

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
IL&FS INVESTMENT MANAGERS LIMITED**

A] Audit Report on the Financial Results for the six months ended September 30, 2014 ("Half Yearly Financial Results")

1. We have audited the Half Yearly Financial Results reflected under column titled "Half Year Ended 30.09.2014 (Audited)" and the related Notes contained in the accompanying "Statement of Standalone Financial Results for the Quarter and Half Year Ended September 30, 2014" ("the Statement") of **IL&FS INVESTMENT MANAGERS LIMITED** ("the Company") being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures referred to in Part C – Select Information below.
2. The Half Yearly Financial Results have been prepared on the basis of the related interim financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Half Yearly Financial Results, based on our audit of the related interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
3. We conducted our audit of the Half Yearly Financial Results in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Half Yearly Financial Results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Half Yearly Financial Results. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall presentation of the Half Yearly Financial Results. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, the Half Yearly Financial Results:
 - (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges to the extent applicable; and
 - (ii) give a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the six months ended September 30, 2014.

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**B] Limited Review Report on the Financial Results for the quarter ended September 30, 2014
("Quarterly Financial Results")**

5. We have reviewed the Quarterly Financial Results reflected under the column titled "Quarter Ended 30.09.2014 (Unaudited)" and the related Notes contained in the accompanying "Statement of Standalone Financial Results for the Quarter and Half Year Ended September 30, 2014" ("the Statement") of **IL&FS INVESTMENT MANAGERS LIMITED** ("the Company"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures referred to in Part C – Select Information below.
6. The Quarterly Financial Results are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to issue a report on the Quarterly Financial Results based on our review.
7. We conducted our review of the Quarterly Financial Results in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Quarterly Financial Results are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
8. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the Quarterly Financial Results, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, have not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that they contain any material misstatement.

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C] Select Information

9. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding, in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to the investor complaints for the quarter ended September 30, 2014 of the Statement, from the details furnished by the Management and Registrars respectively.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kalpesh J. Mehta
Partner
(Membership No.48791)

MUMBAI, November 05, 2014
KJM/RND

IL&FS INVESTMENT MANAGERS LIMITED

Registered Office: The IL&FS Financial Centre, C-22, G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

PART I
STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014

(₹ in Lakhs)							
Sr. No.	Particulars	Quarter Ended 30.09.2014 (Unaudited)	Quarter Ended 30.06.2014 (Unaudited)	Quarter Ended 30.09.2013 (Unaudited)	Half Year Ended 30.09.2014 (Audited)	Half Year Ended 30.09.2013 (Audited)	Year Ended 31.03.2014 (Audited)
1)	a) Income from Operations	2,030.67	1,882.62	2,440.93	3,913.29	4,788.81	9,429.92
	b) Other Operating Income	346.63	576.78	219.75	923.41	729.95	2,081.71
	Total income from operations (Net)	2,377.30	2,459.40	2,660.68	4,836.70	5,518.76	11,511.63
2)	Expenses :						
	a) Employees benefits and expense	556.69	672.44	702.53	1,229.13	1,485.63	2,880.78
	b) Depreciation/Amortisation Expense	16.18	9.36	12.31	25.54	21.23	45.10
	c) Other Expense	416.59	329.61	434.92	746.20	806.37	1,549.98
	Total Expenses	989.46	1,011.41	1,149.76	2,000.87	2,313.23	4,475.86
3)	Profit from Operations before Other Income, Finance costs and Exceptional Items (1-2)	1,387.84	1,447.99	1,510.92	2,835.83	3,205.53	7,035.77
4)	Other Income	95.39	348.26	355.33	443.65	396.42	599.82
5)	Profit from Ordinary Activities before Finance costs and Exceptional Items (3+4)	1,483.23	1,796.25	1,866.25	3,279.48	3,601.95	7,635.59
6)	Finance costs	-	-	-	-	-	-
7)	Profit from Ordinary Activities after Finance costs but before Exceptional Items (5-6)	1,483.23	1,796.25	1,866.25	3,279.48	3,601.95	7,635.59
8)	Exceptional Items	-	-	-	-	-	-
9)	Profit from Ordinary Activities before tax (7+8)	1,483.23	1,796.25	1,866.25	3,279.48	3,601.95	7,635.59
10)	Tax expense	412.23	481.59	541.99	893.82	1,063.92	2,259.40
11)	Net Profit from Ordinary Activities after tax (9-10)	1,071.00	1,314.66	1,324.26	2,385.66	2,538.03	5,376.19
12)	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13)	Net Profit for the period / year (11-12)	1,071.00	1,314.66	1,324.26	2,385.66	2,538.03	5,376.19
14)	Paid-up Equity Share Capital (Shares of ₹ 2/- each)	6,280.85	6,272.04	4,181.43	6,280.85	4,181.43	6,272.04
15)	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year						4,048.80
16)	Earnings Per Share (₹) (before and after Extraordinary items) (Face value of ₹ 2/- each)						
	- Basic (Not Annualised)	0.34	0.42	0.42	0.76	0.81	1.71
	- Diluted (Not Annualised)	0.34	0.42	0.42	0.76	0.81	1.71

