

Press Release

India Infoline Limited
Mumbai, India.

April 26, 2006

India Infoline refers to India Infoline Ltd and its wholly owned subsidiaries. The consolidated figures will give a more meaningful picture of the Company to the investors. Reference to the company or India Infoline is to the business done by the company and any of its subsidiaries, unless otherwise specified.

FINANCIAL HIGHLIGHTS

Consolidated results for the year ended March 31, 2006

Total Consolidated Income up 182% to Rs 218.05 crores; PAT up 126% to Rs 48.92 crore.

- Consolidated Income up 182% to Rs218.5 crore
- Consolidated Net profit up 126% to Rs48.9 crore
- Cash Profit up 200% to Rs57.4 crores
- EBITDA margin up to 39.8% from 38.6%
- Basic Earning per share was Rs11.57, up 45%

Quarterly Results for Q4 2006 compared to Q4 2005

- Consolidated Income up 188% to Rs 85.7 crore
- Consolidated Net profit up 94% to Rs16.5 crore
- Cash Profit up 119% to Rs20.6 crores

Total dividend of Rs3 per share, Final dividend of Re1 per share proposed in addition to earlier announced interim dividend of Rs2 per share.

Business review

Commenting on the results, Mr R Venkataraman, Executive Director, India Infoline Ltd said, “We invested heavily to create a country wide branch network and robust technology backbone last year. The investments have strengthened our delivery capabilities and would help scale the operations immensely.”

Mr Nirmal Jain, Chairman and Managing Director, said “We are happy to report robust growth in all our core businesses. India Infoline has emerged as a leading corporate agent in the life insurance market while we have grown faster than the market in the equity broking business.”

Business performance

The Securities business grew by 179% to Rs.142.7 crores. Over 100 branches were added in the year at an average of over one new branch in every three working days. The company's footprint across the country more than doubled to 94 cities with average daily turnover (NSE cash segment) increasing by 128% compared to a growth of 85% in the overall average daily turnover of the NSE cash market. The company has received approval for DP operations with CDSL and the business will start soon.

The Insurance business grew by 216% with commission income of Rs21.59 crores and total base of customers increasing to over 40,000 during the year. During the year ended March '06, the company had a Weighted Annualized Premium Income of Rs110 crores compared to Rs38.4 crores in the previous year.

The Commodities business grew by 754% with commission income of Rs4.1 crores. The company obtained membership of the Dubai Gold Exchange during the year. The business is a strong area of focus for the company in the current year given the high volatility in prices in recent times.

The Mutual Fund Distribution business grew by 70% with income of Rs.20 crores. The company expects high growth in the domestic mutual fund industry with income growth continuing.

Merger of securities subsidiary with the parent

With ongoing expansion plans and funding needs in securities business, the Board of Directors has proposed a merger of the Securities subsidiary – India Infoline Securities Private Limited with the parent company India Infoline Limited (the merger is subject to obtaining court and other regulatory approvals). Currently the securities subsidiary's networth is around Rs70 crores and post merger, it will be around Rs200 crores. Also, the research and content produced by the parent company is increasingly used for customers of the subsidiary company. Commenting on the merger, Mr Mukesh Singh, Director India Infoline Securities P Ltd said, "This reaffirms our long-term confidence and commitment to the retail broking business. The business has been growing rapidly and we would like it to be well funded. This will also allow us to strengthen and sharpen focus on our research activity."

New businesses

The company expanded its product offering by entering the mortgage distribution business through the acquisition of Moneytree Consultancy Services Private Limited in the last quarter of the year. This business is expected to grow substantially during the current year as well. It has also commenced promising Investment Banking business during the last quarter.

It is also proposing to launch a Venture Capital Fund and is awaiting SEBI approval for the same.

Corporate governance

The company is pleased to announce that it is fully compliant with revised Clause 49A requirements for listed entities. It has satisfied all the requisite conditions, including requirement related to Composition of the Board of Directors, Audit committee, Compensation committee, Shareholders' grievances committee etc. For the detailed information on the company's compliance with clause 49A and corporate governance, refer our website, www.indiainfoline.com/inve

A presentation on Quarterly Results and Strategy Review is available on our website www.indiainfoline.com/inve

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INDIA INFOLINE LIMITED

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CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED MARCH 31, 2006

(Rs Lacs)

Sr.	Particulars	Quarter ended		Year ended	
		Mar 31 2006	Mar 31, 2005	Mar-31, 2006	Year ended Mar-31, 2005
					Audited
1	Income from operations	8,413.69	2,934.75	21,341.11	7,572.64
	Equities Brokerage & Related Income	5,420.75	1,873.69	14,270.55	5,110.57
	Distribution Commission & Fees	767.01	441.8	1,998.58	1,177.36
	Commodities Brokerage	168.77	24.22	413.27	48.38
	Life Insurance Commission	1,005.17	303.93	2,158.66	598.00
	Online & Other Media Income	887.95	291.11	2,006.44	638.33
	Investment Activities	143.53	-	469.36	-
	Home Loan Commission	20.51	-	24.25	-
2	Other Income	157.24	40.69	463.74	153.00
	Total Income	8,570.93	2,975.45	21,804.85	7,725.64
3	Total Expenditure				
	A Direct Cost	2,124.63	1,053.92	5,627.22	2,381.34
	B Employee Cost	1,558.54	335.64	3,660.24	1,031.71
	C Administration Expenses	1,620.31	445.7	3,828.17	1,330.21
4	Interest	302.65	81.34	650.98	150.64
5	Depreciation & Amortisation	411.48	89.53	857.56	254.97
	6 Profit / (Loss) Before Tax	2,553.32	969.31	7,180.68	2,576.77
7	Provision for Taxation				
	- Current	955.98	112.03	2,278.29	402.33
	- Fringe Benefit Tax	37.03	-	90.82	
	- Deferred Tax	-94.51	-3.51	-81.13	-3.1
	Short / (Excess) Provision for Tax of earlier year	-	6.65	-	9.3
8	Minority Interest	1.7	-		
	9 Profit / (Loss) After Tax	1,653.12	854.14	4,892.70	2,168.23
10	Paid up Equity Share Capital (Face Value of Rs.10 each)	4,510.00	3,162.19	4,510.00	3,162.19
11	Reserves excluding Revaluation Reserve			15,434.22	2,062.55
12	Debit Balance in Profit and Loss Account			-	163.67
13	Earnings Per Share				
	Basic (In Rs.)	3.89	3.15	11.57	8
	Diluted (In Rs.)	3.69	3.02	10.98	7.67
14	Aggregate of Non Promoters Shareholding				
	No of Shares	28,816,900	16,736,412	28,816,900	16,736,412
	Percentage of Shareholding	63.89%	52.93%	63.89%	52.93%

