

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

1. We have audited the accompanying Statement of 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 year ended March 31, 2012, being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges. This Statement has been prepared on the basis of the related annual consolidated 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 Statement, based on our audit of the related annual consolidated financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement 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 Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The 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 from June 10, 2011
 - vi. IIML Asset Advisors Private Limited – Subsidiary
 - vii. Saffron Investment Trust – Subsidiary
 - viii. IIML Fund Managers (Singapore) Pte Limited- Subsidiary from December 14, 2011.
 - ix. IL&FS Milestone Realty Advisors Private Limited – Jointly Controlled Entity
 - x. Standard Chartered IL&FS Management (Singapore) Pte. Limited – Jointly Controlled Entity

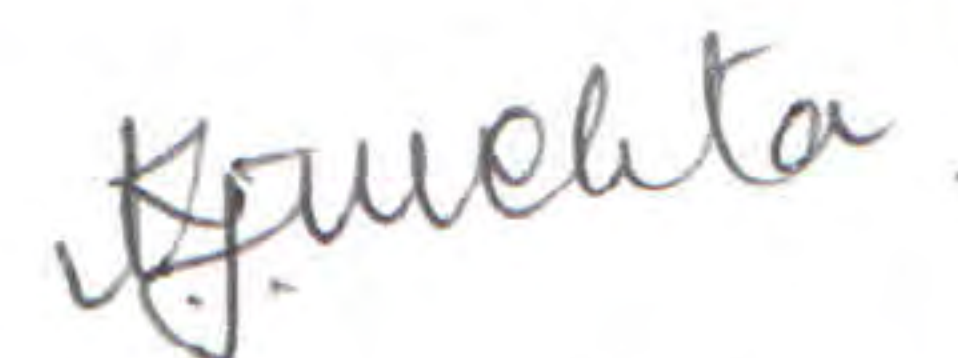
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Deloitte Haskins & Sells

4. Attention is invited to Note 9 of the Statement regarding figures of last quarter for the current year and for the previous year being the balancing figures between the audited figures in respect of the full financial year ended 31st March and the unaudited published year to date figures up to third quarter ended 31st December, which were subjected to a limited review.
5. The Statement reflects the Group's share of Revenues of Rs. 15,130.49 lakhs and Profit after Tax (net) of Rs. 9,093.06 lakhs relating to four subsidiaries whose results have been audited by other auditors and whose reports have been considered by us in submitting our report.
6. The Statement reflects the Group's share of Revenue of Rs.1,975.13 lakhs and Profit after Tax of Rs.408.47 lakhs in respect of a jointly controlled entity which has not been audited and are included based on Financial Information available with the management.
7. In our opinion and to the best of our information and according to the explanations given to us on the basis stated in paragraph 5 and subject to our comments in paragraph 6, the Statement:
 - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and
 - (ii) gives a true and fair view of the net profit and other financial information of the Group for the year ended March 31, 2012.
8. 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, May 3, 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 AND YEAR ENDED 31 MARCH 2012

(₹ in lakhs)

Particulars	Quarter Ended 31.03.2012 (Unaudited)	Quarter Ended 31.12.2011 (Unaudited)	Quarter Ended 31.03.2011 (Unaudited)	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2011 (Audited)
1) a) Income from Operations	5,570.01	5,462.80	5,172.71	21,258.76	19,003.54
b) Other Operating Income	229.04	185.00	153.19	798.09	723.87
Total income from operations (net)	5,799.05	5,647.80	5,325.90	22,056.85	19,727.41
2) Expenses :					
a) Employee benefits expense	1,351.78	1,299.74	1,022.48	5,255.21	4,652.90
b) Depreciation / Amortisation expense	591.50	617.43	753.00	2,329.40	2,604.43
c) Legal and Professional expense	202.07	471.98	441.11	1,361.26	1,307.76
d) Sub-advisory Fees	407.58	364.75	208.88	1,439.50	411.80
e) Other expense	545.45	638.44	551.65	2,165.11	1,929.97
Total Expenses	3,098.38	3,392.34	2,977.12	12,550.48	10,906.86
3) Profit from Operations before Other Income, Finance costs and Exceptional Items (1-2)	2,700.67	2,255.46	2,348.78	9,506.37	8,820.55
4) Other Income	178.07	77.21	301.18	413.30	394.54
5) Profit from ordinary activities before Finance costs and Exceptional Items (3+4)	2,878.74	2,332.67	2,649.96	9,919.67	9,215.09
6) Finance costs	98.18	96.67	97.91	388.25	163.18
7) Profit from ordinary activities after finance costs but before Exceptional Items (5-6)	2,780.56	2,236.00	2,552.06	9,531.42	9,051.91
8) Exceptional Items	-	-	-	-	-
9) Profit from Ordinary Activities before tax (7+8)	2,780.56	2,236.00	2,552.06	9,531.42	9,051.91
10) Tax expense	810.55	367.54	719.29	2,150.40	2,122.66
11) Net Profit from Ordinary Activities after tax (9-10)	1,970.01	1,868.46	1,832.76	7,381.02	6,929.25
12) Extraordinary Item (net of tax expense)	-	-	-	-	-
13) Net Profit for the period (11-12)	1,970.01	1,868.46	1,832.76	7,381.02	6,929.25
14) Share of profit/(loss) of associate	-	-	-	-	-
15) Minority Interest	7.65	6.55	7.79	27.75	27.25
16) Net Profit after taxes , minority interest and share of profit/(loss) of associates (13+14+15)	1,962.36	1,861.91	1,824.97	7,353.27	6,902.00
17) Paid-up equity share capital (Shares of Face Value of ₹ 2/- each)	4,165.71	4,147.86	4,112.73	4,165.71	4,112.73
18) Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	19,170.59	13,622.60
19) Earnings Per Share (₹) (before and after extra ordinary items) (Face value of ₹ 2/- each)					
– Basic (Not Annualised)	0.95	0.90	0.89	3.56	3.39
– Diluted (Not Annualised)	0.94	0.90	0.88	3.54	3.32
PART II					
A) PARTICULARS OF SHAREHOLDING					
1) Public shareholding					
a) Number of shares	103,219,975	102,327,475	100,570,820	103,219,975	100,570,820
b) Percentage of shareholding	49.56	49.34	48.91	49.56	48.91

