

- 1. DETAILS OF BUY-BACK OFFER AND OFFER PRICE**

1.1. Pursuant to approval of the Board of Directors of India Infoline Limited ("IIFL" or the "Company") at their meeting held on December 23, 2010 (the "Board Meeting") for Buy-Back of its own fully paid up equity shares of ₹ 2/- (Rupees Two) each (hereinafter referred to as the "Buy-Back"), the Company hereby announces the Buy-Back of its fully paid-up equity shares of the face value of ₹ 2/- each ("Equity Shares") from the existing owners of Equity Shares other than the Promoters, Persons who are in control of the Company and Promoter Group at a price not exceeding ₹ 99.00 per Equity Share (the "Maximum Offer Price") payable in cash, for an aggregate amount not exceeding ₹ 104.00 crores ("Maximum Offer Size"). The aggregate paid up equity capital and free reserves of the Company as at March 31, 2010 (the date of the latest audited accounts) is ₹ 1,043.65 crores. The Maximum Offer Size represents 9.97% of the aggregate paid-up equity capital and free reserves of the Company as on March 31, 2010, which is within the maximum permissible limit i.e. upto 10% of the paid-up equity capital and free reserves of the Company as on the date of the latest audited accounts.

1.2. The Buy-Back will be implemented by the Company through the methodology of "Open market purchases through stock exchanges" using the nationwide electronic trading facilities of the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), (hereinafter referred to as the "Stock Exchanges") in accordance with the provisions of Section 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 (the "Act") read with Article 6, 6A and 6B of the Articles of Association of the Company and the Buy-Back Regulations, subject to approval/s as may be necessary, from time to time, from Statutory Authorities including but not limited to the Securities and Exchange Board of India ("SEBI"), the Stock Exchanges, the Reserve Bank of India ("RBI"), etc. as required, and further subject to such conditions as may be prescribed while granting such approval/s which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall include the committee constituted specifically for the Buy-Back hereinafter referred to as "Buy-Back Committee").

1.3. The Maximum Offer Price has been arrived at after taking into account factors such as the trends in the market price of the Equity Shares during the last 6 months prior to the date of the Board Meeting, the book value, earnings trend in the recent past, the future outlook for the industry/Company and other relevant factors. The Maximum Offer Price of ₹ 99.00 represents a premium of 20.22% to the closing price of Company's Equity Shares on NSE and 20.29% to the closing price of Company's Equity Shares on BSE, as on December 22, 2010, the last trading day prior to the Board Meeting, i.e., December 23, 2010. Closing price of the Equity Shares of the Company as on December 22, 2010 on NSE was ₹ 82.35 and on BSE was ₹ 82.30.

1.4. The actual number of Equity Shares bought back would depend upon the average price paid for the Equity Shares bought back and the aggregate consideration paid for such Equity Shares bought back subject to the maximum limit of ₹ 104.00 crores, in accordance with the resolution passed by the Board of Directors of the Company on December 23, 2010. The maximum limit envisaged in the foregoing is further subject to a limit of 25% of the total paid-up Equity Share Capital of the Company in a financial year as stipulated under Section 77A of the Act. As an illustration, at the proposed Maximum Offer Price of ₹ 99.00 per Equity Share and for an aggregate consideration amount of ₹ 104.00 crores, the number of Equity Shares that can be bought back would be 1,05,05,050 Equity Shares which will be approximately 3.50% of the pre Buy-Back paid-up equity share capital of the Company. Should the average Buy-Back price be lower than ₹ 99.00 per Equity Share, the number of Equity Shares bought back would be more but in compliance with the provisions of Section 77A of the Act. The maximum number of Equity Shares bought back shall be further subject to compliance with the conditions for continuous listing as prescribed under clause 40A of the listing agreement between the Company and the Stock Exchanges for maintaining a minimum public shareholding of 25%. The Company hereby proposes to Buy-Back a maximum of 10,00,00,000 Equity Shares (herein after referred as "Minimum Offer Shares") and a maximum of 6,00,00,000 Equity Shares (herein after referred as "Maximum Offer Shares") during the offer period.

