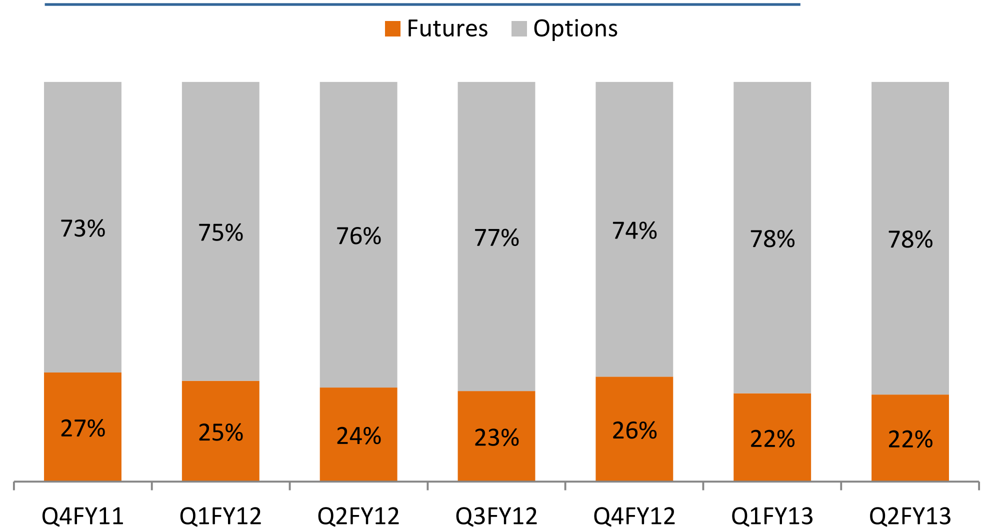
Constant share of delivery and intra day



FAO market volumes (₹ bn)



