



India Infoline Limited

Results for Quarter ended December 31, 2011

February 4, 2012



SECTION 1: Performance highlights

SECTION 2: Business review

SECTION 3: Corporate overview

SECTION 4: Industry update

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%)

SECTION 1: Performance highlights

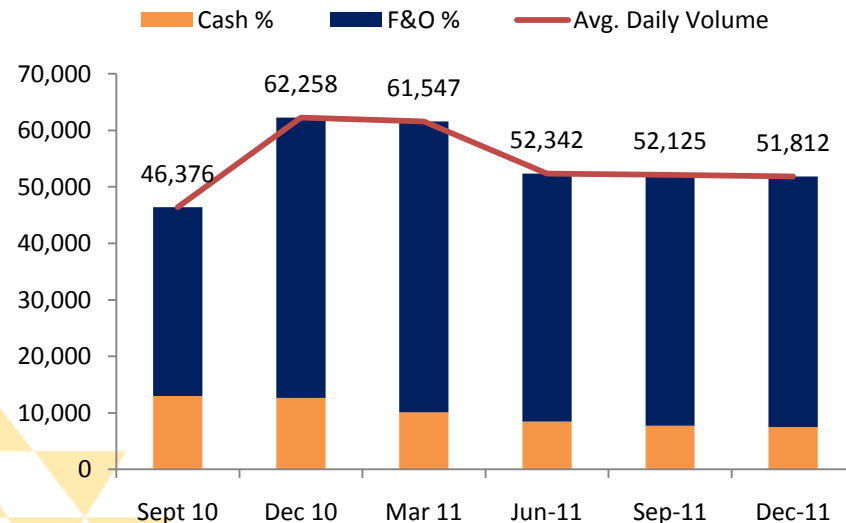
SECTION 2: Business review

SECTION 3: Corporate overview

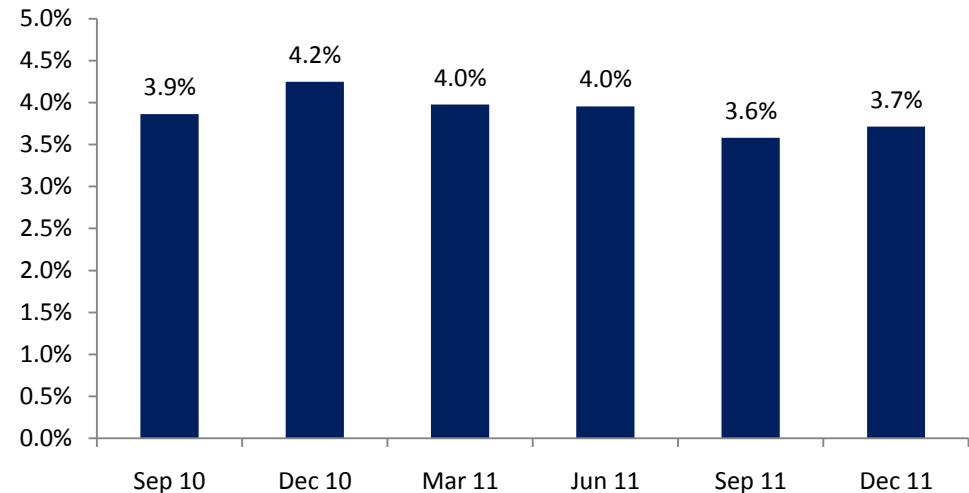
SECTION 4: Industry update

- 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)



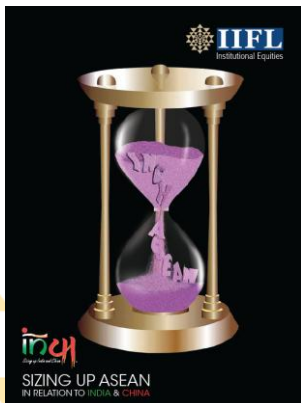
Market share on NSE (in %)



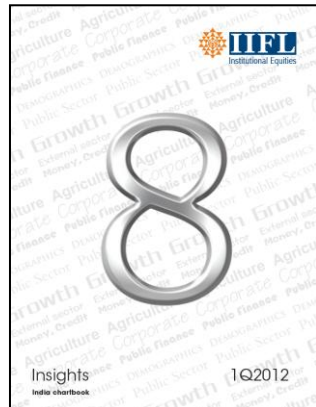
- Over 170 stocks under coverage
- Our in-depth, thematic research has been well received. Our recent research reports include:
 - Insights: Key charts on eight important facets of the Indian economy
 - India – Internet: Emergence of internet-based industries as India's internet userbase reaches a tipping 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

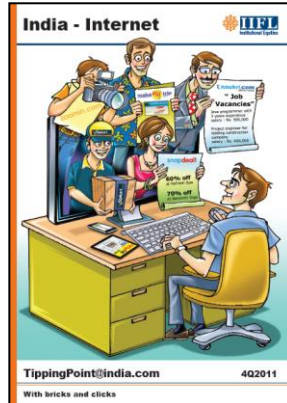
INCH-ASEAN Chartbook:
Sizing Up ASEAN in relation to
India and China



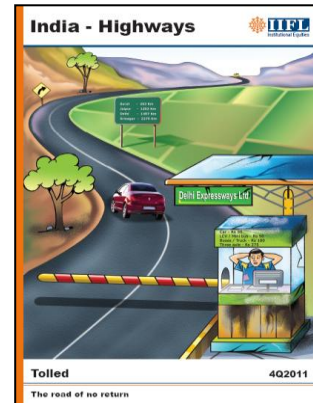
Key charts on eight
important facets of the
Indian economy



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



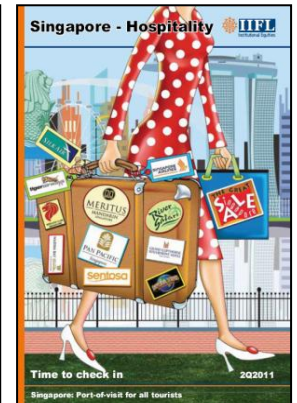
Analysis of operational
BOT road projects



