

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

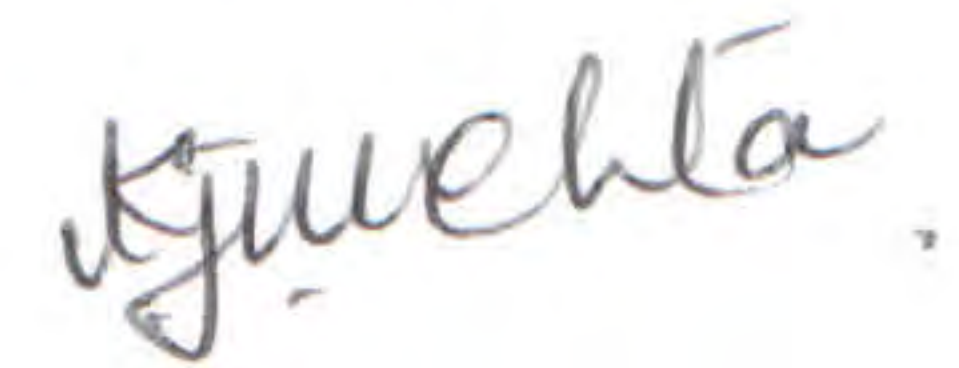
1. We have audited the accompanying Statement of Financial Results ("the Statement") of **IL&FS INVESTMENT MANAGERS LIMITED** ("the Company") for the year ended March 31, 2012, being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges. This Statement has been prepared on the basis of the related annual 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 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. Attention is invited to Note 6 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.
4. In our opinion and to the best of our information and according to the explanations given to us, 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 Company for the year ended March 31, 2012.

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# Deloitte Haskins & Sells

5. 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

**PART I**

**STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED  
31 MARCH 2012**

|                |                                                                                                                  | (₹ in Lakhs)                               |                                            |                                            |                                       |                                       |
|----------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|---------------------------------------|---------------------------------------|
| Sr No          | Particulars                                                                                                      | Quarter Ended<br>31.03.2012<br>(Unaudited) | Quarter Ended<br>31.12.2011<br>(Unaudited) | Quarter Ended<br>31.03.2011<br>(Unaudited) | Year Ended<br>31.03.2012<br>(Audited) | Year Ended<br>31.03.2011<br>(Audited) |
| 1              | a) Income from Operations                                                                                        | 2,246.74                                   | 2,241.40                                   | 2,564.52                                   | 8,520.83                              | 8,527.68                              |
|                | b) Other Operating Income                                                                                        | 911.73                                     | 134.85                                     | 137.02                                     | 1,741.03                              | 616.39                                |
|                | Total income from operations (Net)                                                                               | 3,158.47                                   | 2,376.25                                   | 2,701.54                                   | 10,261.86                             | 9,144.07                              |
| 2              | Expenses :                                                                                                       |                                            |                                            |                                            |                                       |                                       |
|                | a) Employees benefits expense                                                                                    | 570.47                                     | 703.58                                     | 437.77                                     | 2,747.99                              | 2,550.71                              |
|                | b) Depreciation / Amortisation expense                                                                           | 17.94                                      | 18.81                                      | 16.23                                      | 71.82                                 | 71.77                                 |
|                | c) Legal & Professional Expenses                                                                                 | 72.04                                      | 169.16                                     | 81.28                                      | 481.45                                | 211.96                                |
|                | d) Other Expense                                                                                                 | 207.91                                     | 465.65                                     | 303.43                                     | 1,369.88                              | 1,114.59                              |
|                | Total Expenses                                                                                                   | 868.36                                     | 1,357.20                                   | 838.71                                     | 4,671.14                              | 3,949.03                              |
| 3              | Profit from Operations before Other Income, Finance costs and Exceptional Items (1-2)                            | 2,290.11                                   | 1,019.05                                   | 1,862.83                                   | 5,590.72                              | 5,195.04                              |
| 4              | Other Income                                                                                                     | 111.00                                     | 0.57                                       | 304.61                                     | 165.68                                | 350.29                                |
| 5              | Profit from ordinary activities before Finance costs and Exceptional Items (3+4)                                 | 2,401.11                                   | 1,019.62                                   | 2,167.44                                   | 5,756.40                              | 5,545.33                              |
| 6              | Finance costs                                                                                                    | -                                          | -                                          | -                                          | -                                     | -                                     |
| 7              | Profit from ordinary activities after finance costs but before Exceptional Items (5-6)                           | 2,401.11                                   | 1,019.62                                   | 2,167.44                                   | 5,756.40                              | 5,545.33                              |
| 8              | Exceptional items                                                                                                | -                                          | -                                          | -                                          | -                                     | -                                     |
| 9              | Profit from ordinary Activities before tax (7+8)                                                                 | 2,401.11                                   | 1,019.62                                   | 2,167.44                                   | 5,756.40                              | 5,545.33                              |
| 10             | Tax expense                                                                                                      | 704.54                                     | 240.31                                     | 711.36                                     | 1,652.11                              | 1,804.71                              |
| 11             | Net Profit from Ordinary Activities after tax (9-10)                                                             | 1,696.57                                   | 779.31                                     | 1,456.08                                   | 4,104.29                              | 3,740.62                              |
| 12             | Extraordinary items (net of tax expense)                                                                         | -                                          | -                                          | -                                          | -                                     | -                                     |
| 13             | Net Profit for the period / year (11-12)                                                                         | 1,696.57                                   | 779.31                                     | 1,456.08                                   | 4,104.29                              | 3,740.62                              |
| 17             | Paid-up Equity Share Capital (Shares of ₹ 2/- each)                                                              | 4,165.71                                   | 4,147.86                                   | 4,112.73                                   | 4,165.71                              | 4,112.73                              |
| 18             | Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year                         | -                                          | -                                          | -                                          | 4,550.98                              | 3,740.45                              |
| 19             | a) Earning per share (₹) (after extraordinary items)<br>(Face Value ₹ 2/- per share)<br>- Basic (Not Annualised) | 0.82                                       | 0.38                                       | 0.72                                       | 1.98                                  | 1.84                                  |
|                | b) Earning per share (₹)<br>- Diluted (Not Annualised)                                                           | 0.82                                       | 0.38                                       | 0.70                                       | 1.97                                  | 1.80                                  |
| <b>PART II</b> |                                                                                                                  |                                            |                                            |                                            |                                       |                                       |
| <b>A</b>       | <b>PARTICULARS OF SHAREHOLDING</b>                                                                               |                                            |                                            |                                            |                                       |                                       |
| 1              | Public shareholding                                                                                              |                                            |                                            |                                            |                                       |                                       |
|                | - Number of shares                                                                                               | 103,219,975                                | 102,327,475                                | 100,570,820                                | 103,219,975                           | 100,570,820                           |
|                | - 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<br>31.03.2012 |
|----------|------------------------------------------------|------------------------------|
| <b>B</b> | <b>Investor Complaints</b>                     |                              |
|          | 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 | -                            |

