

**Limited Review Report on Unaudited Consolidated Financial Results**

To:

The Board of Directors of

**IL&FS Investment Managers Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of IL&FS Investment Managers Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries collectively referred to as 'the Group'), and its share of the net loss after tax and total comprehensive loss of its joint ventures for the quarter ended December 31, 2020 and for the period from April 1, 2020 to December 31, 2020 ('the Statement'), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('LODR').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the LODR, to the extent applicable.
4. The Statement includes the unaudited financial results/information of the following entities:

Name of Entity	Relationship
IL&FS Asian Infrastructure Managers Limited	Subsidiary
IL&FS Urban Infrastructure Managers Limited	Subsidiary
IIML Asset Advisors Limited	Subsidiary
Andhra Pradesh Urban Infrastructure Asset Management Limited	Subsidiary
IL&FS Infra Asset Management Limited	Subsidiary
IL&FS AMC Trustee Limited	Subsidiary
IL&FS Investment Advisors LLC	Subsidiary
IIML Fund Managers (Singapore) Pte Ltd	Subsidiary
Saffron Investment Trust	Stepdown Subsidiary
IL&FS Milestone Realty Advisors Pvt Ltd	Joint Venture
Standard Chartered IL&FS Management (Singapore) Pte Ltd	Joint Venture





## **Basis of Modified Conclusion**

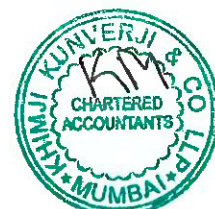
5. Attention is invited to Note 4 of the Statement which describes the situation faced by the Group in view of the ongoing investigation by Serious Fraud Investigation Office of Ministry of Corporate Affairs (SFIO) against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Ultimate Holding Company'), and its subsidiaries (including the Group). Further, the National Company Law Tribunal (NCLT) has ordered re-opening of books of account of IL&FS and its two subsidiaries (other than the Group) for the past financial years referred in the note. In view of the aforesaid ongoing investigations of the entire IL&FS Group (including the Group) by the SFIO and re-opening of accounts of the Ultimate Holding Company two of its subsidiaries by the NCLT, we are unable to comment on the consequential impact(s) thereof upon conclusion of the said investigation and re-opening of the books of account on the financial results/information contained in the Statement.
6. As the Board meeting of one of the Subsidiary of the Company hasn't been conducted to approve its quarterly and year-to-date financial results, the provisions of Regulation 33(3)(h) of SEBI LODR, which require a listed entity to ensure that, for the purposes of quarterly consolidated financial results, at least eighty percent each of the consolidated revenue and profits, should be subjected to audit or in case of unaudited results, subjected to limited review, is not met by the Company for the period under report.

## **Modified Conclusion**

7. Based on our review conducted as above and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors and management certified statements as referred in paragraphs 10 and 11 below, except for the matters described in the 'Basis of Modified Conclusion' paragraph above impact whereof, if any, not ascertainable presently, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI LODR including the manner in which it is to be disclosed, or that it contains any material misstatement.

## **Emphasis of Matter**

8. Attention is invited to Note 5 of Statement regarding reduction in the Group's fee revenue significantly coupled with the lack of any immediate new fund raise resulting in the reduced estimates of future fee revenue, there is material uncertainty of the Group's continuity as going concern. However, considering the management's expectations of Group's ability to, at least, meet its obligations over the next 12 months out of its earnings and liquid assets, the management believes that use of the 'going concern' assumption for preparation of the consolidated financial results is appropriate. Our opinion is not modified in respect of this matter.
9. Attention is drawn to Note 7 of the Statement which describes the impacts of COVID-19 Pandemic on the financial results as also on business operations of the Group, assessment thereof made by the Holding Company's management based on its internal, external and macro factors, involving certain estimation uncertainties of future periods. Our opinion is not modified in respect of this matter.