1.5. As required under the Act and the Buy-Back Regulations, the Company shall not Buy-Back Equity Shares which are non-transferable till the Equity Shares become transferable. There will be no negotiated deals (whether on or off Stock Exchanges), spot transactions or any other private arrangements in implementation of the Buy-Back. As on date of this PA the Company does not have any partly paid-up Equity Shares.

1.6. The proposed Buy-Back will be out of securities premium account and/or free reserves of the Company. The funds for the Buy-Back will be available from the current surplus/ cash balances/ internal accruals of the Company. Though the Company does not propose raising debt for effecting the Buy-Back, it may continue to borrow funds in the ordinary course of its business.

**2. AUTHORITY FOR THE OFFER OF BUY-BACK**

Pursuant to the provisions of the Section 77A, 77AA, 77B and other applicable provisions of the Act read with Article 6, 6A and 6B of Articles of Association of the Company and the Buy-Back Regulations, the Board at their Meeting held on December 23, 2010 approved the Buy-Back of the Equity Shares from the Open market through Stock Exchanges upto the Maximum Offer Size and subject to the Minimum Offer Shares, at a price not exceeding the Maximum Offer Price, subject to approval(s) as may be necessary from time to time from statutory authorities, including but not limited to, the SEBI, Stock Exchanges, RBI, etc.

**3. NECESSITY FOR BUY-BACK**

The Buy-Back is being proposed in keeping with the Company's desire to enhance overall shareholders' value. The Buy-Back would lead to (a) reduction in outstanding number of Equity Shares and consequential increase in earnings per equity share (b) improvement in return on net worth and other financial ratios.

**4. BRIEF INFORMATION ABOUT THE COMPANY**

4.1. The Company was originally incorporated as Probity Research & Services Private Limited on October 18, 1995 and is listed on both BSE and NSE and is also a member of both the Stock Exchanges. The Company is promoted by Mr. Nirmal Jain and Mr. R. Venkataraman both of whom are first generation professional entrepreneurs.

4.2. The IIFL group, comprising the holding company, India Infoline Ltd and its subsidiaries, is one of the leading players in the Indian financial services space. The Company has a network of over 2,500 business locations spread over more than 500 cities and towns across India. The Company alongwith its subsidiaries offers advice and execution platform for the entire range of financial services covering products ranging from equities and derivatives, commodities, wealth management, asset management, insurance, fixed deposits, loans, investment banking, GIC bonds and other small savings instruments. The Company owns and manages the website, [www.indiaonline.com](http://www.indiaonline.com), which is one of India's leading online destinations for personal finance, stock markets, economy and business.

4.3. The Company's Singapore subsidiary has approval for Securities Trading and Clearing memberships from Singapore Exchange (SGX) paving the way for it to become the first Indian brokerage to get a membership of the SGX. Further the Company's Sri Lankan subsidiary has the membership of the Colombo Stock Exchange and has commenced operation.

**5. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN**

a. The shareholding pattern of the Company as on December 23, 2010 (being the date of the board meeting) is as follows:
- | Particulars                                           | Amount (₹ in Crores) |
|-------------------------------------------------------|----------------------|
| <b>Authorized</b>                                     |                      |
| 50,00,00,000 Equity Shares of ₹2/- each               | 100.00               |
| <b>Total</b>                                          | <b>100.00</b>        |
| <b>Issued, Subscribed:</b>                            |                      |
| 29,17,90,400 Equity Shares of ₹2/- each               | 58.36                |
| <b>Total</b>                                          | <b>58.36</b>         |
| <b>Paid up:</b>                                       |                      |
| 29,17,90,400 Fully paid up Equity Shares of ₹2/- each | 58.36                |
| <b>Total</b>                                          | <b>58.36</b>         |
- Note:**