Rigorous company research
that goes far beyond the
basics

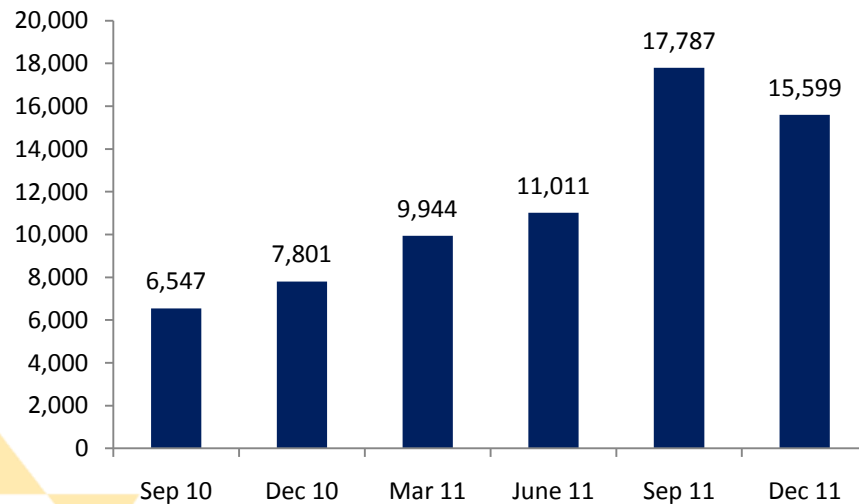


A detailed analysis of
Singapore's hospitality
market

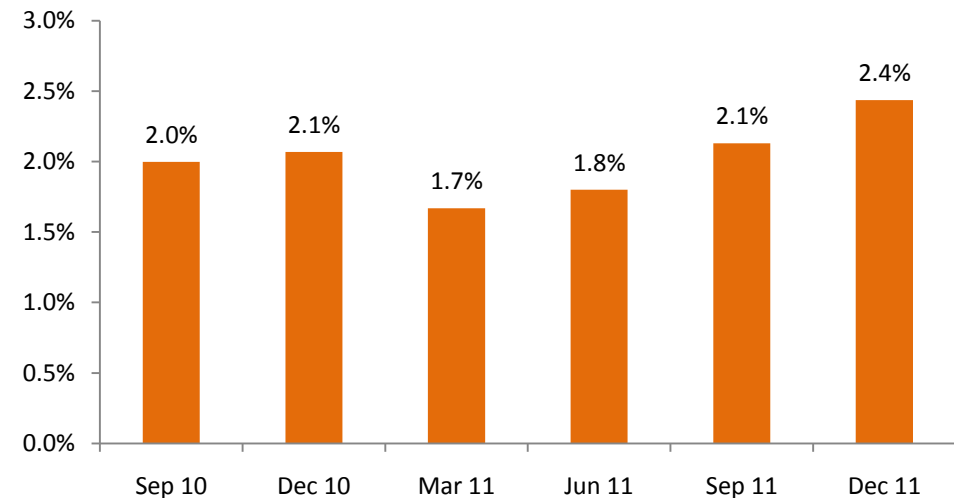


- Average daily commodities turnover at ₹15.6 bn, down 12.3% qoq (up 100% yoy)
- Commodities market share increased to 2.4% in Q3FY12 as against 2.1% in Q2FY12 and 2.0% in Q3FY11
- The commodities market turnover is down by 23.1% qoq and has increased by 77.8% yoy

Average Daily Turnover (₹ mn)

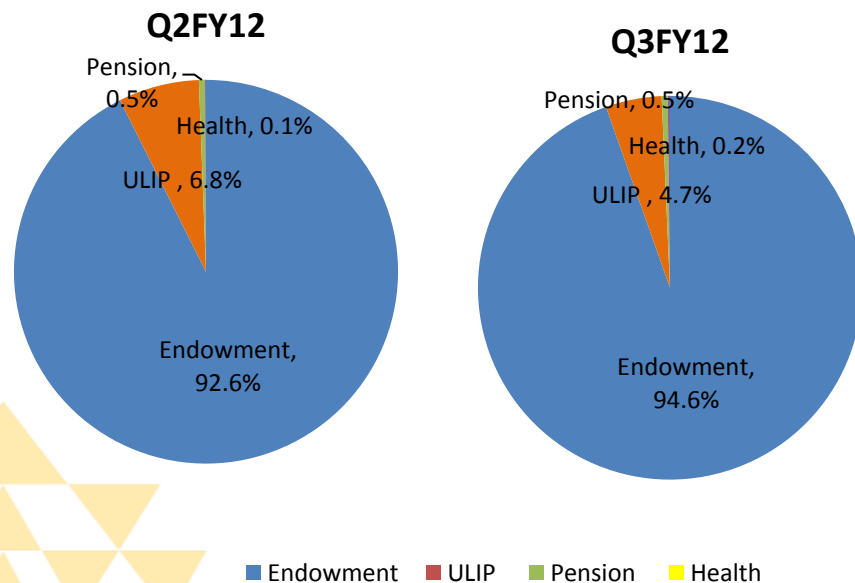


Market share (in %)

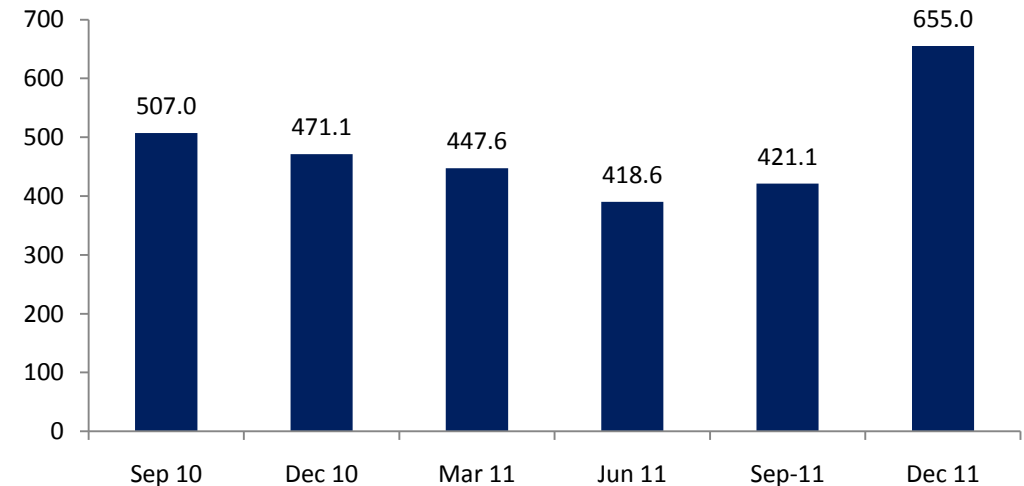


- Marketing and distribution income in Q3FY12 was ₹655 mn, up 55.5% qoq (up 39% yoy)
- Our product portfolio is dominated by long term endowment products which are also diversified across several leading insurance companies. They include SBI Life, Reliance Life Insurance, Tata AIG, ICICI Prudential,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

Changing product mix

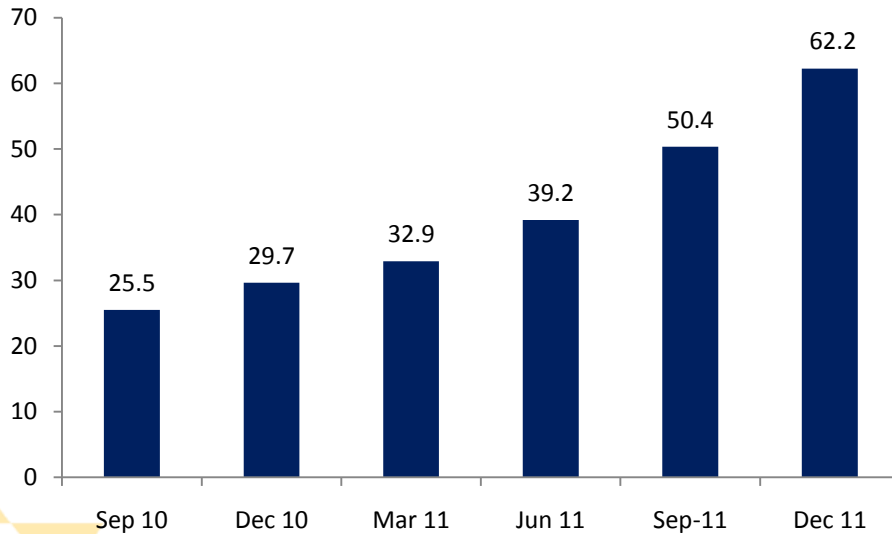


Marketing and Distribution income (₹ mn)