# Khimji Kunverji & Co LLP

Chartered Accountants

## Other Matters

10. We did not review the financial results of two subsidiaries included in the unaudited consolidated financial results, whose financial results reflect total revenues of Rs. 463.74 Lakhs, total net profit after tax of Rs. 194.84 Lakhs and total comprehensive income of Rs. 194.84 Lakhs for the quarter ended December 31, 2020; total revenues of Rs. 1,434.59 Lakhs, total net profit after tax of Rs. 719.20 Lakhs, total comprehensive income of Rs. 719.20 Lakhs for the year-to-date period from April 1, 2020 to December 31, 2020 as contained in the Statement. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of this matter.
11. The unaudited consolidated financial results include the financial information of five subsidiaries which have neither been audited nor reviewed, whose financial information reflect total revenue of Rs. 252.53 lakhs, total net loss after tax of Rs. 109.88 lakhs and total comprehensive loss of Rs. 101.70 lakhs for the quarter ended December 31, 2020; total revenue of Rs. 1038.97 lakhs, total net loss after tax of Rs. 154.96 lakhs and total comprehensive loss of Rs. 144.04 lakhs for the year-to-date period from April 1, 2020 to December 31, 2020 as contained in the Statement. The unaudited consolidated financial results also include the Group's share of net loss after tax of Rs. 1.16 lakhs and total comprehensive loss of Rs. 1.16 lakhs for the quarter ended December 31, 2020 and Group's share of net loss after tax of Rs. 2.73 lakhs and total comprehensive loss of Rs. 2.73 lakhs for the year-to-date period from April 1, 2020 to December 31, 2020 as contained in the Statement, in respect of two Joint ventures, based on their financial information which have not been reviewed by their auditors.
12. Due to restrictions in movement, to restrict the spread of COVID-19 Pandemic, the processes of quarterly limited review were carried out from remote locations i.e. other than the Office of the Company, based on the data/details made available and based on financial information/records remitted by the management through digital medium. Our report is not modified in respect of this matter.

For Khimji Kunverji & Co LLP

Chartered Accountants

FRN: 105146W/ W100621



Hasmukh B. Dedhia

Partner

Membership No: 033494

ICAI UDIN: 21033494AAAACM2642

Place: Mumbai

Date: February 12, 2021





**IL&FS INVESTMENT MANAGERS LIMITED**

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

CIN : L65999MH1986PLC147981. Website: www.iimlindia.com

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020**

(₹ in lakhs)

	Particulars	Quarter Ended 31.12.2020 (Unaudited)	Quarter Ended 30.09.2020 (Unaudited)	Quarter Ended 31.12.2019 (Unaudited)	Nine Months Ended 31.12.2020 (Unaudited)	Nine Months Ended 31.12.2019 (Unaudited)	Year Ended 31.03.2020 (Audited)
	<b>Revenue:</b>						
	Revenue from Operations	789.13	1,453.44	953.79	3,049.90	2,711.05	3,643.33
	Other Income	379.19	150.82	261.05	985.63	851.73	1,223.31
1	<b>Total Revenue</b>	<b>1,168.32</b>	<b>1,604.26</b>	<b>1,214.84</b>	<b>4,035.53</b>	<b>3,562.78</b>	<b>4,866.64</b>
2	<b>Expenses:</b>						
	Employee benefits expense	577.59	384.06	534.40	1,351.98	1,785.20	2,284.40
	Depreciation and amortisation expense	5.42	8.87	15.58	24.57	47.78	61.42
	Rent expense	42.67	87.41	98.11	217.96	302.66	387.97
	Legal and Professional expense	156.97	450.15	248.82	834.13	805.71	993.77
	Other Expenses	442.68	378.60	365.21	1,095.87	1,282.86	1,794.96
	<b>Total Expenses</b>	<b>1,225.33</b>	<b>1,309.09</b>	<b>1,262.12</b>	<b>3,524.51</b>	<b>4,224.21</b>	<b>5,522.52</b>
3	<b>Profit/(Loss) before exceptional item and tax (1-2)</b>	<b>(57.01)</b>	<b>295.17</b>	<b>(47.28)</b>	<b>511.02</b>	<b>(661.43)</b>	<b>(655.88)</b>
4	<b>Exceptional Item</b>	-	-	-	-	-	-
5	<b>Profit/(Loss) after exceptional item and before tax (3-4)</b>	<b>(57.01)</b>	<b>295.17</b>	<b>(47.28)</b>	<b>511.02</b>	<b>(661.43)</b>	<b>(655.88)</b>
6	<b>Tax expense/(benefit):</b>						
	a) Current tax	69.18	80.90	211.36	248.19	372.23	447.08
	b) Deferred tax	(119.17)	14.21	(109.03)	(142.39)	(391.65)	(463.62)
	<b>Total Net tax expense/(benefit)</b>	<b>(49.99)</b>	<b>95.11</b>	<b>102.33</b>	<b>105.80</b>	<b>(19.42)</b>	<b>(16.54)</b>
7	<b>Profit/(Loss) after Tax (5-6)</b>	<b>(7.02)</b>	<b>200.06</b>	<b>(149.61)</b>	<b>405.22</b>	<b>(642.01)</b>	<b>(639.34)</b>
8	<b>Share of profit of Joint Venture</b>	<b>(2.05)</b>	<b>0.21</b>	<b>(42.29)</b>	<b>(2.73)</b>	<b>(1,644.59)</b>	<b>(1,329.12)</b>
9	<b>Profit/(Loss) after tax and share in profit of Joint Venture (7+8)</b>	<b>(9.07)</b>	<b>200.27</b>	<b>(191.90)</b>	<b>402.49</b>	<b>(2,286.60)</b>	<b>(1,968.46)</b>
	<b>Profit attributable to:</b>						
	Owners of the company	22.01	107.96	(109.92)	350.94	(1,842.95)	(1,386.24)
	Non-controlling interest	(31.08)	92.31	(81.98)	51.55	(443.65)	(582.22)



