

**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
IL&FS INVESTMENT MANAGERS LIMITED
ON UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF
IL&FS INVESTMENT MANAGERS LIMITED AND ITS SUBSIDIARIES**

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results ("the Statement") of **IL&FS INVESTMENT MANAGERS LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the group") for the quarter ended June 30, 2012. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement 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 Statement is free of material misstatements. A review is limited primarily to inquiries of Company 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 opinion.
3. This Statement includes the results of the following entities:
 - i. IL&FS Investment Managers Limited – Holding Company
 - ii. IL&FS Asian Infrastructure Managers Limited – Subsidiary
 - iii. IL&FS Urban Infrastructure Managers Limited – Subsidiary
 - iv. IL&FS Investment Advisors LLC – Subsidiary
 - v. IIML Advisors LLC – Subsidiary
 - vi. IIML Asset Advisors Private Limited – Subsidiary
 - vii. Saffron Investment Trust – Subsidiary
 - viii. IL&FS Milestone Realty Advisors Private Limited – Jointly Controlled Entity
 - ix. Standard Chartered IL&FS Management (Singapore) Pte. Limited – Jointly Controlled Entity
4. The Statement reflects the Groups share of revenue of Rs. 385,489,612 and the Group's share of Profit after Tax of Rs. 250,591,630 for the quarter ended June 30, 2012 relating to four subsidiaries whose results have been reviewed by other auditors. Accordingly, our assurance on the statement in so far as it relates to the

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amounts included in respect of these subsidiaries is based solely on the reports of such other auditors which have been furnished to us.

5. The financial results of two Joint Controlled Entities which reflect the Group's share of Revenue of Rs. 74,538,224 and the Group's share of Profit after Tax of Rs. 10,494,620 for the quarter ended June 30, 2012 as considered in the Statement, have not been reviewed by their auditors.
6. Based on our review and read with our comments in paragraph 4 above and subject to our comments in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has 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 it contains any material misstatement.
7. 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 from the details furnished by the Management and the particulars relating to undisputed investor complaints from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 117366W)



Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, July 24, 2012
KJM/NDU

IL&FS INVESTMENT MANAGERS LIMITED 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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2012

(₹ in lakhs)				
Particulars	Quarter Ended 30.06.2012 (Unaudited)	Quarter Ended 31.03.2012 (Unaudited)	Quarter Ended 30.06.2011 (Unaudited)	Year Ended 31.03.2012 (Audited)
1) a) Income from Operations	5,434.49	5,570.01	4,989.70	21,258.76
b) Other Operating Income	261.49	229.04	180.04	798.09
Total income from operations (net)	5,695.98	5,799.05	5,169.74	22,056.85
2) Expenses :				
a) Employee benefits and expense	1,445.45	1,351.78	1,296.84	5,255.21
b) Depreciation / Amortisation expense	633.55	591.50	567.68	2,329.40
c) Legal and Professional expense	326.77	202.07	331.80	1,361.26
d) Sub-advisory Fees	376.70	407.58	345.04	1,439.50
e) Other expense	535.40	545.45	528.41	2,165.11
Total Expenses	3,317.87	3,098.38	3,069.77	12,550.48
3) Profit from Operations before Other Income, Finance costs and Exceptional Items (1-2)	2,378.11	2,700.67	2,099.97	9,506.37
4) Other Income	125.65	178.07	139.38	413.30
5) Profit from Ordinary Activities before Finance costs and Exceptional Items (3+4)	2,503.76	2,878.74	2,239.35	9,919.67
6) Finance costs	85.26	98.18	92.55	388.25
7) Profit from Ordinary Activities after Finance costs but before Exceptional Items (5-6)	2,418.50	2,780.56	2,146.80	9,531.42
8) Exceptional Items	-	-	-	-
9) Profit from Ordinary Activities before tax (7+8)	2,418.50	2,780.56	2,146.80	9,531.42
10) Tax expense	597.96	810.55	417.94	2,150.40
11) Net Profit from Ordinary Activities after tax (9-10)	1,820.54	1,970.01	1,728.86	7,381.02
12) Extraordinary Item (net of tax expense)	-	-	-	-
13) Net Profit for the period (11-12)	1,820.54	1,970.01	1,728.86	7,381.02
14) Share of profit/(loss) of associate	-	-	-	-
15) Minority Interest	6.47	7.65	6.89	27.75
16) Net Profit after taxes, minority interest and share of profit/(loss) of associates (13+14+15)	1,814.07	1,962.36	1,721.97	7,353.27
17) Paid-up equity share capital (Shares of Face Value of ₹ 2/- each)	4,165.71	4,165.71	4,112.73	4,165.71
18) Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	19,170.59
19) Earnings Per Share (₹) (before and after extra ordinary items) (Face value of ₹ 2/- each)				
– Basic (Not Annualised)	0.87	0.95	0.84	3.56
– Diluted (Not Annualised)	0.87	0.94	0.83	3.54