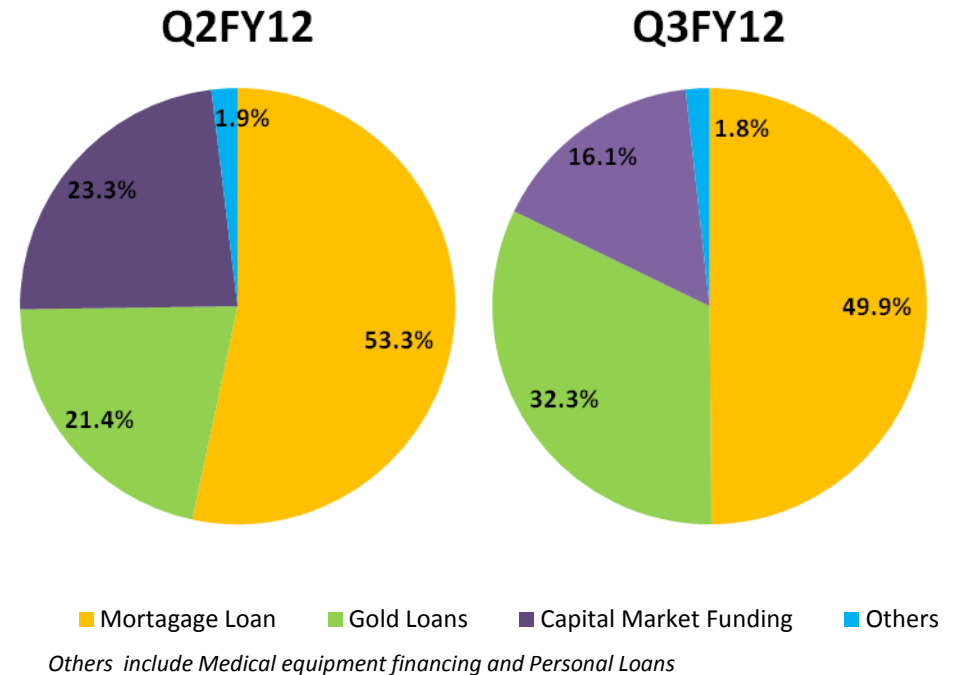


- NBFC loan portfolio as on December 31, 2011 increased to ₹62.2 bn as against ₹50.4 bn in the last quarter
- Our loan book largely comprises secured lending of over 99.5%. Our unsecured loan book has fallen to less than 0.5% of the total book
- NPAs on the books continue to remain less than 0.5%

Loan Portfolio (₹ bn)



Portfolio break-up



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

IIFL Nifty ETF

Two facts:

1.

It tracks the Nifty faithfully. While most couldn't even match it! Read for yourself: "Among equity-oriented funds, the majority of large cap and diversified equity funds underperformed their benchmark indices, viz, the S&P CNX Nifty and the S&P CNX 500, respectively, in all three time periods of analysis (1, 3 and 5 years)"

Source: NIP, DRI, SIPA, JUNE 2011

2.

It carries the lowest expenses of any Equity ETF in India. 25 paise pays for a full year's charges for every ₹100 invested. That's just 0.25% p.a. Including all management fees!

Offer Opens 28th September 2011. Offer Closes 12th October 2011
For details SMS FUND to 56767 or Email: fund@indiaonline.com

KNOWLEDGE IS THE EDGE



IIFL Mutual Fund, 101, Connaught Place, New Delhi 110048, India

IIFL Mutual Fund		
IIFL Fixed Maturity Plan - Series 1 (Close ended Income Scheme) (Maturity: 550 days) KEY INFORMATION MEMORANDUM		
Offer of Unit at Rs. 10/- per unit during the New Fund Offer Period. New Fund Offer Opens on January 13, 2012		
This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the scheme, the investor should refer to the Scheme Information Document (SID) and the Prospectus. The investor should also refer to the SID and the Prospectus for details of the scheme. The investor should also refer to the SID and the Prospectus for details of the scheme.		
The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended. The date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM. It is to be distinctly understood that the permission given by National Stock Exchange of India Limited (NSE) should not in any way be deemed or construed that the Scheme Information Document has been disapproved or approved by NSE, nor does it certify the correctness or completeness of any of the contents of the Draft Scheme Information Document. The investor is advised to refer to the Scheme Information Document for full text of the 10 Schedule Clause of NSE.		
The KIM is dated January 4, 2011.		
Name of Mutual Fund IIFL Mutual Fund Regd. Office: IFL Centre, 3rd floor Annex, Kamala City, Senapati Bapat Marg, Lower Park, Mumbai 400 013	Name of Asset Management Company India Infoline Asset Management Company Ltd. Regd. Office: IFL Centre, 3rd floor Annex, Kamala City, Senapati Bapat Marg, Lower Park, Mumbai 400 013	Name of Trustee or company India Infoline Trustee Company Ltd. Regd. Office: IFL Centre, 3rd floor Annex, Kamala City, Senapati Bapat Marg, Lower Park, Mumbai 400 013
Name of the Sponsor India Infoline Ltd. Regd. Office: IFL House, Sun Infotech Park, Road No. 15, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400 604	Name of the Registrar Computer Age Management Services Pvt. Ltd. (CAWS) Regd. Office: No. 17/18 New No. 10/10 M.G. Road, formerly known as Kodambakkam High Road, Nungambakam, Chennai - 600 034	
Name of the Scheme IIFL Fixed Maturity Plan - Series 1 Type of the Scheme Close ended Income Scheme		
Investment Objective: The investment objective of the Scheme is to generate returns through investments in debt and money market instruments. The Scheme will invest in debt and money market securities, making an on or before maturity of the scheme. There is no assurance that the investment objective of the Scheme will be achieved.		
returns with high credit quality portfolio. The actual percentage of investment in various fixed income securities will be decided after considering the prevailing market conditions, the macroeconomic environment (including interest rates and inflation), the performance of the corporate sector and general liquidity and other considerations in the economy and market.		

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



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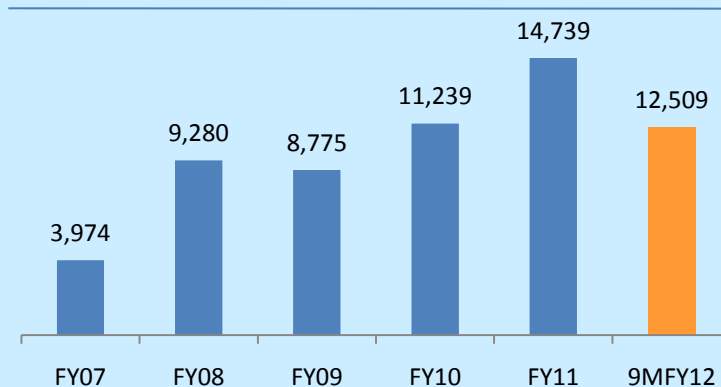
SECTION 4: Industry update

Evolution

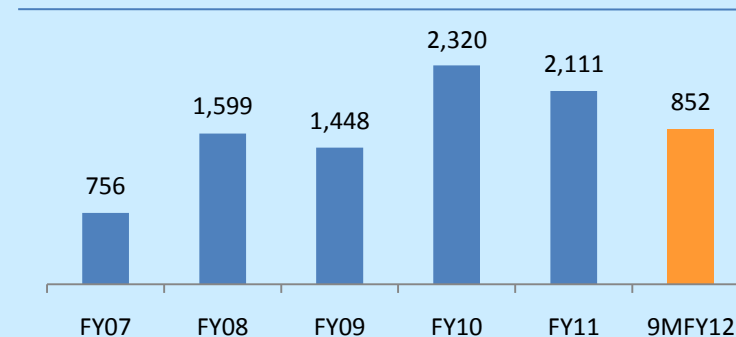


1995	➤ Commenced operations as an Equity Research firm
1997	➤ Launched research products of leading Indian companies, key sectors and the economy
1999	➤ Launched www.indiainfoline.com
2000	➤ Launched online trading through www.5paisa.com ➤ Started distribution of life insurance and mutual fund
2003	➤ 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

