

Press Release

For immediate publication

Mumbai, India

October 17, 2008

India Infoline quarterly net profit up 12% yoy and income up 42% yoy

Results (consolidated) for the quarter ended September 30, 2008

- Income for the quarter at Rs.2.76bn, up 42% yoy
- Net profit* for the quarter at Rs 402.1mn, up 12% yoy
- EBIDTA margins in Q2FY09 at 31.8% as compared to 34.2% in Q2FY08

Summary consolidated financials:

(INR Mn)

	<i>Quarter ended Sep.30, 2008</i>	<i>Quarter ended Sep.30, 2007</i>	<i>Growth% Year-on-year</i>	<i>Half year ended Sep.30, 2008</i>	<i>Half year ended Sep.30, 2007</i>	<i>Growth% Year-on-year</i>
Income	2,766.8	1,952.9	42%	5,457.2	3,287.0	66%
EBIDTA	879.1	667.8	32%	1,877.3	1,114.7	68%
Profit Before Tax	673.4	536.7	25%	1,450.4	880.1	65%
Profit After Tax*	402.1	360.6	12%	897.5	288.5	211%

*before exceptional items

Mr Nirmal Jain, Chairman, India Infoline, said "Between Diwali last year and this year, the pendulum of market sentiment has swung from extreme optimism to extreme pessimism. While such swings are characteristic of capital markets, there is no change in our view on the long term potential of Indian financial services. India's macro-economic fundamentals are relatively stronger and I feel that when the storm blows over and dust settles, India would be the first amongst emerging markets to bounce back. We continue to focus on consolidating our market position and taking customer experience to new highs."

Broking – stable market share despite unstable market conditions

Markets faced extreme volatility and turned distinctly bearish during the quarter. Our average daily turnover in Q2FY09 was INR 26.2bn, as against INR 21.3bn in Q2FY08, i.e. an increase of 23% yoy. Our market share on the NSE was 3.9% during the quarter as compared to 3.27% in the same quarter of previous year.

Our average daily volumes in the commodities market were INR 2.6bn during the quarter as against INR 1.5bn, a growth of 76% yoy, which is higher than the growth in the average daily volumes of the exchanges.

Life Insurance distribution

During the quarter under review, our mobilization in terms of Weighted Annualized Premium Income in our life insurance distribution business down by 8% yoy to INR844mn. The decline was caused due to extremely negative sentiment in the equity and credit markets. Post receipt of the in-principle approval for insurance broking from IRDA, we are in the process of activating our broking license. We have also initiated discussions with leading insurance companies for their products distribution across our well established sales channels.

Retail consumer finance – exercising caution

The loans portfolio of our consumer finance business now stands at Rs9.7bn. Recent changes in economic and fiscal environment have slowed down retail lending and have adversely affected credit off take. We too are exercising extreme caution and although the business may face a slowdown in the short term, we are optimistic about the long term prospects of the same.

Other businesses

We have received SEBI approval for the India Infoline sponsored 'India Infoline Ventures Capital Fund (IIVCF).

India Infoline hired Mr Deepesh Pandey, erstwhile Deputy CIO of Mirae Asset, Singapore and Mr Manish Srivastava, ex-Fund Manager of Halbis (HSBC Global Asset Management), Singapore, as co-heads of the Investment team for its Offshore asset management business. With offices in Singapore, Dubai and New York, IIFL Capital aims to offer India-focused equity products and fund management and advisory services for offshore customers. Going ahead, after achieving critical mass in India-focused products, IIFL Capital also aims to offer products for other Asian markets.



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Our investment banking division has successfully completed two deals in this quarter and has a few more in the pipeline. IIFL Wealth, the wealth management subsidiary of India Infoline has built an asset base of over US\$150 million.

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

India Infoline has recently been awarded the 'Best Broker, India' by FinanceAsia. 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 886 business locations spread over 350 cities 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 September 30, 2008, is available under the 'Investors' Corner' section on our website www.indiainfoline.com

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India Infoline Limited (Consolidated)

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Unaudited Financial Results For The Quarter Ended Sep 30, 2008

(Rs Lacs)