1. There are no partly paid up Equity Shares of the Company.

2. As on the date of this PA there are 4,93,85,650 outstanding Employee Stock Options (ESOPs), these ESOPs have been granted to the employees of the Company under the ESOP Scheme 2008. 2008. Upon its vesting these ESOPs may be exercised by these employees, but only after the closure of the Buy-Back offer.

b. The shareholding pattern of the Company as on December 23, 2010 and post the Buy-Back is as given below:
- | Sr. No.            | Category of the shareholder                              | Outstanding Number of shares Pre-Buy-Back Offer | Pre-Buy-Back Percentage Holding (%) | Outstanding Number of shares Post-Buy offer | Post-Buy-Back Percentage Holding (%) |
|--------------------|----------------------------------------------------------|-------------------------------------------------|-------------------------------------|---------------------------------------------|--------------------------------------|
| <b>A</b>           | <b>Promoter &amp; Promoter Group Shareholding</b>        |                                                 |                                     |                                             |                                      |
| 1.                 | Promoter and Promoter Group and person acting in concert | 9,13,62,510                                     | 31.31                               | 9,13,62,510                                 | 39.42                                |
| <b>Total (A)</b>   |                                                          | <b>9,13,62,510</b>                              | <b>31.31</b>                        | <b>9,13,62,510</b>                          | <b>39.42</b>                         |
| <b>B</b>           | <b>Public Shareholding</b>                               |                                                 |                                     |                                             |                                      |
| 2                  | Mutual Fund / UTI                                        | 2,62,33,769                                     | 8.99                                | 14,04,27,890                                | 60.58                                |
| 3                  | Financial Institutions and Banks                         | 79,14,973                                       | 2.71                                |                                             |                                      |
| 4                  | Foreign Inst. Investor                                   | 7,73,87,268                                     | 26.52                               |                                             |                                      |
| 5                  | Foreign Company & Foreign Nationals                      | 28,99,996                                       | 0.99                                |                                             |                                      |
| 6                  | NRIs & Overseas Corporate Bodies (OCBs)                  | 1,82,66,556                                     | 6.26                                |                                             |                                      |
| 7                  | Body Corporates                                          | 1,18,46,364                                     | 4.06                                |                                             |                                      |
| 8                  | Others                                                   | 5,58,78,964                                     | 19.16                               |                                             |                                      |
| <b>Total (B)</b>   |                                                          | <b>20,04,27,890</b>                             | <b>68.69</b>                        |                                             |                                      |
| <b>Total (A+B)</b> |                                                          | <b>29,17,90,400</b>                             | <b>100.00</b>                       | <b>23,17,90,400</b>                         | <b>100.00</b>                        |
- "For the purpose of calculating Post Buy-Back shareholding pattern, it is assumed that the Company buys back the Maximum Offer Shares by utilizing the Maximum Offer Size. However, in case the Company buys back Equity Shares for the entire Maximum Offer Size at the Maximum Offer Price the holding of the Promoters as a result of the Buy-Back would increase from 31.31% to 32.48% of the total paid up share capital of the Company. Please note that the shareholding pattern post the Buy-Back may differ depending upon the actual number of Equity Shares bought back under the Buy-Back from different categories of shareholders.*