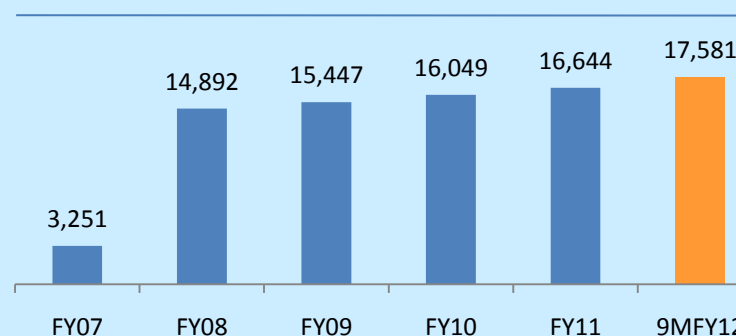
Income (₹ mn)

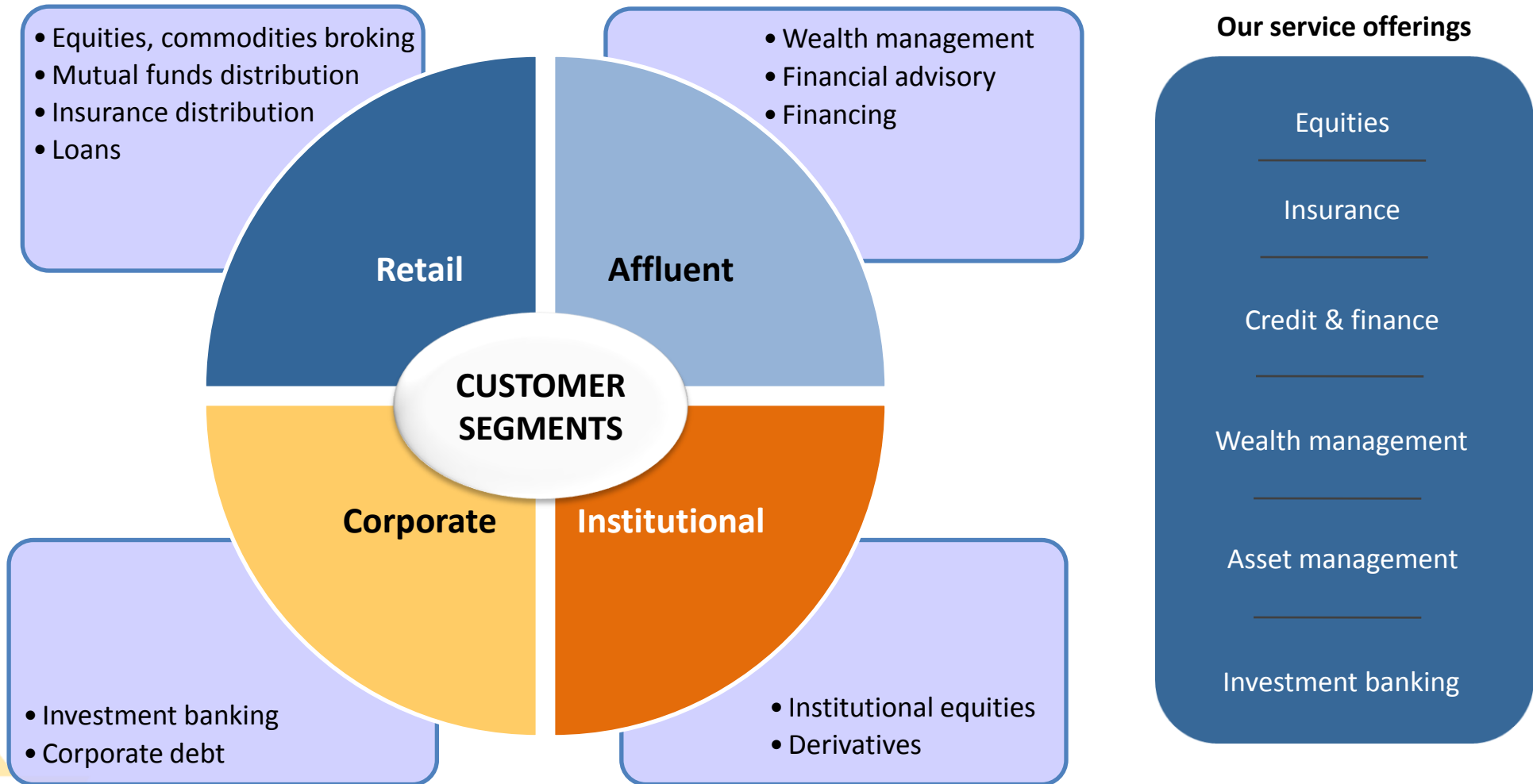


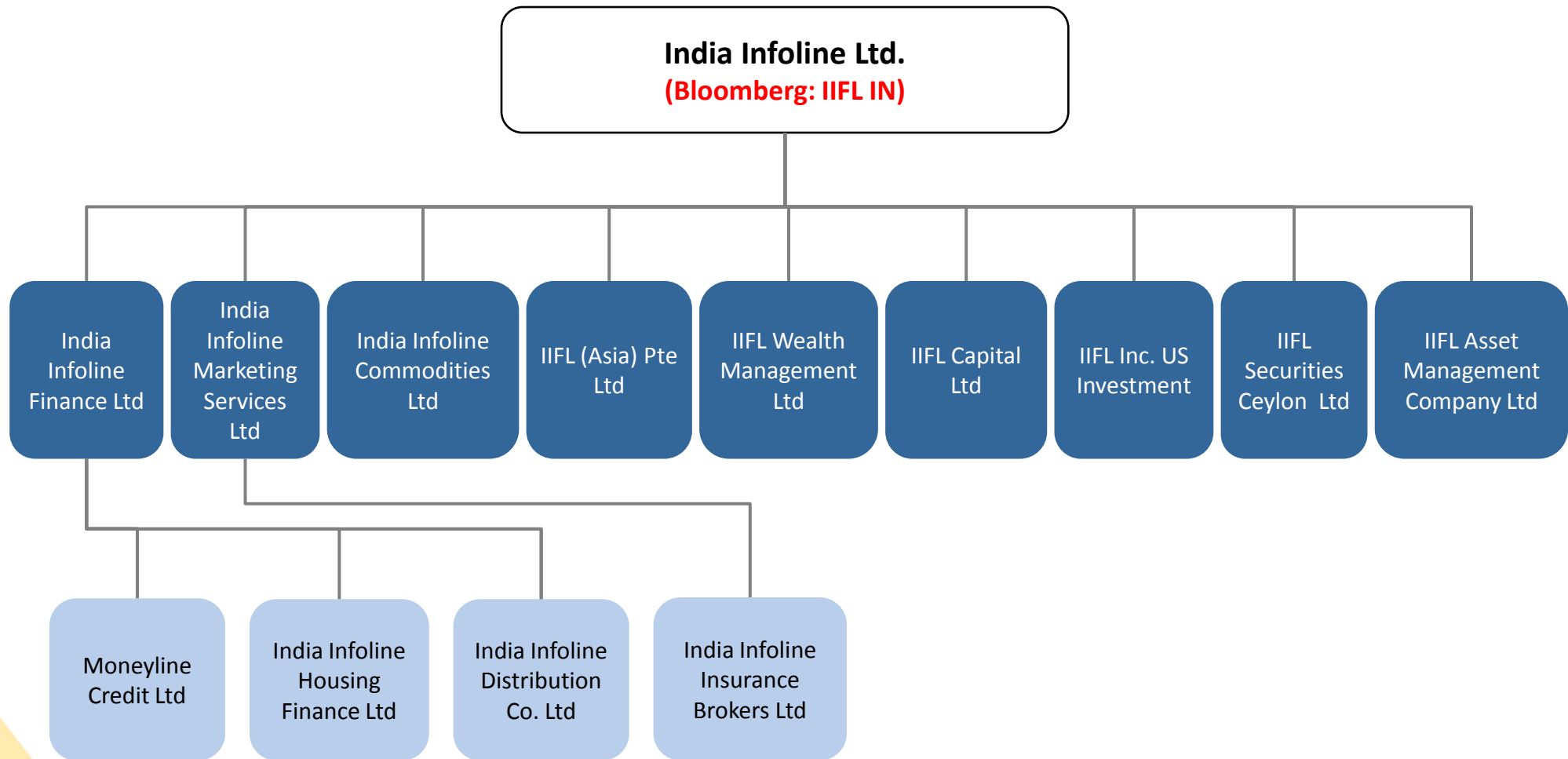
Net Profit (₹ mn)



