

IL&FS Investment Managers Limited

The IL&FS Financial Centre
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November 18, 2010

The Manager
The Listing Department
National Stock Exchange Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051

Re : **Press Release**

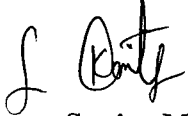
Dear Sir:

Enclosed herewith is the Press Release of the Company regarding completion of the merger of the Saffron Group with the Company

Kindly acknowledge receipt of the same

Thanking you,

Yours sincerely,



Sanjay Mitra
Company Secretary

Encl: as above

PRESS RELEASE

IL&FS Investment Managers completes the merger of Saffron group

AUM of USD 3.2 bn post-merger

Mumbai, November 18, 2010 : IL&FS Investment Managers (IIML) India's only listed private equity firm has completed the acquisition of shares of Saffron Assets Advisors Pvt. Ltd. (SAAPL) making it a subsidiary of IIML. IIML's subsidiary IL&FS Investment Advisors LLC (IIAL) has also completed the merger of Saffron Capital Securities Limited and Saffron Capital Advisors Limited with itself

In view of the completion of the above corporate actions the Assets under management of IIML along with its affiliates has increased to USD3.2 billion. With this merger IIAL becomes the manager of Yatra Capital a Euro 220mn Euronext listed fund and also Saffron India Real Estate Fund

Speaking on the occasion **Dr. Archana Hingorani, CEO & Executive Director, IIML** said, "This is a significant milestone in our ongoing strategy to diversify our asset base and investors and further consolidates our position as the largest Indian private equity fund manager. The merger will not only provide us significant scale but the existing experienced team of Saffron will provide synergies to our real estate private equity platform. This unique positioning will provide better access to deal flow and will also cross pollinate investment and operating expertise as well as create multiple exit mechanisms. We expect that our experience in private equity over the years and the larger IL&FS platform will add significant value to the existing portfolio of Yatra. We would also look forward to working with the stakeholders of Yatra to expand the Yatra platform"

Adding to this, she said, "Investor sentiment has improved significantly and the fund raising environment is now more conducive which augurs well for our fund raising plans. We are launching two funds this quarter in the growth private equity and the real estate yield space"

About IL&FS Investment Managers Limited

IL&FS Investment Managers Limited (IIML) is India's first and only listed Private Equity firm. IIML has been a pioneer in managing and advising private equity investments, ranging from Real Estate, Infrastructure to sector agnostic Private Equity Funds. IIML has, to date, invested in over 100 investments and managed over 50 exits/liquidity events

Some of the representative transactions of IL&FS Investment Managers Limited are Shoppers Stop, Noida Toll Bridge Company, Gujarat Pipavav Port, ibn18 Broadcast, Indraprastha Gas, Godrej Beverage & Foods, Spicejet, ABG Shipyard, Tejas Networks, Bharat Serums & Vaccines, Indiagames, DQ Entertainment, Ramky Infrastructure, DEN Networks, DB Realty, Electrosteel Integrated, Orbit Highcity and QVC Realty

IL&FS Investment Managers Limited is publicly traded on the Bombay Stock Exchange (BSE Symbol : 511208) and the National Stock Exchange (NSE Symbol : IVC). More on www.iimlindia.com