- "The Buy-Back shall not cause voting rights of the Promoters to increase beyond 5%, the limit of creeping acquisition per financial year provided in the terms of Regulation 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.*
- c. The aggregate shareholding of the Promoters, and Promoter Group, as on December 23, 2010 is 9,13,62,510 Equity Shares, constituting 31.31% of the paid-up share capital of the Company, details of which are as under:
- | Sr. No.            | Particulars                     | Number of shares   | As a percentage to the paid up share capital (%) |
|--------------------|---------------------------------|--------------------|--------------------------------------------------|
| <b>1.</b>          | <b>Promoters</b>                |                    |                                                  |
| a)                 | Nirmal B. Jain                  | 5,12,00,000        | 17.55                                            |
| b)                 | R Venkataraman                  | 1,98,62,510        | 6.81                                             |
| c)                 | Madhu N. Jain                   | 1,66,00,000        | 5.69                                             |
| d)                 | Aditi Athavankar                | 2,00,000           | 0.06                                             |
| <b>Total (A)</b>   |                                 | <b>8,78,62,510</b> | <b>30.11</b>                                     |
| <b>2.</b>          | <b>Promoter Group</b>           |                    |                                                  |
| a)                 | Ardent Impex Private Limited    | 25,00,000          | 0.86                                             |
| b)                 | Orpheus Trading Private Limited | 10,00,000          | 0.34                                             |
| <b>Total (B)</b>   |                                 | <b>35,00,000</b>   | <b>1.20</b>                                      |
| <b>Total (A+B)</b> |                                 | <b>9,13,62,510</b> | <b>31.31</b>                                     |
- d. Except as outlined herein below the Promoters (including the Promoter Group) have neither purchased nor sold any Equity Shares during the period of Twelve months preceding December 24, 2010, being the date of the PA:
- | Category                     | Aggregate Quantity (No. of Equity Shares) | Transaction Date  | Max Price (per equity share) (₹) | Min Price (per equity share) (₹) |
|------------------------------|-------------------------------------------|-------------------|----------------------------------|----------------------------------|
| <b>Purchase</b>              |                                           |                   |                                  |                                  |
| <b>Promoters:</b>            |                                           |                   |                                  |                                  |
| Rajamani Venkataraman        | 40,000                                    | December 23, 2009 | 134.27                           | 133.67                           |
| Nirmal Jain                  | 64,095                                    | July 8, 2010      | 94.34                            | 93.99                            |
| Madhu N. Jain                | 1,31,165                                  | July 8, 2010      | 94.28                            | 94.08                            |
| <b>Promoter Group:</b>       |                                           |                   |                                  |                                  |
| Ardent Impex Private Limited | 64,000                                    | December 23, 2009 | 134.26                           | 133.41                           |
| <b>Total</b>                 | <b>2,99,260</b>                           |                   |                                  |                                  |
| <b>Sale</b>                  |                                           |                   |                                  |                                  |
| <b>NOT APPLICABLE</b>        |                                           |                   |                                  |                                  |
- e. As per the provisions of the Act and the Buy-Back Regulations, the Company shall not issue fresh Equity Shares during the Buy-Back period, whether by way of bonus issue or in the discharge of subsisting obligations such as conversion of convertible instruments, or otherwise. Further, except as provided in the Buy-Back Regulations and the Act, the Company shall not issue fresh Equity Shares within a period of six months from the completion of Buy-Back, except by way of bonus issue or in the discharge of subsisting obligations such as stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