Networth (₹ mn)







* The above chart does not cover all group companies

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		

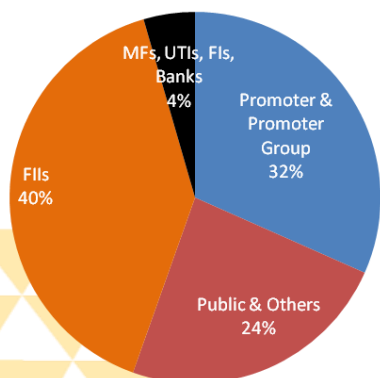
Verticals

Corporate Functions

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

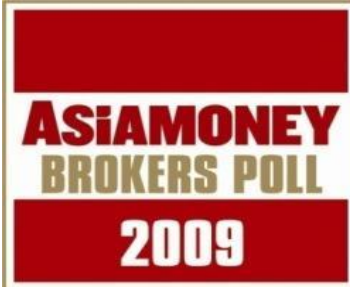
Technology edge

- 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

 Decide with Confidence				
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
		 Decide with Confidence		
BEST BROKERAGE 2009	INDIA'S MOST VALUABLE CEOs --2009	FASTEST GROWING BROKING HOUSE 2008		

FLAME (IIFL's Financial Literacy Campaign) update



Launched a financial literacy certification course for students



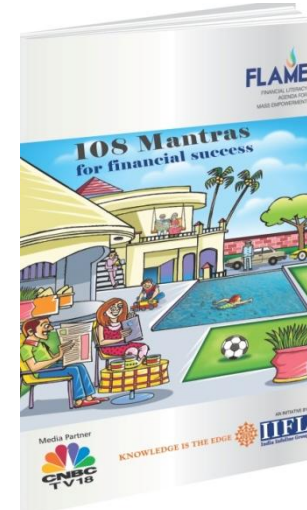
Partnered with Swadhaar Finaccess (SFA), an NGO to impart financial education to women living in slum communities



Financial Literacy workshops being held across the country



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



Media campaigns in leading newspaper

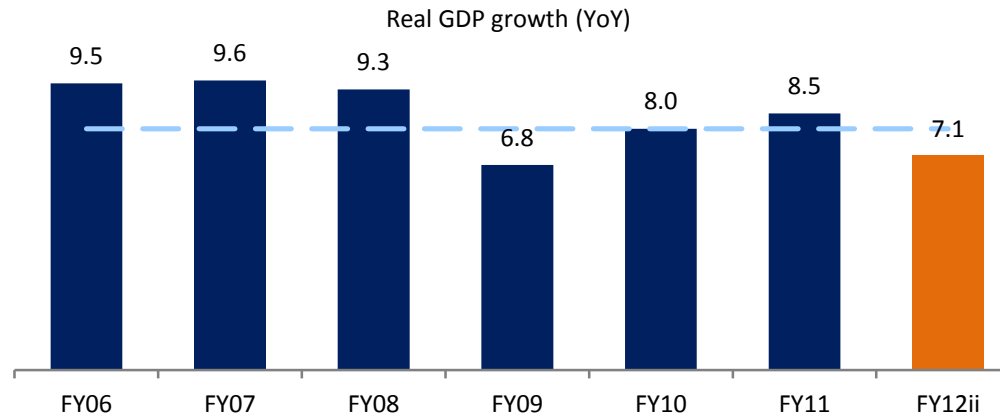
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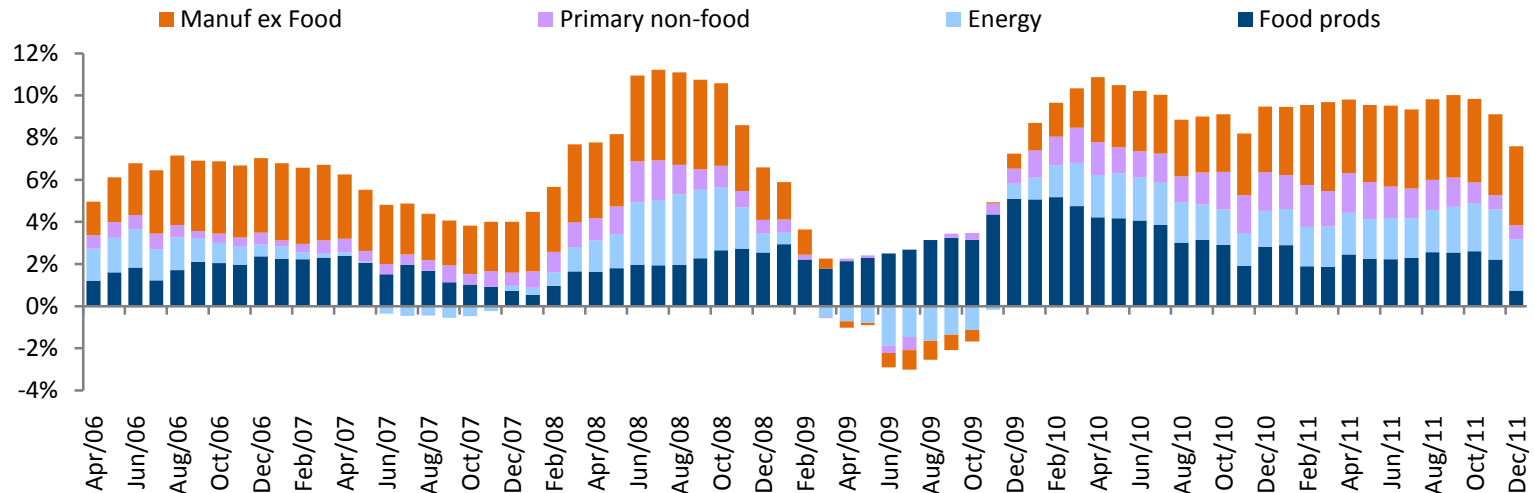
SECTION 4: Industry update