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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)	-	-	-	-	-
b) Non - encumbered					
– Number of shares	105,055,435	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	100
– Percentage of shares (as a % of the total share capital of the company)	50.44	50.66	51.09	50.44	51.09

	Particulars	3 months ended 31.03.2012
B	Investor Complaints	
	Pending at the beginning of the quarter	-
	Received during the quarter	27
	Disposed of during the quarter	27
	Remaining unresolved at the end of the quarter	-

Consolidated Statement of Assets and Liabilities

Particulars	As at Year Ended 31/03/2012	As at Year Ended 31/03/2011
	Audited	Audited
A) EQUITY AND LIABILITIES		
1. Shareholders' Funds:		
a) Share Capital	4,165.71	4,112.72
b) Reserves and surplus	19,170.59	13,622.60
c) Money received against share warrants	-	-
Sub-total - Shareholders' funds	23,336.30	17,735.32
2. Share application money pending allotment	-	-
3. Minority interest	315.42	503.62
4. Non-current liabilities		
a) Long-term borrowings	2,557.83	5,358.00
b) Deferred tax liabilities (net)	164.31	170.88
c) Other long-term liabilities	23.64	136.53
d) Long-term provisions	381.05	280.56
Sub-total - Non-current liabilities	3,126.83	5,945.97
5. Current liabilities		
a) Current maturity of Long-term borrowings	3,580.96	3,125.50
b) Trade payables	1,745.41	1,242.87
c) Other current liabilities	1,856.73	1,849.25
d) Short-term provisions	5,587.18	5,322.98
Sub-total - Current liabilities	12,770.28	11,540.60
TOTAL - EQUITY AND LIABILITIES	39,548.83	35,725.51
B) ASSETS		
1. Non - current assets		
a) Fixed assets	16,497.01	16,622.80
b) Goodwill on consolidation	-	-
c) Non-current investments	769.07	523.53
d) Deferred tax assets (net)	174.26	109.05
e) Long-term loans and advances	3,837.84	2,064.21
f) Other non-current assets	1,602.63	1,704.69
Sub-total - Non-current assets	22,880.81	21,024.28

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2. Current assets		
a) Current investments	3,950.41	1,941.76
b) Trade receivables	4,126.39	2,230.98
c) Cash and cash equivalents	6,035.08	5,596.53
d) Short-term loans and advances	2,151.77	4,514.94
e) Other current assets	404.37	417.02
Sub-total - Current assets	16,668.02	14,701.23
TOTAL - ASSETS	39,548.83	35,725.51

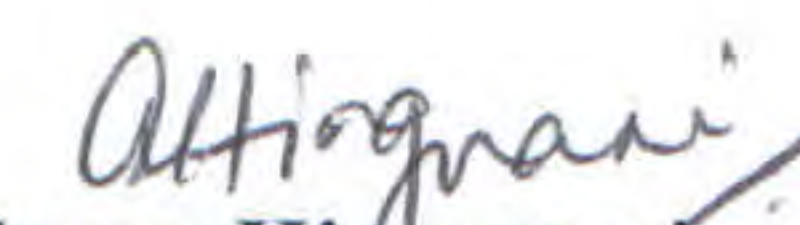
NOTES:

- 1) The aforesaid audited consolidated financial results of IL&FS Investment Managers Limited (the "Company"), its subsidiaries and jointly controlled entities (together constituting the "Group") for the quarter and year ended March 31, 2012 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 03, 2012
- 2) The Consolidated Financial Statements are prepared in accordance with the principals and procedures set out in Accounting Standard (AS 21) on "Consolidated Financial Statements" and Accounting Standard (AS 27) on "Financial Reporting of Interests in Joint Ventures"
- 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) The Board has recommended a dividend of ₹ 1.50 per share of ₹ 2.00 each on 208,275,410 shares. The total dividend recommended is ₹ 312,413,115/-
- 5) Tax expense for the year ended March 31, 2012 is net of deferred tax asset of ₹ 88.47 lakhs (Previous year ₹ 37.74 lakhs)
- 6) During the quarter ended March 31, 2012, the Company invested in a 100% subsidiary in Singapore viz. IIML Fund Managers (Singapore) Pte Limited
- 7) During the quarter ended March 31, 2012, the Company has allotted 892,500 equity shares on exercise of the options granted under the Employee Stock Option Plans
- 8) 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 31/03/2012	Quarter Ended 31/12/2011	Quarter Ended 31/03/2011	Year Ended 31/03/2012	Year Ended 31/03/2011
	Unaudited	Unaudited	Unaudited	Audited	Audited
Revenue	3,158.47	2,376.25	2,701.54	10,261.86	9,144.07
Profit before tax	2,401.11	1,019.62	2,167.44	5,756.40	5,545.33
Profit after tax	1,696.57	779.31	1,456.08	4,104.29	3,740.62

- 9) The figures of last quarter for the current year and for the previous year are the balancing figures between the audited figures in respect of the full financial year ended 31st March and the unaudited published year to date figures up to third quarter ended 31st December, which were subjected to a limited review
- 10) 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, May 03, 2012