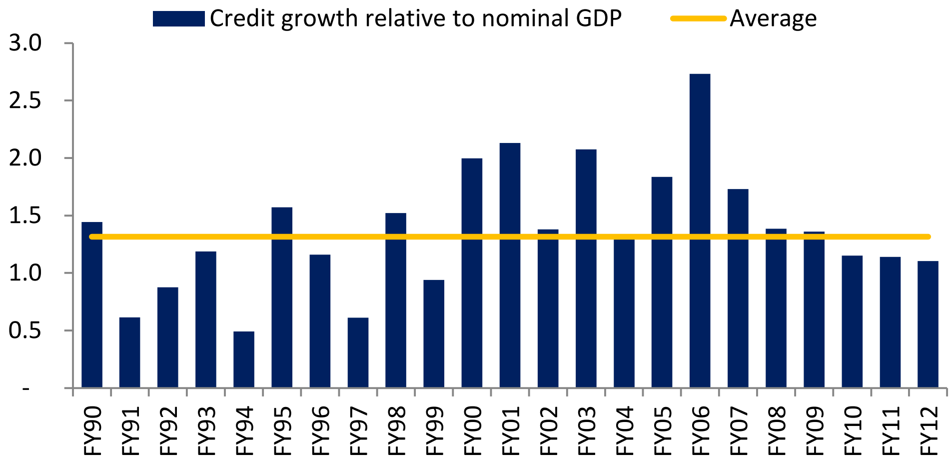
Steady share of options



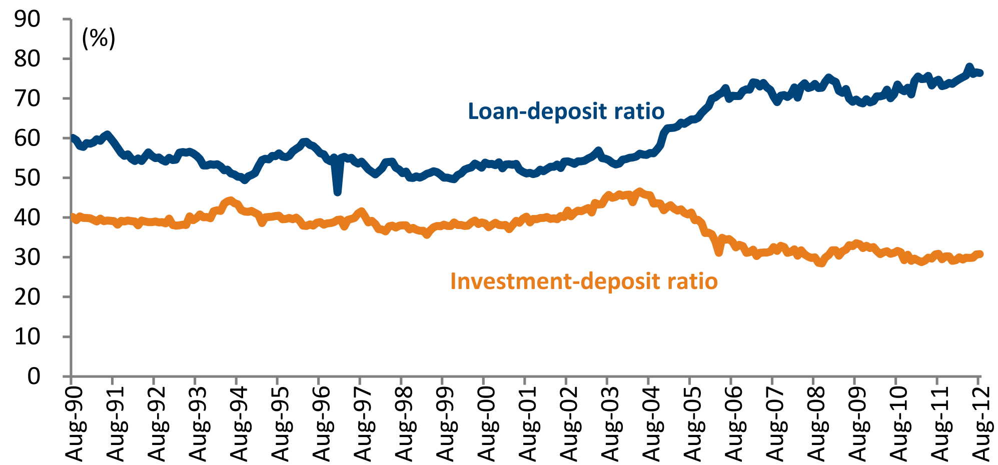
Source: Exchange website, IIFL Research

Credit and Finance

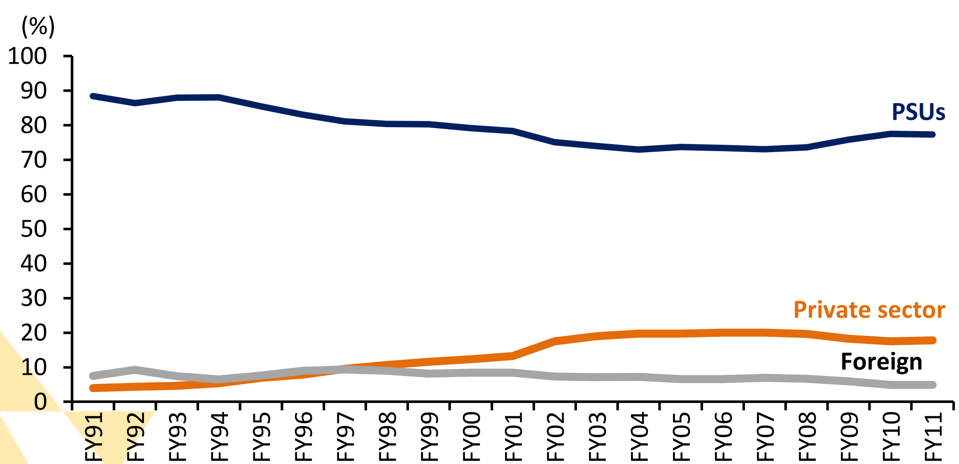
Credit growth to nominal GDP has been relatively sluggish



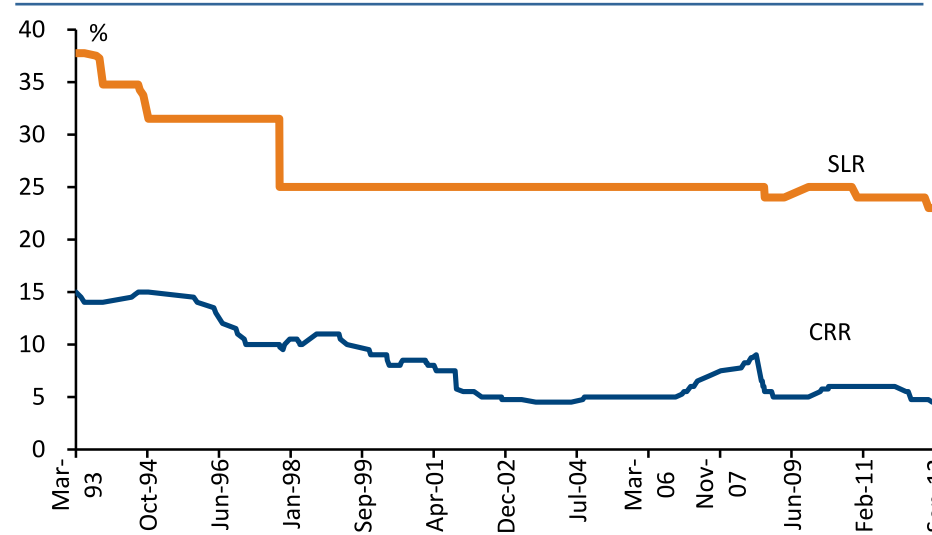
Loan–deposit ratio has structurally moved up