Growth may remain below trend in FY12



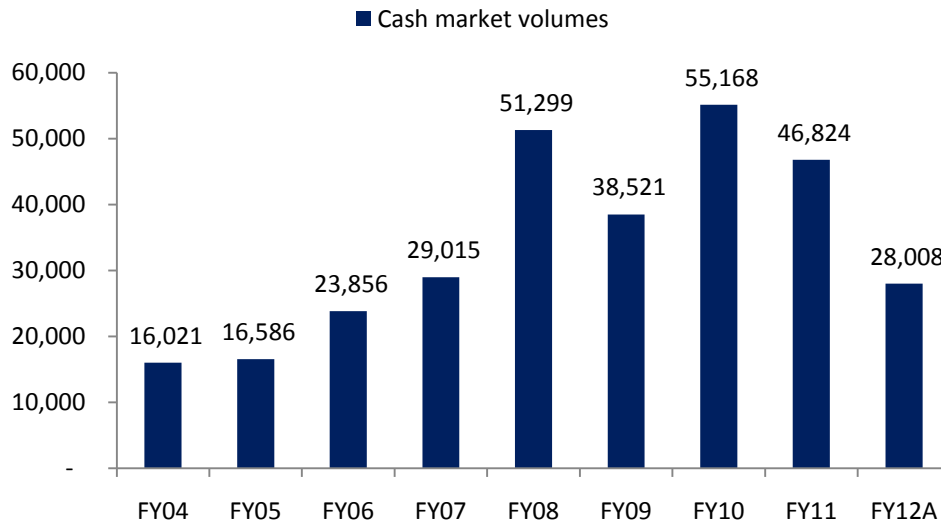
Source: CMIE, IIFL Research

Inflation will come off as food and manufactured inflation comes off

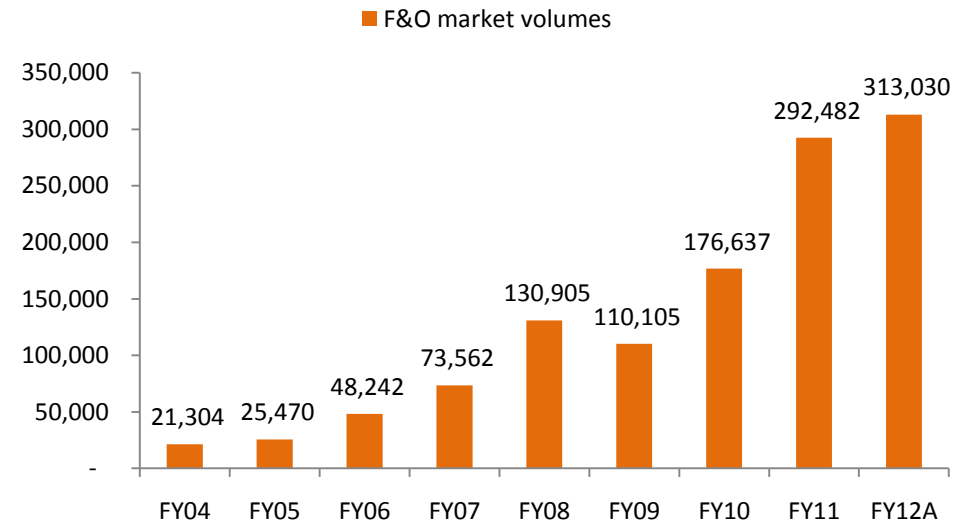


Source: CSO, IIFL Research

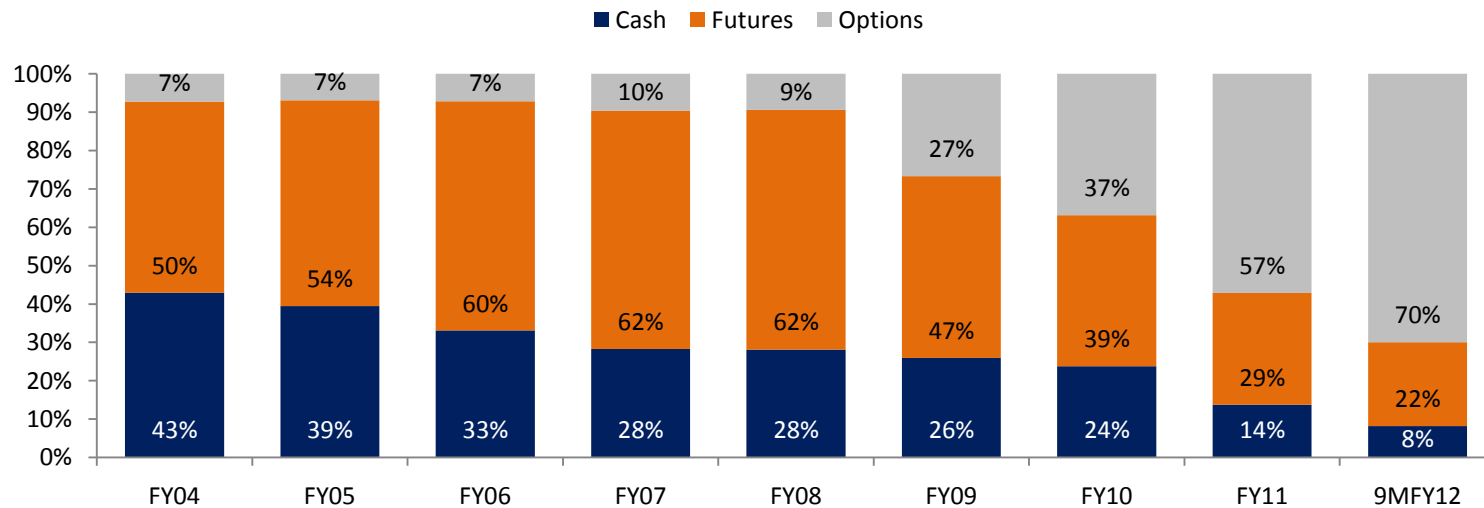
Continuous fall in cash market volumes (₹ bn)



F&O market volumes (₹ bn)



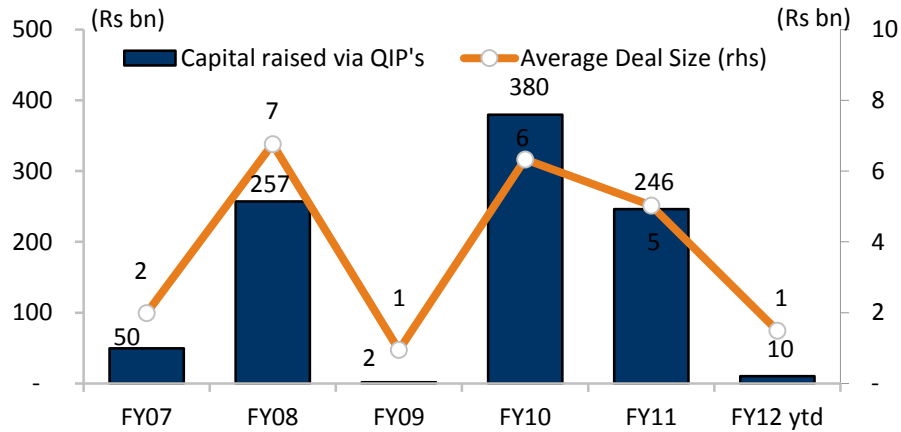
Share of cash market volumes continuously falling



Source: Exchange website, IIFL Research

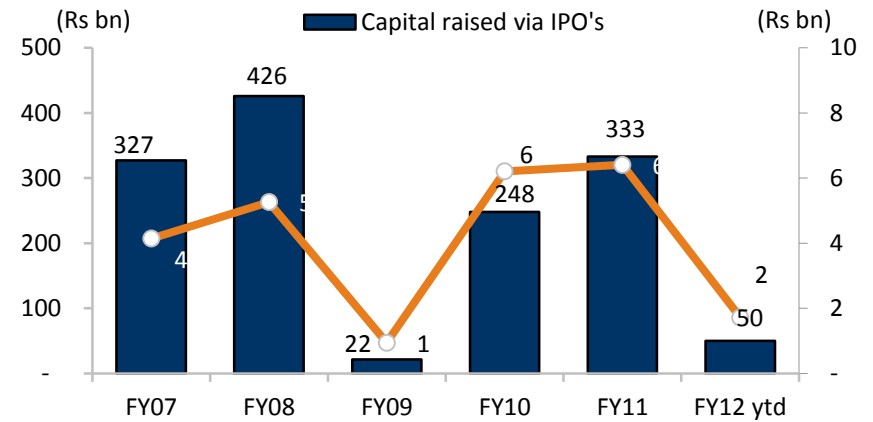
Capital raising and Fund flows

Capital raised through QIPs (₹ bn)



