

## Press Release

For immediate publication

Mumbai, India

July 17, 2009

### India Infoline Q1FY10 income and net profit at Rs2,563.4 mn and Rs516.8mn

Results (consolidated) for the quarter ended June 30th, 2009

- Income at Rs 2,563.4 mn, up 37% qoq
- Profit before Tax at Rs 816.9 mn, up 181% qoq
- EBIDTA margins at 37.3 % as compared to 23.3 % in Q4FY09

#### Summary consolidated financials:

(Rs Mn)

	Quarter ended Jun. 30, 2009	Quarter ended Mar. 31, 2009	% Quarter-on- Quarter	Quarter ended Jun. 30, 2008	% Year-on- year
Income	2,563.4	1,869.7	37%	2,690.5	(5%)
EBIDTA	958.1	436.5	120%	998.3	(4%)
Profit Before Tax	816.9	290.9	181%	777.0	5%
Profit After Tax*	516.8	252.9	104%	495.4	4%

\*before minority interest

**Mr Nirmal Jain**, Chairman, India Infoline, commenting on financial results of Q1FY10 said, "The industry has been pleasantly surprised at the swift recovery in the market sentiment as well as volumes in the previous quarter. While it will be pre-mature to conclude that global financial markets are out of the woods, it may be reasonable to believe that in the Indian context, the worst is behind us. At the same time, I think it would take a long while to revisit the previous peak. In volatile times, our company's risk management has stood the test of time."

## **Equities**

Average daily volumes for the equities business stood at Rs32.25 bn as compared to Rs19.16 bn in the previous quarter, a rise of 68%. Market share on the NSE for the quarter under review has risen to 3.63% as against 3.53% in the previous quarter. Our customer base in equities stands at 0.67 million.

Average daily volumes in our commodities business stood at Rs 3.60 bn as against Rs3.19 bn in the previous quarter, a rise of 13%.

India Infoline also announced recently a strategic agreement with Interactive Brokers, LLC (USA) to provide its clients direct market access to over 80 global exchanges in 18 countries. Pursuant to the strategic agreement, India Infoline clients will have the opportunity to globally diversify their portfolios and as per RBI guidelines can invest in overseas assets to the extent of USD 200,000 per annum.

Our institutional equities business (carried under the brand IIFL) arm, has expanded its research coverage as well as client base. In order to strengthen our client servicing capabilities in the US region, we have obtained an FII license and applied for broker dealer license. We have also appointed a dedicated and experienced resource to cover the region. IIFL's international research division, based out of Singapore, published another report captioned 'Sizing up India and China' as a part of our India China (INCH) coverage. It is a macro-economic tool for investors to compare and contrast the two major economies of INdia and CHina. It has been widely appreciated by international fund managers for depth and quality. We also published Gold report, another initiative at differentiated research that was widely acclaimed.

In our investment banking business, we were the book runners for Emami QIP. We have a number of deals in the pipeline and the outlook is quite optimistic.

## **Life Insurance distribution**

During the quarter under review the mobilization from our insurance broking business stood at Rs.38.40 crores. Most leading private sector players in Life Insurance industry have shown decline in the first quarter. While there was a decline in volumes, the company has been able to significantly improve its product mix. The company has also commenced business for several other insurance companies including Max New York Life, MetLife, Kotak Life, Birla Sunlife and Reliance etc. While the outlook of the business will remain linked with the industry fortunes, the company's position as a broker is expected to consolidate over the next few quarters.

## **Retail consumer finance**

In retail finance business, the economy has shown signs of recovery and the demand for credit also is picking up. The total consumer finance portfolio stood at Rs. 9.22 bn at the end of June 2009. We

have cautiously resumed our secured lending against the security of residential and commercial property. Our NPAs on the total portfolio are 2.2% whereas in the mortgage business they NPAs are less than 1%. We can leverage our distribution network and grow this business cautiously and we have well established credit underwriting policies and framework.

### Wealth management

Total assets under management by our wealth management team have crossed Rs 20 bn. Currently, more than 500 families are under advisory and despite adverse market conditions in last one year, we have seen very encouraging response from the customers. We have successfully launched several products in the previous quarter and have also strengthened our team. We propose to launch more new products similar to the new version of ROCA – a structured note that endeavors to generate returns even while Nifty may be below the level at which the client made his investment.

We are also trying to meet our customers' requirement for diversifying their product portfolio by investing upto USD 200,000 per person outside India. We have tied up with Interactive Brokers LLC for the execution platform. In the next 6 to 8 weeks we will be able to offer execution of overseas equities and other investments outside India on the internet. Currently, our wealth management team is based out of 4 countries and 9 locations. We also plan to launch new products for mass affluent categories with assets above Rs. 0.5 million and less than Rs. 10 million.

### IIFL Foundation

India Infoline is conscious of its Corporate Social Responsibilities and is committed to contribute to the society which has provided a conducive framework to the company for rapid growth since its inception. Towards this end, the company is in the process of establishing the 'IIFL Foundation'.

### Awards and accolades

India Infoline Limited has been recently adjudged as the '**Fastest Growing Equity Broking House - Large firms**' by Dun & Bradstreet, the world's leading provider of global business information, knowledge and insight. Also, in the recent past the Company has been awarded the '**Best Broker, India**' by FinanceAsia and the '**Most improved brokerage, India**' in the AsiaMoney polls.

### About India Infoline Ltd (Bloomberg: IIFL)

The India Infoline group, comprising the holding company, India Infoline Ltd (NSE: INDIAINFO, BSE: 532636) and its subsidiaries, is one of the leading players in the Indian financial services space. India Infoline offers advice and execution platform for the entire gamut of financial services covering products ranging from Equities and derivatives, Commodities, Wealth management, Asset



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management, Insurance, Fixed deposits, Loans, Investment Banking, GoI bonds and other small savings instruments. It owns and manages the website, [www.indiainfoline.com](http://www.indiainfoline.com), which is one of India's leading online destinations for personal finance, stock markets, economy and business.

India Infoline has been awarded the 'Best Broker, India' by FinanceAsia and the 'Most improved brokerage, India' in the AsiaMoney polls. India Infoline was also adjudged as "Fastest Growing Equity Broking House - Large firms' by Dun & Bradstreet. A forerunner in the field of equity research, India Infoline's research is acknowledged by none other than Forbes as 'Best of the Web' and '...a must read for investors in Asia'. India Infoline's research is available not just over the Internet but also on international wire services like Bloomberg, Thomson First Call and Internet Securities where it is amongst one of the most read Indian brokers.

A network of 1,616 business locations spread over 445 cities and towns across India facilitates the smooth acquisition and servicing of a large customer base. All our offices are connected with the corporate office in Mumbai with cutting edge networking technology. The group caters to a customer base of about a million customers, over a variety of mediums viz. online, over the phone and at our branches.

India Infoline refers to India Infoline Ltd and its group companies.

The press release, results and presentation for analysts/ press for the quarter ended June 30, 2009, is available under the 'Investors' Corner' section on our website [www.indiainfoline.com](http://www.indiainfoline.com)

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