f. As per Regulation 15 (b) of the Buy-Back Regulations, Promoters, Persons who are in control of the Company and Promoter Group are not eligible to participate in the Buy-Back. As per Regulation 19(1)(e) of Buy-Back Regulations the Promoters, Persons in control and Promoter Group of the Company shall not deal in the Equity Shares of the Company on the stock exchanges during the period for which the Buy-Back offer is open.
- 6. AUDITED FINANCIAL INFORMATION OF THE COMPANY**

6.1 The brief audited standalone financial information of the Company for the last three financial periods and unaudited standalone financial results for the six months ended September 30, 2010 is given below :
- | Particulars                   | Unaudited                        |                     | Audited             |                     |
|-------------------------------|----------------------------------|---------------------|---------------------|---------------------|
|                               | Six months period ended 30/09/10 | FY ended on 31/3/10 | FY ended on 31/3/09 | FY ended on 31/3/08 |
| Income from Business          | 340.56                           | 665.99              | 462.79              | 524.30              |
| Other Income                  | 23.62                            | 32.20               | 29.34               | 56.33               |
| Net Profit after Tax          | 66.50                            | 152.02              | 105.83              | 128.69              |
| Equity Share Capital          | 58.18                            | 57.04               | 56.68               | 57.10               |
| Reserves                      | N.A.                             | 1,050,67            | 980.13              | 932.74              |
| Total Debt                    | N.A.                             | 497.75              | 1.81                | 130.57              |
| Net Worth                     | N.A.                             | 1,108.11            | 1,048.18            | 1,049.63            |
| <b>Key Ratios</b>             |                                  |                     |                     |                     |
| Earnings Per Share (EPS) (₹)  | 2.30*                            | 5.36                | 3.71                | 4.86                |
| Book Value Per Share (BV) (₹) | N.A.                             | 38.85               | 36.99               | 36.76               |
| Debt-Equity ratio             | N.A.                             | 0.45                | Negligible          | 0.12                |
| Return on Net Worth (%)       | N.A.                             | 13.72               | 10.10               | 12.26               |
- \* Not Annualized (relates to 6 months period), N.A. – not applicable
- These ratios have been calculated as per the following formulas:
- | Key Ratios              | Formula                                                |
|-------------------------|--------------------------------------------------------|
| Net Worth               | Equity Share Capital + Reserves                        |
| Earning per Share       | Net Profit after Tax/ Weighted Number of Equity Shares |
| Book Value per share    | Net worth / Number of Equity Shares                    |
| Debt-Equity ratio       | Debt/ (Equity Share Capital + Reserves)                |
| Return on Net Worth (%) | Net Profit after Tax/ Net worth                        |
- 7. BELOW ARE THE CONTENTS OF THE PUBLIC NOTICE DATED DECEMBER 23, 2010 PUBLISHED ON DECEMBER 24, 2010 AS REQUIRED UNDER PARA 5 OF SCHEDULE II OF THE BUY-BACK REGULATIONS**

1. The Board of Directors of India Infoline Limited (the "Company") at its meeting held on December 23, 2010 ("Board Meeting") approved the proposal for Buy-back of its own fully paid-up Equity Shares of ₹ 2/-each ("Equity Shares") from the existing owners of Equity Shares (the "Buy-Back") from the open market using the nationwide electronic trading facilities of the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE), (NSE and BSE together referred to as the Stock Exchanges) in accordance with the provisions contained in the Article 6, 6A and 6B of the Articles of Association of the Company, Section 77A, 77AA and 77B and other applicable provisions of the Companies Act, 1956 (the "Act") and the provisions contained in the SEBI (Buy Back of Securities) Regulations, 1998 (hereinafter referred to as the "Buy-Back Regulations"), as amended to date and subject to such approval(s) as may be necessary, from time to time, from statutory authorities including but not limited to Registrar of Companies, Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India (RBI), etc. as may be required and further subject to such conditions as may be prescribed while granting such approval(s) which may be agreed to by the Board of Directors of the Company which term shall include Committee of Directors as may be specifically constituted for the Buy-Back (the "Board").

2. The Buy-back is being proposed in keeping with the Company's desire to enhance overall shareholders' value. The Buy-Back would lead to (a) reduction in outstanding number of Equity Shares and consequential increase in earnings per equity share (b) improvement in return on net worth and other financial ratios.

3. The issued, subscribed and paid-up capital and free reserves of the Company as at March 31, 2010 was ₹ 57,04 crores (divided into 28,52,14,775 Equity Shares of ₹ 2/-each fully paid-up) and ₹ 986.61 crores respectively, accordingly the aggregate paid up share capital and free reserves of the Company as at March 31, 2010 was ₹ 1,043.65 crores. Pursuant to the existing Employee Stock Option Schemes (ESOS), the Company has during this financial year till date allotted 65,75,625 Equity Shares on various dates, accordingly, the issued, subscribed and paid up capital of the Company as on December 23, 2010 is ₹ 58.36 crores (divided into 29,17,90,400 Equity Shares of ₹ 2/- each fully paid up).

4. The Board has proposed a maximum offer size of an amount up to Rs. 104.00 crores for the Buy-back (Maximum Offer Size). This represents 9.97% of the aggregate of the Company's paid-up equity share capital and free reserves eligible for use under the Buy-back as at March 31, 2010. The proposed Buy-back will be out of the securities premium account and/or free reserves of the Company. The funds for the Buy-back will be utilised from the current surplus/ internal accruals/ cash balances of the Company. Though the Company does not propose raising debt for effecting the Buy-back, it may continue to borrow funds in the ordinary course of its business. Further, the maximum number of Equity Shares bought back shall be subject to (i) Buy-back not causing the Company to be in violation of the conditions for continued listing prescribed in terms of Clause 40A of the listing agreement between the Company and the Stock Exchanges, (ii) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Offer Size.