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AUDITED SEGMENT WISE RESULTS FOR THE QUARTER & YEAR ENDED MARCH 31, 2006

(Rs Lacs)

PARTICULARS	Quarter Ended March 31, 2006	Quarter Ended March 31, 2005	Year Ended March 31, 2006	Year Ended March 31, 2005
1. Segment Revenue				
Online Media & content	932.96	336.11	2,186.45	818.33
Customer Leads Fees	625.9	303.62	1,701.69	625.27
Call Centre Charges	145.50	213.00	582.00	678.00
Others	247.41	20.94	376.54	102.01
Total	1,951.77	873.67	4,846.69	2,223.61
2. Segment Results				
Online Media & content	898.06	321.09	2,060.73	767.59
Customer Leads Fees	542.09	299.98	1,558.16	605.98
Call Centre Charges	98.36	205.09	426.06	627.74
Others	247.41	10.85	376.54	61.65
Total	1,785.92	837.01	4,421.49	2,062.96
Less : Unallocated Expenses net of other unallocated income	92.23	27.96	228.45	157.57
Interest	140.06	1.76	217.98	3.93
Less : Income Tax	526.76	67.00	1,324.86	154.00
Less: Fringe Benefit Tax	1.66	0	3.29	0
Total Profit After Tax	1,025.21	740.29	2,646.91	1,747.45
3. Capital Employed (Segment Asset-Segment Liabilities)				
Online Media & content	218.00	154.24	218.00	154.24
Customer Leads	1,649.21	-20.18	1,649.21	-20.18
Call Centre	693.47	517.26	693.47	517.26
Others	748.06	225.66	748.06	225.66
Unallocated	14,545.21	4,355.70	14,545.21	4,355.70
Total	17,853.95	5,232.68	17,853.95	5,232.68

NOTES TO FINANCIAL RESULTS:

1. The above consolidated and standalone audited financial results for the quarter and year ended March 31, 2006 have been reviewed by the Audit Committee and approved by the Board at its meeting held on April 26, 2006.
2. India Infoline Limited conducts its operations alongwith wholly owned subsidiary companies namely India Infoline Securities Private Limited, India Infoline Distribution Company Limited, India Infoline Insurance Services Limited, India Infoline Commodities Private Limited, India Infoline Investment Services Private Limited and India Infoline Insurance Brokers Limited. Besides, India Infoline Distribution Company Limited holds 75% of the equity capital of Moneytree Consultancy Services Private Limited.
3. Principles of Consolidations : The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as set out in Accounting Standard on Consolidated Financial Statements prescribed by the Institute of Chartered Accountants of India. The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of income and expenditure, after eliminating intra-group transactions. The consolidated statements are prepared by applying uniform accounting policies.
4. With a view to strengthen the financial resources of the securities broking business, the Board has approved merger of its wholly owned subsidiary namely India Infoline Securities Pvt Ltd with India Infoline Limited with effect from April 1, 2006, subject to obtaining of necessary approvals from appropriate Authorities and Hon'ble Courts.
5. As approved by the shareholders, the company made the following preferential allotments under SEBI (Disclosure and Investor Protection) Guidelines, 2000 in February 2006: (a)8000 Optionally Convertible Bonds aggregating to Rs800 million to DSP Merrill Lynch Capital Limited, a 100% subsidiary of DSP Merrill Lynch Limited.. The Bonds are optionally convertible into such number of Equity shares in the price range of Rs.140.40 to Rs 170 per share. (b)1,176,471 equity shares at a price of Rs. 170 per share to Bennett Coleman & Co Ltd aggregating to Rs.200 million and (c) 26,000,000 equity warrants on preferential basis to promoters exercisable into equity shares at a price of Rs170 per share. (d) During the year the Company has allotted 423410 equity shares pursuant to exercising of options granted under ESOP 2000 scheme (e)Shareholders have also approved ESOP Scheme 2005 for issue of 2.5 million equity shares to the employees of the company and its subsidiaries subject to the provisions of the SEBI (ESOP) Guidelines. The company has not granted any options during the year against this Scheme.
6. The company is a registered ITES providing services in the nature of media & content, call centre and customer leads services. Accordingly the income segments have been reclassified in the above segment results.
7. The Board has declared a final dividend of Rs 1/- per share subject to shareholders approval in addition to the interim dividend of Rs. 2/- per equity share paid in February 2006.
8. Number of Investor Complaints during the quarter:
Opening NIL; Received 16; Disposed Off 16; Pending NIL
9. Previous year / period figures have been regrouped / reclassified / rearranged wherever necessary.

By Order of the Board

For India Infoline Ltd

Nirmal Jain
Chairman & Managing Director

Mumbai
April 26,2006