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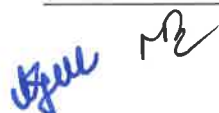
PART II : Select Information for the Quarter and half year ended September 30, 2014

Particulars		Quarter Ended 30.09.2014 (Unaudited)	Quarter Ended 30.06.2014 (Unaudited)	Quarter Ended 30.09.2013 (Unaudited)	Half Year Ended 30.09.2014 (Audited)	Half Year Ended 30.09.2013 (Audited)	Year Ended 31.03.2014 (Audited)
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	155,699,588	155,258,963	103,505,975	155,699,588	103,505,975	155,258,963
	- Percentage of shareholding	49.58	49.51	49.51	49.58	49.51	49.51
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	158,333,152	158,333,152	105,055,435	158,333,152	105,555,435	158,333,152
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	100	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the Company)	50.42	50.49	50.49	50.42	50.49	50.49
	b) Non-encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter Group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-

Particulars		3 months ended 30.09.2014
B	Investor Complaints :	
	Pending at the beginning of the quarter	-
	Received during the quarter	26
	Disposed of during the quarter	26
	Remaining unresolved at the end of the quarter	-

Standalone Statement of assets and liabilities

Particulars		(₹ in Lakhs)	
		As at 30.09.2014 Audited	As at 31.03.2014 Audited
A) EQUITY AND LIABILITIES			
1. Shareholders' Funds :			
a) Share Capital		6,280.85	6,272.04
b) Reserves and surplus		6,479.20	4,048.80
c) Money received against share warrants		-	-
Sub-total - Shareholders' funds		12,760.05	10,320.84
2. Share application money pending allotment		-	-
3. Non-current liabilities			
a) Long term borrowings		-	-
b) Deferred tax liabilities (net)		-	-
c) Other long-term liabilities		-	-
d) Long-term provisions		187.93	168.76
Sub-total - Non-current liabilities		187.93	168.76



Particulars	(₹ in Lakhs)	
	As at 30.09.2014	As at 31.03.2014
	Audited	Audited
4. Current liabilities		
a) Short term borrowings	-	-
b) Trade payables	564.39	1,030.14
c) Other current liabilities	382.84	269.16
d) Short-term provisions	513.43	5,140.93
Sub-total - Current liabilities	1,460.66	6,440.23
TOTAL - EQUITY AND LIABILITIES	14,408.64	16,929.83
B) ASSETS		
1. Non - current Assets		
a) Fixed assets	52.49	70.76
b) Non-current investments	4,223.46	4,248.37
c) Deferred tax assets (net)	147.71	151.28
d) Long-term loans and advances	427.20	515.93
e) Other non-current assets	-	-
Sub-total - Non-current assets	4,850.86	4,986.34
2. Current assets		
a) Current investments	458.01	2,649.50
b) Trade receivables	6,001.07	6,000.93
c) Cash and cash equivalents	1,688.05	704.86
d) Current Maturities of Long-term Loans and Advances	432.40	1,100.00
e) Short-term loans and advances	851.68	1,279.47
f) Other current assets	126.57	208.73
Sub-total - Current assets	9,557.78	11,943.49
TOTAL - ASSETS	14,408.64	16,929.83

NOTES :

- The aforesaid standalone financial results of the Company, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 5, 2014. The results for the half year ended is subject to audit by the statutory auditor of the Company
- The Company is in the business of providing "Asset Management and other related service". As such, there are no separate reportable business or geographical segments as per Accounting Standard 17 on "Segment Reporting"
- Tax expense for the half year ended September 30, 2014 is net of deferred tax charge of ₹ 3.57 lakhs (corresponding previous period credit of ₹ 15.97 lakhs)
- During the quarter ended September 30, 2014 the Company allotted 440,625 equity shares on exercise of options granted under the Employees Stock Options Plan
- The figures for the current quarter and the corresponding quarter in the previous year are the balancing figures between the audited figures in respect of the half year ended September 30, and the unaudited published figures for the quarter ended June 30, which were subjected to a limited review
- Figures for the previous periods / year have been regrouped and rearranged wherever considered necessary

By Order of the Board



Mumbai, November 5, 2014

Archana Hingorani
Chief Executive Officer & Executive Director