PSU banks steadily loosing market share in the credit market



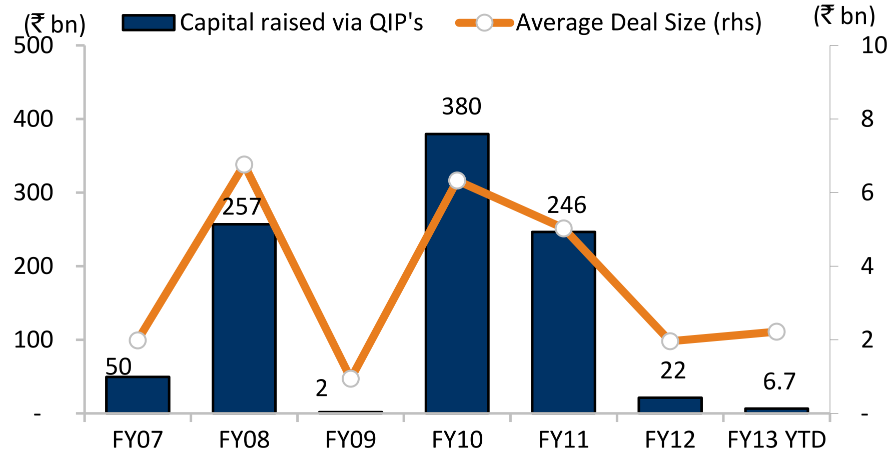
Reserve ratios - CRR and SLR trend



Source: CMIE, RBI, World Bank, Bloomberg, IIFL Research

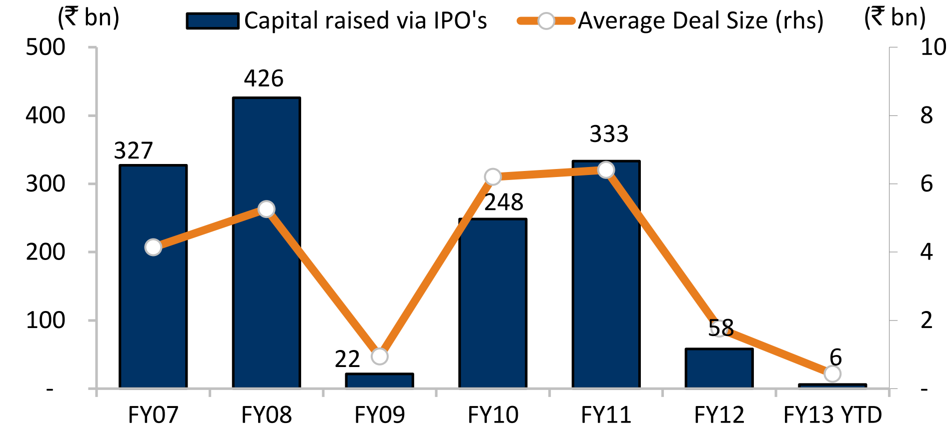
Capital raising and fund flows

Capital raised through QIPs (₹ bn)



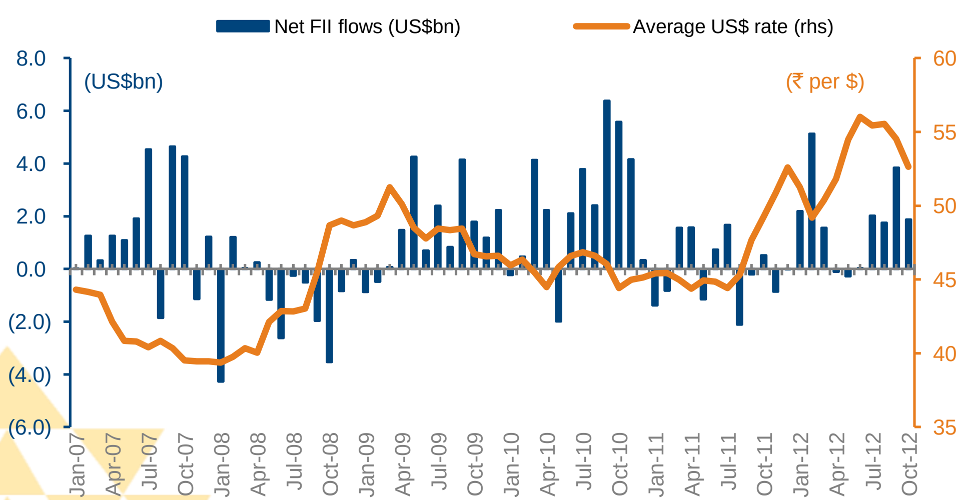
Source: Bloomberg, IIFL Research

Capital raised through IPOs (₹ bn)