### Standalone Statement of Assets and Liabilities

| Particulars                                  | As at Year Ended<br>31/03/2012 | As at Year Ended<br>31/03/2011 |
|----------------------------------------------|--------------------------------|--------------------------------|
|                                              | Audited                        | Audited                        |
| <b>A) EQUITY AND LIABILITIES</b>             |                                |                                |
| 1. Shareholders' Funds:                      |                                |                                |
| a) Share Capital                             | 4,165.71                       | 4,112.73                       |
| b) Reserves and surplus                      | 4,550.98                       | 3,740.45                       |
| <b>Sub-total - Shareholders' funds</b>       | <b>8,716.69</b>                | <b>7,853.18</b>                |
| 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                      | 205.60                         | 186.30                         |
| <b>Sub-total - Non-current liabilities</b>   | <b>205.60</b>                  | <b>186.30</b>                  |
| 4. Current liabilities                       |                                |                                |
| a) Short term borrowings                     | -                              | -                              |
| b) Trade payables                            | 322.69                         | 225.59                         |
| c) Other current liabilities                 | 261.32                         | 319.95                         |
| d) Short-term provisions                     | 4,742.96                       | 4,829.50                       |
| <b>Sub-total - Current liabilities</b>       | <b>5,326.97</b>                | <b>5,375.04</b>                |
| <b>TOTAL - EQUITY AND LIABILITIES</b>        | <b>14,249.26</b>               | <b>13,414.52</b>               |
| <b>B) ASSETS</b>                             |                                |                                |
| 1. Non - current Liabilities                 |                                |                                |
| a) Fixed assets                              | 92.74                          | 132.30                         |
| b) Non-current investments                   | 1,095.58                       | 850.02                         |
| c) Deferred tax assets (net)                 | 136.99                         | 87.30                          |
| d) Long-term loans and advances              | 3,750.88                       | 1933.09                        |
| e) Other non-current assets                  | 533.06                         | 392.66                         |
| <b>Sub-total - Non-current assets</b>        | <b>5,609.25</b>                | <b>3,395.37</b>                |
| 2. Current assets                            |                                |                                |
| a) Current investments                       | 2,347.58                       | 1,351.43                       |
| b) Trade receivables                         | 3,666.70                       | 3,762.10                       |
| c) Cash and cash equivalents                 | 824.22                         | 807.57                         |
| d) Short-term loans and advances             | 1,597.22                       | 3,859.64                       |
| e) Other current assets                      | 204.29                         | 238.41                         |
| <b>Sub-total - Current assets</b>            | <b>8,640.01</b>                | <b>10,019.15</b>               |
| <b>TOTAL - ASSETS</b>                        | <b>14,249.26</b>               | <b>13,414.52</b>               |

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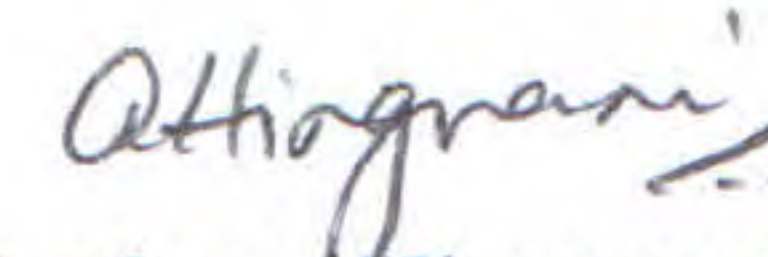
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**NOTES :**

IL&FS Investment Managers Limited

- (1) The aforesaid audited standalone financial results of the Company 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 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"
- (3) 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/-
- (4) Tax expense for the year ended March 31, 2012 is net of deferred tax asset of ₹ 49.69 lakhs (previous year ₹ 36.59 lakhs)
- (5) 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
- (6) 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 31<sup>st</sup> March and the unaudited published year to date figures up to third quarter ended 31<sup>st</sup> December, which were subjected to a limited review
- (7) 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

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