5. The utilization of cash resources for the purpose of the proposed Buy-back is not likely to adversely impact Company's financial position as well as any of its growth plans.

6. The maximum price at which the Buy-back will be carried out is ₹ 99.00 per Equity Share (Maximum Offer Price). The Maximum Offer Price has been arrived at by taking into account trends in the market price of the Equity Shares during the last 6 months prior to the date of the Board Meeting, the book value of Equity Shares, earnings trend in the recent past, the outlook for the industry/Company, and other relevant factors. The Maximum Offer Price proposed offers a premium of 20.22% to the closing price of Company's Equity Shares on NSE and 20.29% to the closing price of Company's Equity Shares on BSE, as on December 22, 2010, the last trading day prior to the Board Meeting, i.e., December 23, 2010. Closing price of the Equity Shares of the Company as on December 22, 2010 on NSE was ₹ 82.35 and BSE was ₹ 82.30.

7. The actual number of Equity Shares to be bought back would depend upon the average price paid for the Equity Shares bought back and the amount deployed in the Buy-back. As an illustration, at the proposed Maximum Offer Price of ₹ 99.00 per Equity Share and for a deployment amount of ₹ 104.00 crores, the number of Equity Shares to be bought back would be 1,05,05,050 Equity Shares which will be 3.60% of the pre Buy-Back paid-up equity share capital. Should the average purchase price be lower than ₹ 99.00 per Equity Share, the number of Equity Shares bought back would be more, assuming the same deployment of ₹ 104.00 crores.

8. The Buy-back shall not cause the minimum public shareholding of the Company to fall below the limit as required to be maintained under clause 40A of the listing agreements that the Company has entered into with the Stock Exchanges.

9. The Buy-back shall not cause voting right of promoters' persons who are in control of the Company, Persons acting in concert and Promoter Group (collectively referred to as "the Promoters") to increase beyond 5%, the limit of creeping acquisition per financial year provided in terms of Regulation 11 (1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time.

10. The aggregate shareholding of the Promoters as on the date hereof is 9,13,62,510 Equity Shares constituting 31.31% of the paid-up equity share capital of the Company.

11. The Promoters have purchased 1,95,260 Equity Shares during the six months, preceding December 23, 2010, being the date of meeting of Board at which the proposal of buy back was approved. The maximum purchase price is ₹ 94.34 and the minimum purchase price is ₹ 93.99.

12. As per Regulation 15(b) of the Buy-Back Regulations, the Buy-back of Equity Shares shall not be made from the Promoters of the Company. The Promoters shall not deal in the Equity Shares of the Company during the period for which the Buy-back offer is open.

13. The Company confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks or in payment of dividends. There are no outstanding convertible debentures or preference shares as of the date of this Public Notice.

14. The Company confirms that as of the date of this Public Notice no scheme of amalgamation or compromise or arrangement under the provisions of the Act is pending.

15. As required under the Act, the Company shall not Buy-back partly paid-up Equity Shares, Equity Shares with call-in-arrears, locked-in or non-transferable Equity Shares under the Buy-back till the time they become fully paid-up or till the pendency of lock-in period or till the Equity Shares become transferable.

16. As required under the Act, the Company confirms that no offer of Buy-back, through Board approval as permitted under the first and second proviso to Section 77A(2)(b) is being made shall be made within a period of 965 days reckoned from the date of the preceding offer of Buy-back.

17. As per the provisions of the Act and the Buy-Back Regulations, the Company shall not make any issue of Equity Shares during the Buy-back period, whether pursuant to a bonus issue or conversion of an outstanding convertible instrument, stock options or otherwise.