	Particulars	Quarter Ended 31.12.2020 (Unaudited)	Quarter Ended 30.09.2020 (Unaudited)	Quarter Ended 31.12.2019 (Unaudited)	Nine Months Ended 31.12.2020 (Unaudited)	Nine Months Ended 31.12.2019 (Unaudited)	Year Ended 31.03.2020 (Audited)
10	Other comprehensive income						
	Items that will not be reclassified to profit or loss :						
	Actuarial Gain of the defined benefit plans	21.05	16.31	1.45	39.03	(8.47)	(46.15)
	Income tax relating to items that will not be reclassified to profit or loss	9.95	32.63	(15.49)	39.09	(50.39)	(140.00)
	Items that will be reclassified to profit or loss :						
	Gain/(Loss) on Foreign currency translation reserve	(96.58)	(230.08)	93.83	(307.90)	417.31	827.02
	<b>Total other comprehensive income</b>	<b>(65.58)</b>	<b>(181.14)</b>	<b>79.79</b>	<b>(229.78)</b>	<b>358.45</b>	<b>640.87</b>
	<b>Total other comprehensive income attributable to:</b>						
	Owners of the company	(69.59)	(181.53)	75.14	(235.13)	353.10	641.65
	Non-controlling interest	4.01	0.39	4.65	5.35	5.35	(0.78)
11	<b>Total Comprehensive Income (9+10)</b>	<b>(74.65)</b>	<b>19.13</b>	<b>(112.11)</b>	<b>172.71</b>	<b>(1,928.15)</b>	<b>(1,327.59)</b>
	Owners of the company	(47.58)	(73.57)	(34.79)	115.81	(1,489.86)	(744.59)
	Non-controlling interest	(27.07)	92.70	(77.32)	56.90	(438.29)	(583.00)
12	<b>Paid-up Equity Share Capital (Face Value of ₹ 2/- each)</b>	<b>6,280.85</b>	<b>6,280.85</b>	<b>6,280.85</b>	<b>6,280.85</b>	<b>6,280.85</b>	<b>6,280.85</b>
	<b>Other Equity</b>						<b>15,959.08</b>
13	<b>Earning per equity share (not annualised)</b>						
	- Basic	0.01	0.03	(0.04)	0.11	(0.59)	(0.44)
	- Diluted	0.01	0.03	(0.04)	0.11	(0.59)	(0.44)

# NOTES :

- The aforesaid consolidated financial results of IL&FS Investment Managers Limited (the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together constitute the "Group") and jointly controlled entities for the quarter and nine months ended December 31, 2020 along-with comparative period have been reviewed by the Audit Committee at its meeting held on February 12, 2021 and subsequently approved by the Board of Directors of the Company at its meeting held on February 12, 2021 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The financial results for the nine months and quarter ended December 31, 2020 have been subjected to Limited Review by the Statutory Auditors of the Company





