

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

1. We have audited the accompanying Statement of Standalone Financial Results ("the Statement") of **IL&FS INVESTMENT MANAGERS LIMITED** ("the Company") for the half-year ended September 30, 2012, being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges. This Statement comprises the audited financial results of the Company for the half year ended September 30, 2012 as well as the unaudited financial results of the Company for the quarter ended September 30, 2012. The figures in the columns headed "Quarter ended September 30, 2012" for the Company have been derived after considering the Statement of Unaudited Financial Results for the quarter ended June 30, 2012 (the "June 2012 Quarter Statement"). The June 2012 Quarter Statement was subjected to our review in terms of our report dated July 24, 2012. The Statement has been prepared on the basis of the related interim financial statements, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related interim financial statements, which has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting 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. A) 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 as at and for the half-year ended September 30, 2012.



# Deloitte Haskins & Sells

- B) Based on our audit of information in the column headed "Half year ended September 30, 2012" and our review of the June 2012 Quarter Statement, nothing has come to our attention that causes us to believe that the information in the columns headed "Quarter ended September 30, 2012" for the Company, 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, does not contain the information required to be disclosed in terms of Clause 41 of the Listing Agreements with stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement
4. Further, we also report that we have traced the number of shares as well as the percentage 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**, October 26, 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 STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2012**

|       |                                                                                          | (₹ in lakhs)                         |                                      |                                      |                                      |                                      |                                 |
|-------|------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|
| Sr No | Particulars                                                                              | Quarter Ended 30.09.2012 (Unaudited) | Quarter Ended 30.06.2012 (Unaudited) | Quarter Ended 30.09.2011 (Unaudited) | Half Year Ended 30.09.2012 (Audited) | Half Year Ended 30.09.2011 (Audited) | Year Ended 31.03.2012 (Audited) |
| 1     | a) Income from Operations                                                                | 2,215.92                             | 2,315.79                             | 2,084.25                             | 4,531.71                             | 4,032.69                             | 8,520.83                        |
|       | b) Other Operating Income                                                                | 155.04                               | 205.58                               | 538.39                               | 360.62                               | 694.45                               | 1,741.03                        |
|       | Total income from operations (Net)                                                       | 2,370.96                             | 2,521.37                             | 2,622.64                             | 4,892.33                             | 4,727.14                             | 10,261.86                       |
| 2     | Expenses :                                                                               |                                      |                                      |                                      |                                      |                                      |                                 |
|       | a) Employees benefits and expense                                                        | 650.15                               | 747.83                               | 687.26                               | 1,397.98                             | 1473.94                              | 2,747.99                        |
|       | b) Depreciation / Amortisation Expense                                                   | 16.62                                | 14.91                                | 17.73                                | 31.53                                | 35.07                                | 71.82                           |
|       | c) Legal & Professional Expenses                                                         | 58.74                                | 88.63                                | 179.50                               | 147.37                               | 240.25                               | 481.45                          |
|       | d) Other Expense                                                                         | 295.82                               | 318.33                               | 390.4                                | 614.15                               | 696.32                               | 1369.88                         |
|       | Total Expenses                                                                           | 1,021.33                             | 1,169.70                             | 1,274.89                             | 2,191.03                             | 2,445.58                             | 4,671.14                        |
| 3     | Profit from Operations before Other Income, Finance costs and Exceptional Items (1-2)    | 1,349.63                             | 1,351.67                             | 1,347.75                             | 2,701.30                             | 2,281.56                             | 5,590.72                        |
| 4     | Other Income                                                                             | 89.76                                | 72.38                                | (16.73)                              | 162.14                               | 54.11                                | 165.68                          |
| 5     | Profit from ordinary activities before Finance costs and Exceptional Items (3+4)         | 1,439.39                             | 1,424.05                             | 1,331.02                             | 2,863.44                             | 2,335.67                             | 5,756.40                        |
| 6     | Finance costs                                                                            | -                                    | -                                    | -                                    | -                                    | -                                    | -                               |
| 7     | Profit from ordinary activities after finance costs but before Exceptional Items (5-6)   | 1,439.39                             | 1,424.05                             | 1,331.02                             | 2,863.44                             | 2,335.67                             | 5,756.40                        |
| 8     | Exceptional items                                                                        | -                                    | -                                    | -                                    | -                                    | -                                    | -                               |
| 9     | Profit from ordinary activities before tax (7+8)                                         | 1,439.39                             | 1,424.05                             | 1,331.02                             | 2,863.44                             | 2,335.67                             | 5,756.40                        |
| 10    | Tax expense                                                                              | 440.79                               | 423.43                               | 387.30                               | 864.22                               | 707.26                               | 1,652.11                        |
| 11    | Net Profit from ordinary activities after tax (9-10)                                     | 998.60                               | 1,000.62                             | 943.72                               | 1,999.22                             | 1,628.41                             | 4,104.29                        |
| 12    | Extraordinary items (net of tax expense)                                                 | -                                    | -                                    | -                                    | -                                    | -                                    | -                               |
| 13    | Net Profit for the period / year (11-12)                                                 | 998.60                               | 1,000.62                             | 943.72                               | 1,999.22                             | 1,628.41                             | 4,104.29                        |
| 14    | Paid-up Equity Share Capital (Shares of ₹ 2/- each)                                      | 4,175.53                             | 4,165.71                             | 4,147.86                             | 4,175.53                             | 4,147.86                             | 4,165.71                        |
| 15    | Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year |                                      |                                      |                                      |                                      |                                      | 4,550.98                        |
| 16    | Earnings Per Share (₹) (before and after extraordinary items) (Face value of ₹ 2/- each) |                                      |                                      |                                      |                                      |                                      |                                 |
|       | — Basic (Not Annualised)                                                                 | 0.48                                 | 0.48                                 | 0.46                                 | 0.96                                 | 0.79                                 | 1.98                            |
|       | — Diluted (Not Annualised)                                                               | 0.48                                 | 0.48                                 | 0.45                                 | 0.96                                 | 0.78                                 | 1.97                            |