18. As provided under the Act and the Buy-Back Regulations, the Company confirms that it will not issue fresh Equity Shares within a period of six months of completion of the Buy-back, except by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

19. The Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Buy-back is proposed to be implemented by the Company through the methodology of "Open market purchases through Stock Exchanges", as provided in the Buy-Back Regulations. The Buy-back will be implemented in the manner and following the procedure prescribed in the Act and the Buy-Back Regulations and as may be determined by the Board or Committee of Directors as may be constituted specifically for the Buy-back and on such terms and conditions, as may be permitted by law from time to time. There will be no negotiated deals, spot transactions or any private arrangements in implementation of the Buy-back.

20. As required under the Act, the ratio of debt owed by the Company would not be more than twice the share capital and free reserves of the Company.

21. It is being clarified that the Maximum Offer Price of ₹ 99.00 per Equity Share of ₹ 2/- each fully paid-up does not indicate that the Company will or is obliged to buy or continue to buy Equity Shares so long as the market price is below ₹ 99.00 per Equity Share. Similarly, the fact that the resolution indicates a maximum deployment limit of ₹ 104.00 crores for the Buy-back does not indicate that the Company will utilise or is obliged to utilise the entire amount of ₹ 104.00 crores in the Buy-back or that the Company will buy or is obliged to buy the said number of Equity Shares.

22. The Buy-back from the shareholders who are persons resident outside India, including the Foreign Institutional Investors, Overseas Corporate Bodies, shall be subject to such approvals as may be required from the RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations etc. framed thereunder.

23. The Board confirms that, they have made necessary and full enquiry into the affairs and prospects of the Company and they have formed the opinion that:

a) immediately following the date of convening of the Board Meeting, there will be no grounds on which the Company could be found unable to pay its debts;

b) as regards prospects of the Company for the year immediately following the date of the Board Meeting that, having regard to the intentions of the Board with respect to the management of the Company's business during the year and to the amount and character of the financial resources which will, in view of the Board be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting; and

c) in forming the opinion for the above purposes, the Board of Directors have taken into account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).

24. The text of the report dated December 23, 2010 received from M/s Sharp & Tannan Associates, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board is reproduced below.  
**Subject:** Report in terms of Clause (b) of Schedule I of Chapter VII to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998.  
"In connection with the proposed Buy-back of Equity Shares as approved by the Board of Directors ("the Board") of India Infoline Limited ("the Company") at its meeting held on December 23, 2010 pursuant to the Section 77A, 77AA and 77B of the Companies Act, 1956 (the "Act") and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 and subsequent amendments thereof (the "Buy-Back Regulations"), and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report as follows:

i. We have inquired into the Company's state of affairs in relation to its audited accounts for the year ended March 31, 2010, which was taken on record by the Board at their meeting held on April 24, 2010.

ii. The Board has proposed to Buy-back equity shares for a maximum amount of ₹ 104.00 crores at a price not exceeding Rs. 99.00 per equity share. The amount of permissible capital payment (including premium) towards the Buy-back of equity shares, as computed below, has been properly determined in accordance with Section 77A (2) of the Act:

| Particulars                                                                                                       | Amount as at March 31, 2010 (₹ in Crores) |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Paid-up equity capital                                                                                            | 57.04                                     |
| Free Reserves:                                                                                                    |                                           |
| Securities Premium                                                                                                | 777.08                                    |
| General Reserve                                                                                                   | 47.18                                     |
| Profit & Loss Account                                                                                             | 162.34                                    |
| Paid-up Capital and Free Reserves                                                                                 | 986.61                                    |
| Maximum amount permissible for the Buy-back, i.e., upto 10% of the total paid-up equity capital and free reserves | 104.37                                    |
| Maximum Buy-back Offer Size i.e., 9.97% of the total paid-up equity capital and free reserves                     | 104.00                                    |

(Based on standalone financial statements for the financial year ended March 31, 2010)

iii. The Board at their meeting held on December 23, 2010, have formed the opinion as specified in Clause (c) of Schedule I of the Buy-Back Regulations, on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.

iv. We performed our procedures, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). These procedures include examining evidence supporting the particulars above on a test basis.

v. This certificate has been prepared only for the Company and is in reference (including disclosing in the Public Notice and Public Announcement as required under the Buy-Back Regulations) to proposed Buy-back of equity shares approved by Board of Directors of the Company at its meeting held on December 23, 2010 pursuant to Section 77A, 77AA and 77B of the Companies Act, 1956 and the Buy-Back Regulations and for no other purpose. We do not accept any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing."