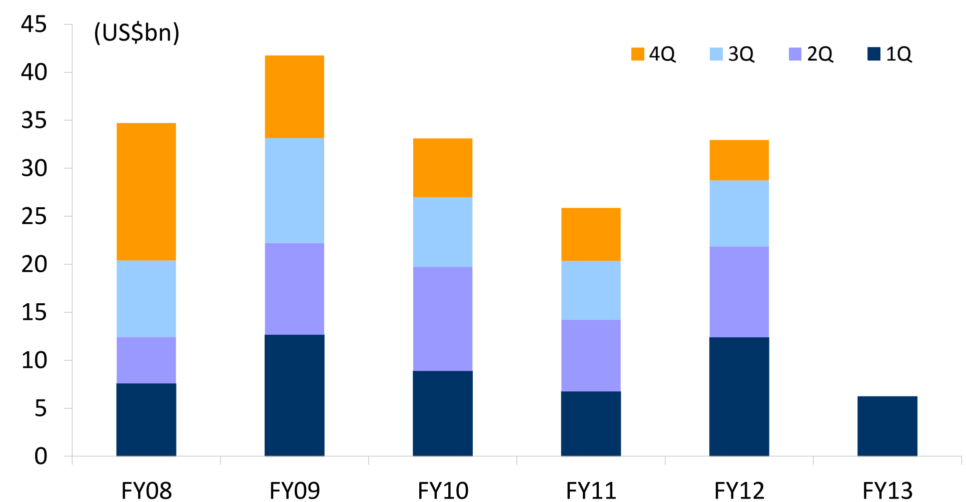
Source: Bloomberg, IIFL Research

Net FII flows (US$bn)



Source: Bloomberg, IIFL Research

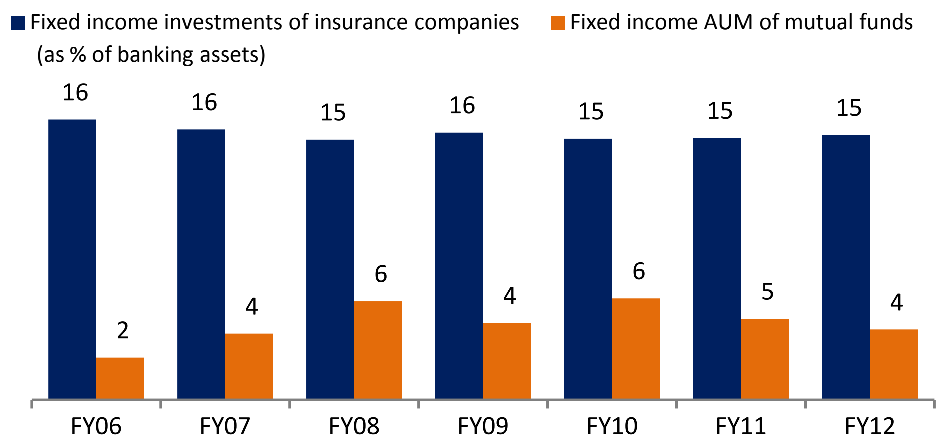
FDI inflows (US$bn)