Particulars	Quarter ended		Half year ended		Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Sep 30, 2008	Sep 30, 2007	Sep 30, 2008	Sep 30, 2007	Mar 31, 2008
1. a. Income from operations	27,604.52	19,455.69	54,444.48	32,664.83	102,012.13
Equities brokerage and related	14,827.26	11,250.49	30,676.54	18,168.48	58,803.76
Financing and Investment	8,085.27	2,640.65	14,583.65	4,547.00	19,374.63
Life Insurance distribution	1,587.94	2,913.10	3,143.50	4,907.46	10,092.76
Marketing and online media	2,051.08	1,741.09	3,808.90	3,357.82	8,391.29
Commodities brokerage and related	573.92	360.56	1,073.30	753.29	1,663.90
Wealth and Mutual fund advisory	310.00	340.40	945.27	706.37	2,071.29
Merchant Banking	169.05	209.40	213.32	224.41	1,614.50
b. Other Operating Income	44.58	71.99	96.40	202.85	338.30
2. Expenditure					
a. Operating Cost	6,105.53	4,223.51	11,724.49	7,029.85	21,697.54
b. Employee Cost	7,584.42	5,017.31	13,845.94	8,478.01	24,257.43
c. Depreciation	896.94	663.65	1,747.39	1,258.13	2,820.37
d. Administration Expenses and other Expenditure	5,187.19	3,610.47	10,228.47	6,216.06	16,182.40
e. Total	19,774.08	13,514.94	37,546.29	22,982.05	64,957.74
3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	7,875.02	6,012.74	16,994.59	9,885.63	37,392.69
4. Other Income	18.70	1.57	31.45	2.68	8.43
5. Profit before Interest & Exceptional Items (3+4)	7,893.72	6,014.31	17,026.04	9,888.31	37,401.12
6. Interest	1,160.02	647.09	2,521.90	1,087.52	9,125.81
7. Profit after Interest but before Exceptional Items (5-6)	6,733.70	5,367.22	14,504.14	8,800.79	28,275.31
8. Exceptional Item	-	-	-	2,904.44	2,904.44
9. Profit / (Loss) from Ordinary Activities before tax (7+8)	6,733.70	5,367.22	14,504.14	5,896.35	25,370.87
10. Tax Expenses	2,353.72	1,761.68	4,784.47	3,011.70	8,979.59
11. Net Profit/(Loss) from Ordinary Activities after tax but before minority interests (9-10)	4,379.98	3,605.54	9,719.67	2,884.65	16,391.28
12. Share of minority interests in profits	358.75	-	744.53	-	403.59
13. Net Profit from Ordinary Activities after tax and Minority interests (11-12)	4,021.23	3,605.54	8,975.14	2,884.65	15,987.69
14. Paid up Equity Share Capital (Face Value of Rs.2 each)	5,719.16	5,335.54	5,719.16	5,335.54	5,710.29
15. Reserves excluding Revaluation Reserve	-	-	-	-	165,402.84
16. Earnings Per Share					
Basic (In Rs.)	1.41	1.38	3.14	1.10	6.03
Diluted (In Rs.)	1.11	1.16	2.48	0.93	5.00
17. Public Shareholding					
No of Shares	190,424,660	171,334,285	190,424,660	171,334,285	189,993,285
Percentage of Shareholding	66.59%	64.22%	66.59%	64.22%	66.54%



Unaudited Financial Results For The Quarter Ended Sep 30, 2008

Particulars	Quarter ended		Half year ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	Sep 30, 2008	Sep 30, 2007	Sep 30, 2008	Sep 30, 2007
1. a. Income from operations	15,202.46	11,911.17	31,335.72	19,276.69
b. Other Operating Income	1,188.61	1,186.73	1,950.36	1,737.69
2. Expenditure				
a. Operating Cost	4,012.70	2,465.43	8,264.43	4,420.95
b. Employee Cost	3,713.19	1,195.70	7,161.64	3,221.09
c. Depreciation	578.00	511.58	1,141.37	961.84
d. Administration Expenses and other Expenditure	2,849.27	1,773.01	5,079.99	2,813.66
e. Total	11,153.16	5,945.72	21,647.43	11,417.54
3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	5,237.91	7,152.19	11,638.65	9,596.84
4. Other Income	4.83	1.57	8.92	2.68
5. Profit before Interest & Exceptional Items (3+4)	5,242.74	7,153.76	11,647.57	9,599.52
6. Interest	450.48	327.12	662.48	451.83
7. Profit after Interest but before Exceptional Items (5-6)	4,792.26	6,826.64	10,985.09	9,147.69
8. Exceptional Item	-	-	-	2,904.44
9. Profit / (Loss) from Ordinary Activities before tax (7+8)	4,792.26	6,826.64	10,985.09	6,243.25
10. Tax Expenses	1,569.47	2,272.84	3,643.92	3,084.21
11. Net Profit after tax (9-10)	3,222.79	4,553.80	7,341.17	3,159.04
12. Paid up Equity Share Capital (Face Value of Rs.2 each)	5,719.16	5,335.54	5,719.16	5,335.54
13. Reserves excluding Revaluation Reserve	-	-	-	-
14. Earnings Per Share				
Basic (In Rs.)	1.13	1.74	2.57	1.21
Diluted (In Rs.)	0.89	1.46	2.03	1.01
15. Public Shareholding				
No of Shares	190,424,660	171,334,285	190,424,660	171,334,285
Percentage of Shareholding	66.59%	64.22%	66.59%	64.22%

By order of the Bo
For India Infoline L

Date
17th October 2008

Nirmal Jain
Chairman & Mana

Notes to Accounts

1. The Consolidated results are given as additional information to Standalone results as per the requirements of Clause 41 of the Listing Agreement and submitted to the Stock Exchanges.
2. The unaudited financial results for the quarter ended September 30, 2008 have been reviewed by the Audit Committee and approved by the Board at its meeting held on October 17, 2008. The Standalone unaudited financial results of the Company have been subjected to limited review by the Statutory Auditors.
3. Consolidated financial results cover the operations of India Infoline Limited and its subsidiaries.
4. The face value of the equity shares of the Company was sub-divided into 5 equity shares of face value of Rs 2 each on August 18, 2008 (Record date) pursuant to the approval of the Shareholders.
5. The Company (Standalone) is primarily engaged in equity broking and related services. There are no other reportable segments in terms of Accounting Standard 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India
6. During the quarter ended September 30, 2008 the Company has allotted 1,93,250 equity shares pursuant to exercise of options granted under Employee Stock Option Scheme.
7. Number of investor complaints during the quarter ended June 30, 2008: Opening: Nil; Received: Nil; Disposed off: Nil; Pending: Nil.
8. The Standalone and Consolidated financial results for the quarter and year to date are submitted to stock exchanges and are available on our website www.indiainfoline.com.
9. The figures for the quarter and half year for previous year have been regrouped/ reclassified wherever necessary.

Date: October 17, 2008,
Place: Mumbai

For India Infoline Limited

Nirmal Jain
Chairman and Managing Director