



## Press Release For immediate publication

Mumbai, India

November 5, 2011

### IIFL Consolidated Income for Q2FY12 up 20.9% yoy, up 14.3% qoq

Results (consolidated) for the quarter ended September 30, 2011

- Income for the quarter at ₹4,108.6 mn, up 20.9% yoy, up 14.3% qoq
- Profit after Tax (before Minority) at ₹225.2 mn, down 59.0% yoy, down 20.6% qoq
- Investment in expansion of gold loan branches, lower broking margins and higher interest costs impacted results adversely

#### Summary consolidated financials

(₹Mn)

|                   | Quarter ended<br>Sep 30, 2011 | Quarter ended<br>Sept 30,<br>2010 | Quarter ended<br>Jun 30, 2011 | % Year- on-<br>Year | %<br>Quarter-on-<br>Quarter |
|-------------------|-------------------------------|-----------------------------------|-------------------------------|---------------------|-----------------------------|
| Income            | 4,108.6                       | 3,399.1                           | 3,595.5                       | 20.9%               | 14.3%                       |
| EBIDTA            | 1,611.1                       | 1,357.6                           | 1,393.6                       | 18.7%               | 15.6%                       |
| Profit Before Tax | 352.8                         | 817.0                             | 424.3                         | (56.8%)             | (16.8%)                     |
| Profit After Tax* | 225.2                         | 549.5                             | 283.5                         | (59.0%)             | (20.6%)                     |

\* Profit after Tax before minority

**Mr Nirmal Jain, Chairman, IIFL**, commenting on the financial results of Q2FY12 said, “The environment for broking industry continues to be challenging. Market volumes for cash segment continue to fall and derivatives trading volumes have grown to 91% of the market in the last quarter. Our retail lending business however has long term potential, notwithstanding the current high interest cost environment. We have been building the lending business core competence over last 5 years and now have embarked upon an aggressive scale up of our branch network, causing steep increase in overheads. We expect the expanded network to start contributing positively in the next 2 quarters.”



### **Equities and Commodities Broking**

Equities, broking and related revenue was ₹1,388.8 mn in Q2FY12, down 15.0% yoy and up 3.7% qoq.

In equities brokerage, our average daily turnover during the year was around ₹52 bn, up 12.4% yoy, down 0.4% qoq. Market share on the NSE was at 3.6% in Q2FY12 as against 4.0% in Q1FY12. While we have maintained our market share in the cash segment on a qoq basis, overall market share has fallen due to our relatively lesser presence in options trading segment. Average daily volumes in our commodities business stood at ₹17.8 bn during the quarter, up 171.3% yoy and 62.1% qoq.

Our in-depth, thematic research has always been very well-received. Our recent research reports include 'INCH-ASEAN Chartbook': Sizing up ASEAN in relation to India and China, 'India – Cement': Cement on the move – Return of the up cycle and 'India – Pharma': Deceleration pushing Indian pharma companies into more acquisition.

### **Distribution and Marketing**

During the year under review, our income from this segment was ₹421.1 mn, down 16.9% yoy, up 0.6% qoq. Our product portfolio is dominated by long term endowment products. It is also diversified across several leading insurance companies which include SBI Life, Reliance Life Insurance, HDFC Standard Life, Tata AIG, ICICI Prudential etc.

Insurance industry volumes down 23% yoy for the first 5 months of current fiscal, however IIFL distribution and marketing revenue fell by 9% in the first half of the fiscal year.

### **Financing and Investment**

The loan portfolio increased to ₹50.4 bn as on September 30, 2011. Our loan book largely comprises secured lending with mortgages contributing to 53%, capital market products contributing to 23% and gold loans contributing to 22%. Our unsecured loan book has fallen to less than 0.5% of the total book. NPAs on our overall portfolio are less than 1%. As on September 30, 2011, we had over 800 branches for specialized retail lending for products such as gold loans, healthcare, etc.

### **Wealth Management**

Our Wealth Management business continues to grow. Assets under advisory are over ₹200 bn. We are continuously investing in training infrastructure and resources to further enhance the existing knowledge and skill set of employees.

IIFL Wealth conference 'Rise above the Tide' held during the quarter was very well received and was attended by over 500 clients, partners and associates.



### **IIFL Mutual Fund's maiden offering 'IIFL Nifty ETF' gets good response**

India Infoline Asset Management Company Ltd (IIFL AMC), launched its first New Fund Offer (NFO) IIFL Nifty ETF on September 28, 2011. All fees and expenses are capped at 0.25% or a quarter of a rupee for managing ₹100 for one year. As on date, there is no other equity fund in the country which has a cost structure lower than this. IIFL Nifty ETF received an overwhelming response from investors. The fund collected over ₹340 million and received over 15,000 applications. This is an Open-ended, Index-linked, Exchange Traded Fund. The investment objective of this fund is to provide returns, before fees and expenses, which correspond as closely as possible to the total returns of securities as represented by S&P CNX Nifty (Nifty) subject to tracking error.

### **Mr Sunil Kaul, IIFL Carlyle Group representative joins the Board**

The Carlyle Group, one of the largest global alternative asset managers acquired 9% stake in India Infoline Ltd through secondary market purchase of equity shares. Carlyle has become a key institutional shareholder in the company.

Mr Sunil Kaul, a Senior Director in The Carlyle Group, has joined our board as an Additional Director of the Company. He will be Non-Executive Director of the Company. Mr Kaul has over 20 years of experience in corporate and consumer banking. Prior to joining Carlyle, Mr. Kaul served as the President of Citibank Japan, covering the bank's corporate and retail banking operations. He concurrently served as the Chairman of Citi's credit card and consumer finance companies in Japan. He was also a member of Citi's Global Management Committee and Global Consumer Planning group. Mr. Kaul is a Post Graduate in Management from Indian Institute of Management in Bangalore and a Bachelor's degree in Technology from the Indian Institute of Technology, Bombay.

### **More Awards this quarter**

India Infoline Wealth Management Ltd. was awarded the 'Best Wealth Management House – India' at The Asset Triple A Investment Awards, 2011. The Asset annually looks at global wealth management institutions that have a broad-based wealth management franchise and are providing an interesting array of investment products and strong support to clients in managing their wealth.

IIFL was also awarded the 'Best Broking House with Global Presence' at the D&B Equity Broking Awards, 2011.

IIFL was also awarded the CIO100 Award by IDG India's CIO magazine at the 6th annual CIO100 awards. IIFL won this award for its in-house trading platform called 'Trader Terminal', which is widely acknowledged as one of the best trading platform available for investors in India.

### **About IIFL**

IIFL (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. IIFL 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, Govt 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.

IIFL has been awarded the 'Best Broker in India, 2011', by FinanceAsia and the 'Best Equity Broker of the Year, 2011' by Bloomberg UTV. IIFL Wealth was recently awarded 'Best Wealth Management House – India' at The Asset Triple A Investment Awards. IIFL also received 'Best Broking House with Global Presence' at the D&B Equity Broking Awards, 2011. A forerunner in the field of equity research, IIFL's research is acknowledged by none other than Forbes as 'Best of the Web' and '...a must read for investors in Asia'. IIFL 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 around 3,000 business locations spread over more than 500 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.

IIFL/ India Infoline refer to India Infoline Ltd and its group companies.

The press release, results and presentation for analysts/press for the quarter ended Sept 30, 2011, is available under the 'Investor Relations' section on our website [www.indiainfoline.com](http://www.indiainfoline.com).

**For further information please contact:**

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