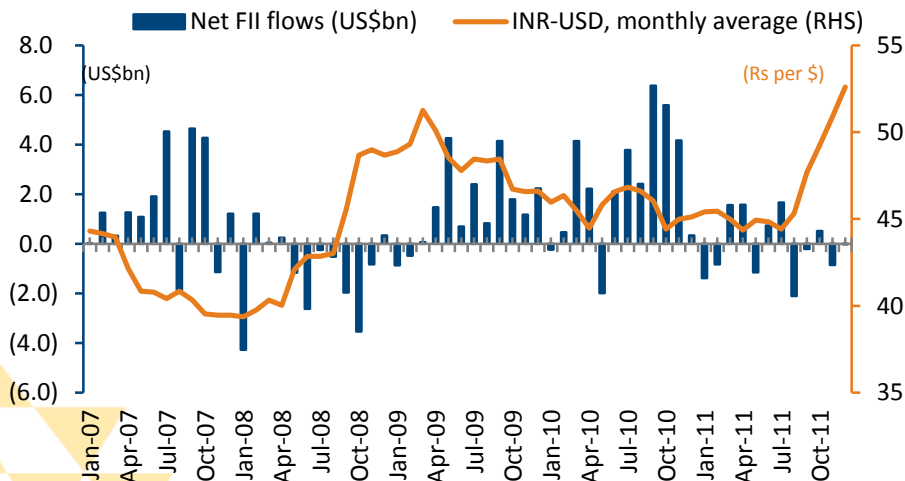
Source: Bloomberg, IIFL Research

Capital raised through IPOs (₹ bn)



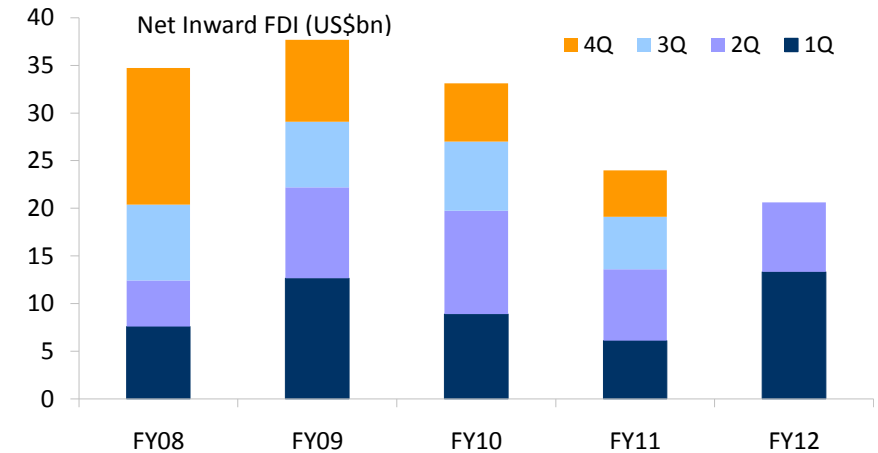
Source: Bloomberg, IIFL Research

Net FII flows (US\$bn)



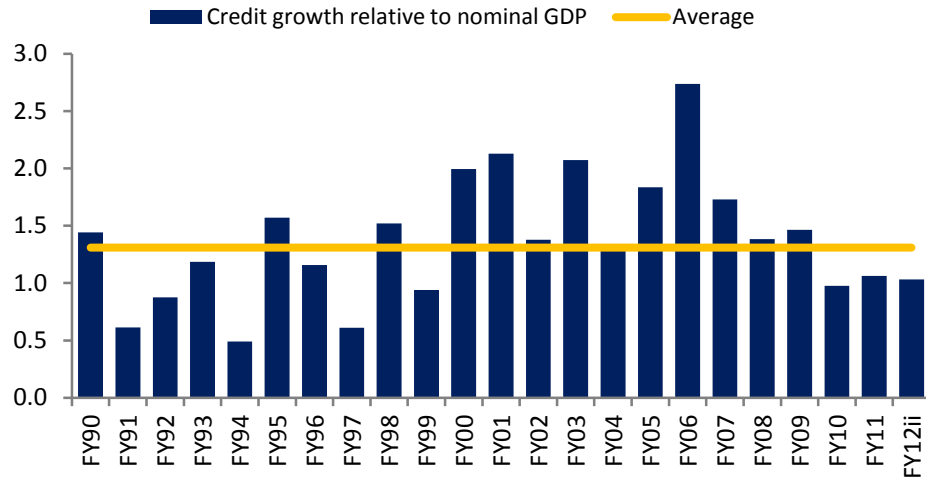
Source: Bloomberg, IIFL Research

FDI inflows (US\$bn)

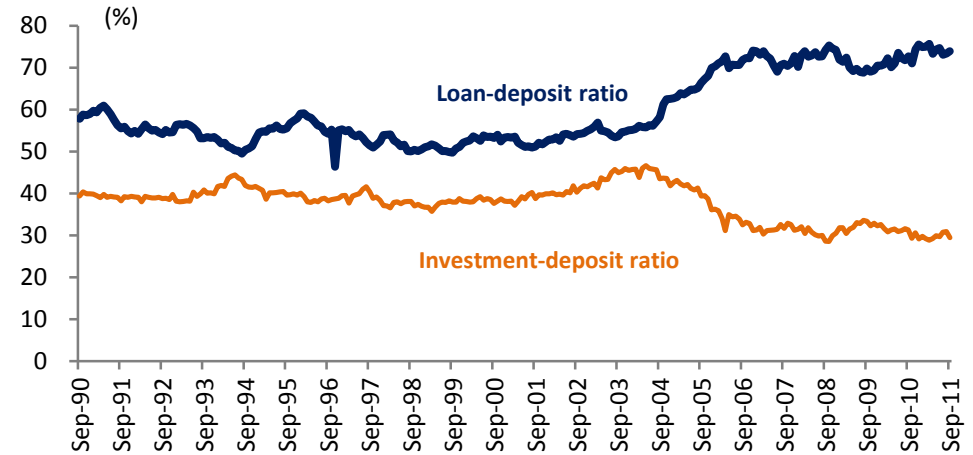


Source: RBI, CMIE, IIFL Research

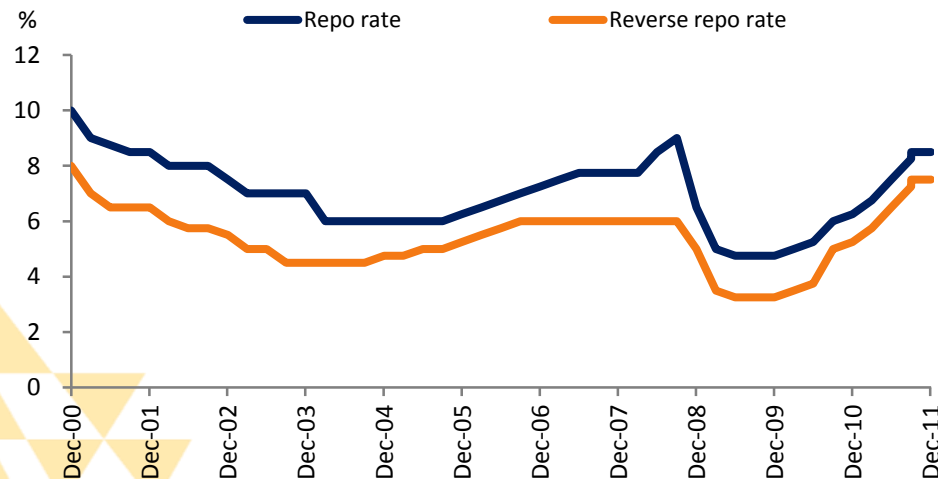
Credit growth to nominal GDP has been relatively sluggish