PART II

A PARTICULARS OF SHAREHOLDING				
1) Public shareholding				
a) Number of shares	103,219,975	103,219,975	100,570,820	103,219,975
b) Percentage of shareholding	49.56	49.56	48.91	49.56
2) Promoters and Promoter Group Shareholding				
a) Pledged / Encumbered				
– Number of shares	-	-	-	-
– Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
– Percentage of shares (as a % of the total share capital of the company)	-	-	-	-

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OR

b) Non – encumbered				
– Number of shares	105,055,435	105,055,435	105,055,435	105,055,435
– Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100	100	100	100
– Percentage of shares (as a % of the total share capital of the company)	50.44	50.44	51.09	50.44

	Particulars	3 months ended 30.06.2012
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	18
	Disposed of during the quarter	18
	Remaining unresolved at the end of the quarter	-

NOTES:

- 1) The aforesaid consolidated unaudited financial results of IL&FS Investment Managers Limited (the “Company”), its subsidiaries and jointly controlled entities (together constituting the “Group”) for the quarter ended June 2012 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 24, 2012 and reviewed by the Statutory Auditors
- 2) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS 21) on “Consolidated Financial Statements” which consists of the accounts of the Company, its subsidiaries i.e. IL&FS Asian Infrastructure Managers Limited, IL&FS Urban Infrastructure Managers Limited, IL&FS Investment Advisors LLC, IIML Asset Advisors Limited, Saffron Investment Trust, IIML Advisors LLC and IIML Fund Managers (Singapore) Pte Ltd which are based on their respective reviewed accounts and investments in jointly controlled entities i.e. IL&FS Milestone Realty Advisors Pvt Ltd and Standard Chartered IL&FS Management (Singapore) Pte Ltd have been accounted for by using the proportionate consolidation method in accordance with Accounting Standard (AS 27) on “Financial Reporting of Interests in Joint Ventures”, based on their respective management accounts
- 3) The Group 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”
- 4) Tax expense for the quarter ended June 30, 2012 is net of deferred tax asset of ₹ 5.02 lakhs (Previous corresponding quarter ₹ 18.02 lakhs)
- 5) The summarized standalone audited financial results of the Company are as below. The detailed standalone audited financial results of the Company are available on the Company’s website www.iimlindia.com

	(₹ in lakhs)			
Particulars	Quarter Ended 30/06/2012	Quarter Ended 31/03/2012	Quarter Ended 30/06/2011	Year Ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Audited
Revenue	2,521.37	3,158.47	2,104.50	10,261.86
Profit before tax	1,424.05	2,401.11	1,004.65	5,756.40
Profit after tax	1,000.62	1,696.57	684.69	4,104.29

- 6) Figures for the previous period / year have been regrouped and rearranged wherever considered necessary

By Order of the Board

Archana Hingorani

Chief Executive Officer & Executive Director

Mumbai, July 24, 2012