**PART II**

| <b>A PARTICULARS OF SHAREHOLDING</b> |                                                                                              |             |             |             |             |             |             |
|--------------------------------------|----------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1                                    | Public shareholding                                                                          |             |             |             |             |             |             |
|                                      | - Number of shares                                                                           | 103,711,225 | 103,219,975 | 102,327,475 | 103,711,225 | 102,327,475 | 103,219,975 |
|                                      | - Percentage of shareholding                                                                 | 49.68       | 49.56       | 49.34       | 49.68       | 49.34       | 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)                    | -           | -           | -           | -           | -           | -           |
|                                      | b) Non - encumbered                                                                          |             |             |             |             |             |             |
|                                      | - Number of shares                                                                           | 105,055,435 | 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         | 100         |
|                                      | - Percentage of shares (as a % of the total share capital of the company)                    | 50.32       | 50.44       | 50.66       | 50.32       | 50.66       | 50.44       |

|   | Particulars                                    | 3 months ended 30.09.2012 |
|---|------------------------------------------------|---------------------------|
| B | <b>Investor Complaints :</b>                   |                           |
|   | Pending at the beginning of the quarter        | -                         |
|   | Received during the quarter                    | 24                        |
|   | Disposed of during the quarter                 | 24                        |
|   | Remaining unresolved at the end of the quarter | -                         |

**Statement Standalone of assets and liabilities**
**(₹ in Lakhs)**

| Particulars                                         | As at Half Year Ended<br>30/09/2012 | As at Year Ended<br>31/03/2012 |
|-----------------------------------------------------|-------------------------------------|--------------------------------|
|                                                     | Audited                             | Audited                        |
| <b>A) EQUITY AND LIABILITIES</b>                    |                                     |                                |
| <b>1. Shareholders' Funds:</b>                      |                                     |                                |
| a) Share Capital                                    | 4,175.53                            | 4,165.71                       |
| b) Reserves and surplus                             | 6,621.18                            | 4,550.98                       |
| c) Money resolved against share warrants            | -                                   | -                              |
| <b>Sub-total - Shareholders' funds</b>              | <b>10,796.71</b>                    | <b>8,716.69</b>                |
| <b>2. Share application money pending allotment</b> | <b>-</b>                            | <b>-</b>                       |
| <b>3. Non-current liabilities</b>                   |                                     |                                |
| a) Long term borrowings                             | -                                   | -                              |
| b) Deferred tax liabilities (net)                   | -                                   | -                              |
| c) Other long-term liabilities                      | -                                   | -                              |
| d) Long-term provisions                             | 246.20                              | 205.60                         |
| <b>Sub-total - Non-current liabilities</b>          | <b>246.20</b>                       | <b>205.60</b>                  |
| <b>4. Current liabilities</b>                       |                                     |                                |
| a) Short term borrowings                            | -                                   | -                              |
| b) Trade payables                                   | 677.21                              | 922.69                         |
| c) Other current liabilities                        | 283.04                              | 261.32                         |
| d) Short-term provisions                            | 488.70                              | 4,142.96                       |
| <b>Sub-total - Current liabilities</b>              | <b>1,448.95</b>                     | <b>5,326.97</b>                |
| <b>TOTAL - EQUITY AND LIABILITIES</b>               | <b>12,491.86</b>                    | <b>14,249.26</b>               |

|                                                     |                  |                  |
|-----------------------------------------------------|------------------|------------------|
| <b>B) ASSETS</b>                                    |                  |                  |
| <b>1. Non - current Liabilities</b>                 |                  |                  |
| a) Fixed assets                                     | 84.99            | 92.74            |
| b) Non-current investments                          | 1,229.10         | 1,095.58         |
| c) Deferred tax assets (net)                        | 158.71           | 136.99           |
| d) Long-term loans and advances                     | 1,821.23         | 4,144.70         |
| e) Other non-current assets                         | 347.16           | 533.06           |
| <b>Sub-total - Non-current assets</b>               | <b>3,641.19</b>  | <b>6,003.07</b>  |
| <b>2. Current assets</b>                            |                  |                  |
| a) Current investments                              | 1,208.45         | 2,347.58         |
| b) Trade receivables                                | 3,828.61         | 3,666.70         |
| c) Cash and cash equivalents                        | 386.90           | 824.22           |
| d) Current Maturities of Long-term Loans & Advances | 2665.00          | 300.00           |
| e) Short-term loans and advances                    | 277.50           | 903.40           |
| f) Other current assets                             | 484.21           | 204.29           |
| <b>Sub-total - Current assets</b>                   | <b>8,850.67</b>  | <b>8,246.19</b>  |
| <b>TOTAL - ASSETS</b>                               | <b>12,491.86</b> | <b>14,249.26</b> |

**NOTES :**

- (1) 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 October 26, 2012. The results for the half year ended is subject to audit by the statutory auditor of the Company
- (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) Tax expense for the half year ended September 30, 2012 is net of deferred tax credit of ₹ 21.72 lakhs (corresponding previous period ₹ 29.04 lakhs)
- (4) During the quarter ended September 30, 2012 the Company allotted 491,250 equity shares on exercise of options granted under the Employees Stock Options Plan
- (5) Figures for the previous period / year have been regrouped and rearranged wherever considered necessary

By Order of the Board



Archana Hingorani

Chief Executive Officer &amp; Executive Director

Mumbai, October 26, 2012