Source: RBI, CMIE, IIFL Research

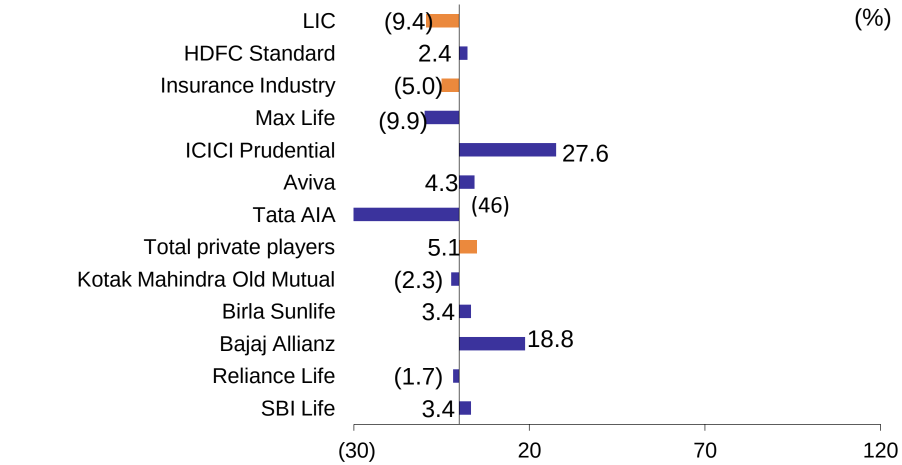
Insurance and Mutual funds

Modest increase in non banking system



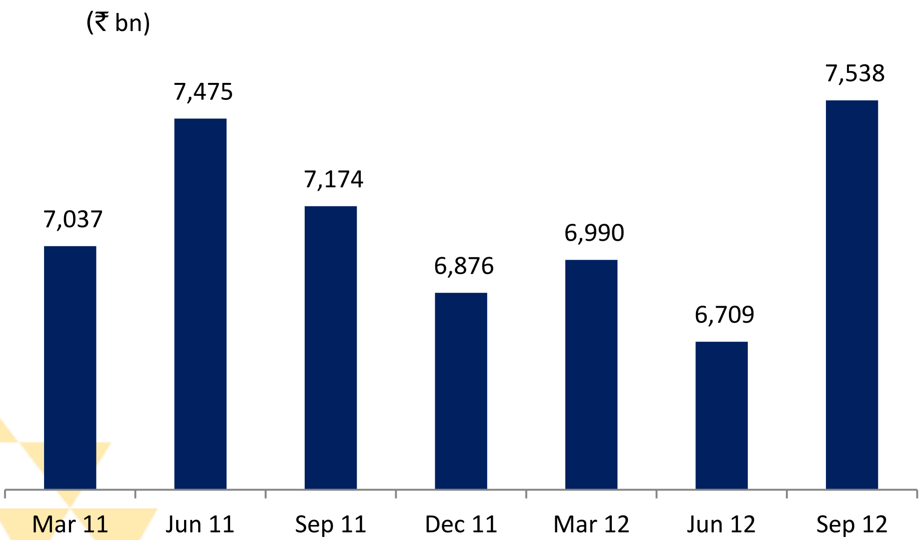
Source: CMIE, RBI, World Bank, IIFL Research

APE growth YTD yoy (%) – Aug 2012



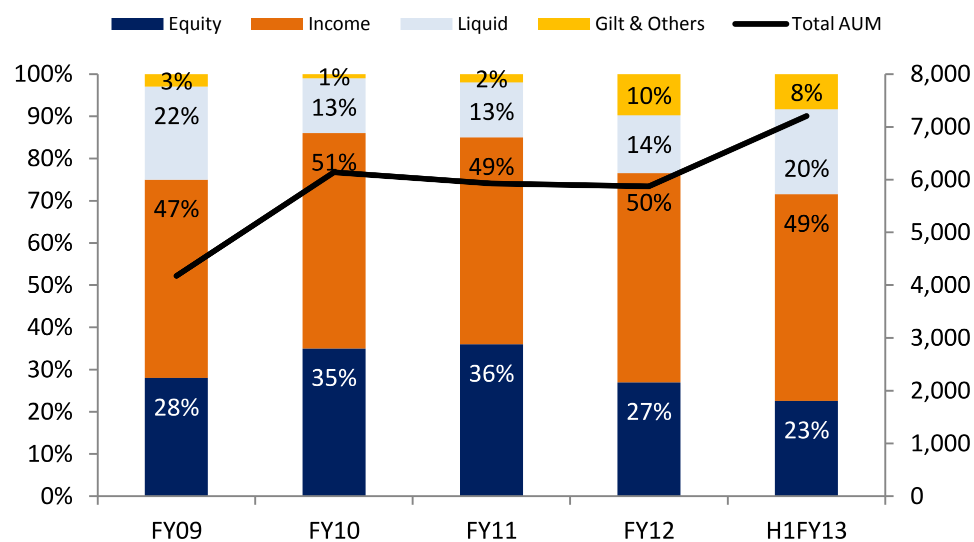
Source: IRDA

Total AUM for the industry (₹ bn) – Sep 2012



Source: AMFI

AUM by asset class (₹ bn)



Source: AMFI

Thank you