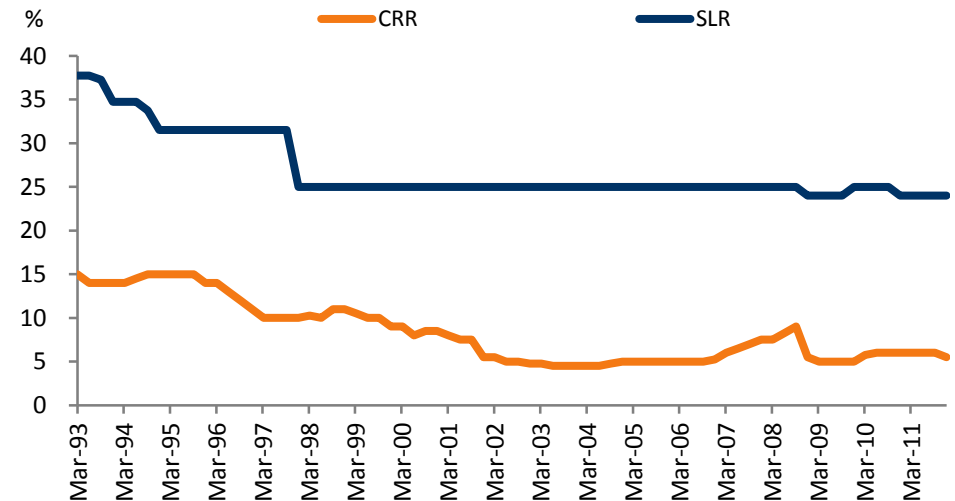
Loan-deposit ratio has structurally moved up



Policy rates have structurally come down



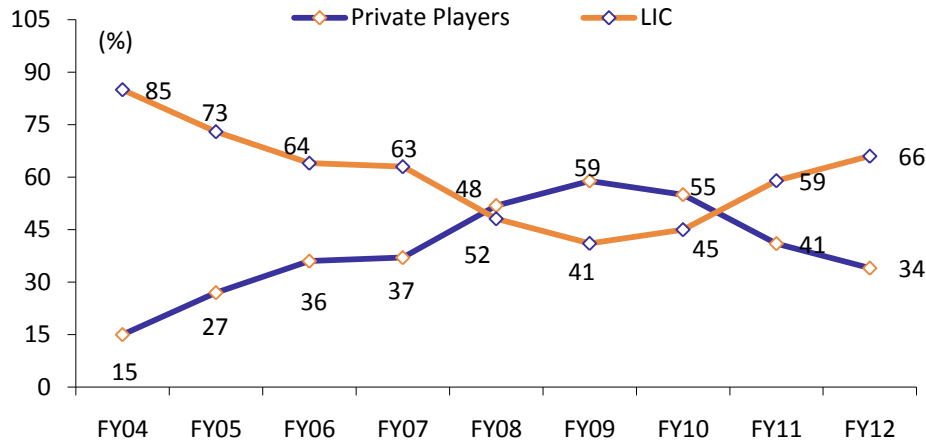
Reserve ratios - CRR and SLR trend



Source: CMIE, RBI, World Bank, IIFL Research

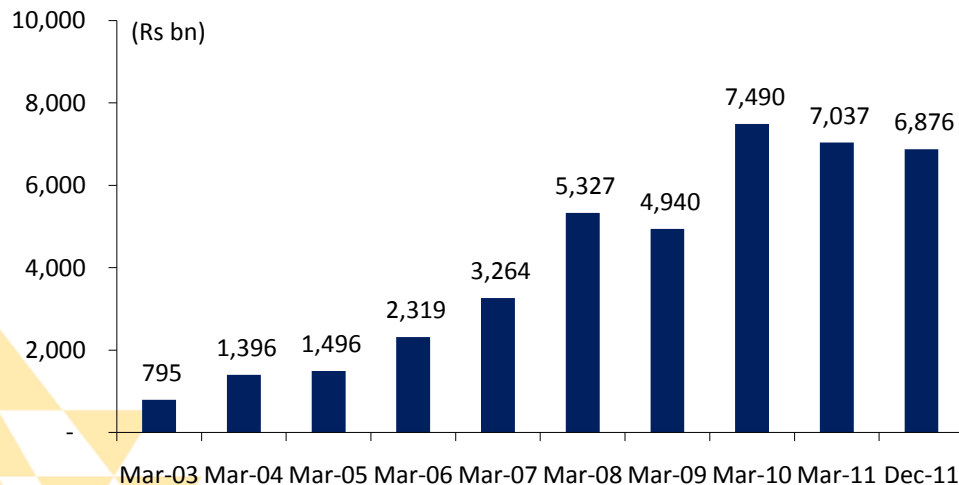
Insurance and Mutual funds

APE market share (%) – Dec 2011



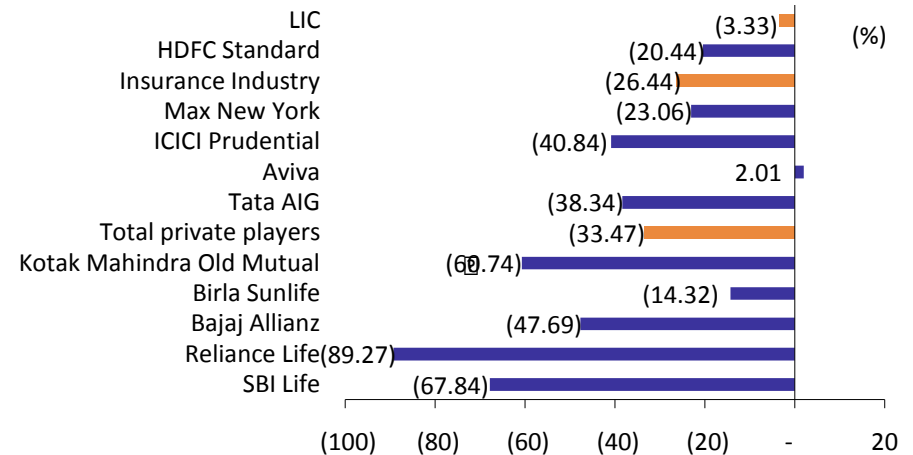
Source: IRDA

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



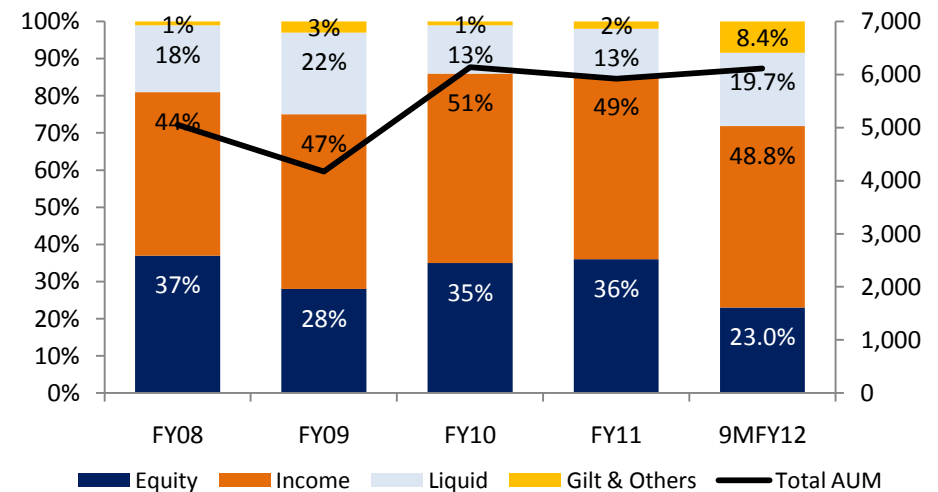
Source: AMFI

APE growth YTD yoy (%) – Dec 2011



Source: IRDA

AUM by asset class (₹ bn)



Source: AMFI

Thank you

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