- (2) The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting, notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time and other accounting principles generally accepted in India
- (3) As per requirements of Indian Accounting Standard (Ind AS) 108 on ‘Operating Segments’, based on evaluation of financial information for allocation of resources and assessing performance, the Group has identified a single segment i.e. providing asset management services and other related services. As such, there are no separate reportable business or geographical segments as per Ind AS 108
- (4) The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS and its subsidiaries (including the Company) under Section 212(1) of the Companies Act, 2013. As a part of its investigation, SFIO and Enforcement Directorate (ED) have been seeking information from the Group on an ongoing basis. The investigation is in progress and the Group is fully cooperating with the investigation agencies. On December 3, 2018, MCA on the directions of the National Company Law Tribunal, Mumbai (NCLT) has impleaded various Group Companies of IL&FS (which includes the Company) as Respondents to the Petition filed by them on October 1, 2018. Further based on another petition of the MCA under section 130 (1) of the Companies Act, 2013, the NCLT has, on January 1, 2019, ordered re-opening of books of accounts for the past financial year 2012-13 to financial year 2017-18 of IL&FS, IFIN and IL&FS Transportation Networks Limited (‘ITNL’ a fellow subsidiary). While the Group, based on its current understanding, believes that the above would not have a material impact on the financial results, the implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage
- (5) A major portion of the existing funds being managed/advised by the Group are approaching their end of term over the next 12 months which is likely to result in significant reduction in the Group’s fee revenue thereafter. Management expects that its future income from existing funds being managed/advised together with liquid assets held by the Group as at December 31, 2020 will be adequately sufficient to meet the Group’s existing and future obligations arising over the next 12 months. Management believes that, subject to receipt of necessary Board approvals, the Group has adequate funds to commit seed capital for new fund raise as part of its efforts to increase revenues
- Meanwhile, the IL&FS Board has been working on a resolution plan, with a view to enable value preservation for stakeholders of IL&FS Group. The resolution plan, inter alia, involves sale of assets/businesses/companies owned by IL&FS. And in this regard, the IL&FS Board has on December 21, 2018 and September 27, 2019 invited a public Expression of Interest (EoI) for sale of its entire stake in the Holding Company and the process thereof is ongoing. Accordingly, the Group’s plans for new fund raise have been kept on hold pending completion of the stake sale and while there is material uncertainty with regard to the stake sale, management believes that use of the going concern assumption for preparation of these financial results is appropriate
- (6) The summarised audited standalone financial results of the Company are as below. The detailed standalone financial results of the Company are available on the Company’s website [www.iimindia.com](http://www.iimindia.com)

(₹ in lakhs)						
Particulars	Quarter Ended 31.12.2020 (Unaudited)	Quarter Ended 30.09.2020 (Unaudited)	Quarter Ended 31.12.2019 (Unaudited)	Nine Months Ended 31.12.2020 (Unaudited)	Nine Months Ended 31.12.2019 (Unaudited)	Year Ended 31.03.2020 (Audited)
1 Total Revenue	655.89	203.13	746.12	1,193.02	2,424.27	2,886.31
2 Profit before tax	(72.22)	(139.50)	301.81	(245.91)	1,029.66	1,140.73
3 Profit after tax	(13.60)	(133.12)	182.11	(172.98)	845.16	794.32

- (7) The Company acts as the Sponsor and Fund Manager for private equity funds. The Company also contributes to various funds under its management. The Company’s investments in private equity funds are fair valued based on independent third party valuation carried out by respective funds and the impact thereof is reflected in the Statement of Profit & Loss for that relevant period. The valuation of the Company’s investments could be impacted in future based on the potential impact of this pandemic on the investments made by the funds. The impact would vary depending on the sector, stage of investment and also the impact this pandemic may have both in the short and long term on the Indian and global economy. The impact will also depend on the measures being taken by the Government both on the health and economic front





The Company has considered the possible effects that may arise as a result of the COVID-19 pandemic on its financial statements and business as a whole. The Company has evaluated the impact of the COVID-19 pandemic on its business operations and financial position based on current indicators of future economic conditions and forecasts. The Company is a zero debt Company and also has sufficient cash reserves to tide over this global crisis. There is no impact of COVID-19 on the financial results for the period ended December 31, 2020

- (8) Previous year numbers are regrouped/reclassified wherever necessary

By Order of the Board



Director

Mumbai, February 12, 2021