For M/s. Sharp & Tannan Associates  
Chartered Accountants  
ICAI Registration No. 109993W

**Mr. Rajesh Varma**  
(Partner)  
Membership No. 45386

Place: Mumbai  
Date: December 23, 2010

25. The Buy-back is expected to be completed within the statutorily prescribed validity period of the resolution dated December 23, 2010 passed by the Board, which at present is 12 months from the date of passing of the said resolution or within such shorter period as may be determined by the Board and as disclosed by way of the Public Announcement.

26. The Board of Directors accepts responsibility of information contained in this Public Notice.

**By the order of the Board  
For India Infoline Limited**

(Sd/-)  
Nirmal Jain  
Chairman & Managing Director

(Sd/-)  
R. Venkataraman  
Executive Director

(Sd/-)  
Sunil Lotke  
Company Secretary & Compliance Officer

**Place:** Mumbai  
**Date:** December 23, 2010

**8. MAXIMUM AMOUNT TO BE INVESTED**

8.1 The Board has approved an aggregate amount not exceeding Rs. 104.00 crores for the Buy-Back. This represents 9.97% of the aggregate of the Company's paid up equity share capital and free reserves eligible for use in Buy-Back as at March 31, 2010.

**9. THE MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUY-BACK AND SOURCES OF FUNDS FOR THE BUY-BACK**

9.1 The Company proposes to Buy-Back a minimum of 10,00,000 Equity Shares and maximum of 6,00,00,000 Equity Shares. However, the actual number of Equity Shares to be bought back would depend upon the average price paid for the Equity Shares bought back and the amount deployed in the Buy-Back.

9.2 The proposed Buy-Back will be out of securities premium account and/or free reserves of the Company. The funds for the Buy-Back will be utilised from the current surplus/ cash balances/ internal accruals of the Company. Though the Company does not propose raising debt for effecting the Buy-Back, it may continue to borrow funds in the ordinary course of its business.

9.3 The Company vide its declaration of solvency dated December 23, 2010, has declared that it is capable of meeting its total liabilities and will not be rendered insolvent within a period of one year from the abovementioned date.

**10. LISTING DETAILS AND STOCK MARKET DATA**

10.1 The Equity Shares of the Company are listed on the BSE and NSE.

10.2 The high, low and average market prices of the Equity Shares for the last three years, the monthly high, low and average market prices for last six months preceding the PA and the corresponding volumes on the Stock Exchanges are as follows:

| Period                                      | High(₹)  | Date of High  | Shares traded on High Date | Low(₹) | Date of Low  | Shares traded on Low Date | Average Price (₹)* | Total Volume traded during the period |
|---------------------------------------------|----------|---------------|----------------------------|--------|--------------|---------------------------|--------------------|---------------------------------------|
| <b>During the last three years</b>          |          |               |                            |        |              |                           |                    |                                       |
| 2007-pre split (FV ₹10)                     | 1,967.00 | Dec. 31, 2007 | 1,92,643                   | 255.10 | Mar. 8, 2007 | 59,812                    | 694.15             | 8,45,09,445                           |
| 2008-pre split (FV ₹10)                     | 1,974.90 | Jan. 1, 2008  | 1,40,217                   | 475.00 | Jul. 1, 2008 | 7,24,934                  | 931.03             | 1,68,86,041                           |
| 2008-post split (FV ₹2) w.e.f. Aug. 8, 2008 | 166.90   | Aug. 12, 2008 | 4,49,969                   |        |              |                           |                    |                                       |