

Independent Auditor's review report on unaudited standalone quarterly and year to date financial results of IL&FS Investment Managers Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
IL&FS Investment Managers Limited

Introduction

1. We have reviewed the accompanying statement of unaudited standalone financial results of IL&FS Investment Managers Limited ('the Company') for the quarter ended 31 December 2023 and year to date results for the period from 1 April 2023 to 31 December 2023 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' specified in section 133 of the Companies Act, 2013, the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ('RBI guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review 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 misstatement. 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 audit opinion.

Basis for Qualified Conclusion

4. Attention is invited to Note 4 of the Statement which describes the situation faced by the Company 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 Holding Company'), and its subsidiaries (including the Company). In view of the aforesaid ongoing investigations of the entire IL&FS Group by the SFIO we are unable to comment on the consequential impact(s) upon conclusion of the said investigation.

Qualified Conclusion

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.



kkc & associates llp

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Emphasis of Matter

6. Attention is invited to Note 5 of the Statement regarding reduction in the Company'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 Company's continuity as going concern. However, considering management's expectations of Company's ability to, at least, meet its obligations over the next 12 months out of its estimated earnings and liquid assets, the management believes that use of the 'going concern' assumption for preparation of the Statement is appropriate. Our conclusion on the Statement is not modified in respect of this matter.

Other Matter

7. Attention is invited to Note 4 of the Statement regarding re-opening of books of accounts of the holding Company and one of its subsidiary, which having been completed, does not have material impact on the financial information of the Company as confirmed by an independent agency entrusted to do such re-opening of the books of accounts. In case of re-opening of books of accounts of another subsidiary of the holding Company, similar assertion has been conveyed to us by the Chief Financial Officer of the said subsidiary. Our conclusion on the Statement is not modified in respect of this matter.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621



Hasmukh B Dedhia

Partner

ICAI Membership No: 033494

UDIN: 24033494BKC QWY7741



Place: Mumbai

Date: 13 February 2024

IL&FS INVESTMENT MANAGERS LIMITED
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**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE
QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023**

(₹ In Lakhs)

	Particulars	Quarter Ended 31.12.2023 (Unaudited)	Quarter Ended 30.09.2023 (Unaudited)	Quarter Ended 31.12.2022 (Unaudited)	Nine Months Ended 31.12.2023 (Unaudited)	Nine Months Ended 31.12.2022 (Unaudited)	Year Ended 31.03.2023 (Audited)
	Revenue:						
	Revenue from Operations	43.51	61.27	46.27	128.39	331.85	376.87
	Other Income	1.13	94.46	2,352.44	342.11	2,643.55	3,144.33
1	Total Revenue	44.64	155.73	2,398.71	470.50	2,975.40	3,521.20
2	Expenses:						
	Employee benefits expense	133.56	131.88	145.63	390.74	426.55	543.16
	Depreciation and amortisation expense	1.51	0.80	1.23	3.46	3.83	4.97
	Rent expense	18.00	18.08	20.89	54.17	62.95	83.83
	Legal and Professional expense	26.48	49.73	23.40	101.67	68.02	88.21
	Expected Credit Loss on Trade receivables	-	-	47.85	-	103.06	331.73
	Net loss arising on financial assets designated as at FVTPL	-	-	-	-	-	-
	Net loss on sale of non-current Investment	-	-	-	134.20	-	-
	Other Expenses	17.31	24.11	22.64	73.97	63.53	107.11
	Total Expenses	196.86	224.60	261.64	758.21	727.94	1,159.01
3	Profit before tax (1-2)	(152.22)	(68.87)	2,137.07	(287.71)	2,247.46	2,362.19
4	Tax expense/(benefit):						
	a) Current tax	-	-	-	-	(1.69)	(1.69)
	b) Deferred tax	5.90	(48.63)	7.27	(40.18)	1.90	(37.09)
	Total Net tax expense/(benefit)	5.90	(48.63)	7.27	(40.18)	0.21	(38.78)
5	Profit after Tax (3-4)	(158.12)	(20.24)	2,129.80	(247.53)	2,247.25	2,400.97
6	Other comprehensive income						
	Items that will not be reclassified to profit or loss:						
	Actuarial Gain of the defined benefit plans	5.15	(15.51)	3.39	(1.05)	17.44	63.66
	Income tax relating to items that will not be reclassified to profit or loss	(1.30)	3.90	(0.85)	0.27	(4.39)	(16.02)
	Total Other Comprehensive Income	3.85	(11.61)	2.54	(0.78)	13.05	47.64



7	Total Comprehensive Income (5+6)	(154.27)	(31.85)	2,132.34	(248.31)	2,260.30	2,448.61
	Paid-up Equity Share Capital (Face Value of ₹ 2/- each)	6,280.85	6,280.85	6,280.85	6,280.85	6,280.85	6,280.85
	Other Equity						5,002.95
	Earning per equity share (not annualised)						
	- Basic	(0.05)	(0.01)	0.68	(0.08)	0.72	0.76
	- Diluted	(0.05)	(0.01)	0.68	(0.08)	0.72	0.76

NOTES :

- (1) 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
- (2) The above standalone financial results for the quarter and period ended December 31, 2023 along-with comparative quarter have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on February 13, 2024 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The standalone financial results for the quarter and period ended as on December 31, 2023 have been reviewed by the statutory auditors of the Company
- (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 Company 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 on operating segment
- (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 Infrastructure Leasing & Financial Services Limited (IL&FS), the Holding Company and its subsidiaries (including the Company) under Section 212(1) of the Companies Act, 2013. 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’ (‘the Ultimate Holding Company’), IL&FS Financial Services Limited (‘IFIN’ a fellow subsidiary) and IL&FS Transportation Networks Limited (‘ITNL’ a fellow subsidiary). The restatement has been completed. The independent agency entrusted to do such re-opening of the books of accounts and restatement for the Ultimate Holding Company and one of the fellow subsidiary, have confirmed that there is no impact on the financial information of the Company. In respect of other fellow subsidiary’s reopening and restatement a similar assertion has been received from the fellow subsidiary
- (5) The term of most of the existing funds being managed/advised by the Company has already been over. Other funds being managed/advised by the company are approaching end of their term in near future which has resulted in significant reduction in the Company’s fee revenue. Management expects that its future income from existing funds being managed/advised together with liquid assets held by the Company as at December 31, 2023 will be adequately sufficient to meet the Company’s existing and future obligations arising over the next 12 months. Management believes that use of the going concern assumption for preparation of these financial results is appropriate

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, 2023 invited a public Expression of Interest (EoI) for sale of its entire stake in the Company



- (6) The Board of Directors of the Company at its meeting held on February 14, 2022 approved a Scheme of Amalgamation of its two wholly owned subsidiaries IL&FS Asian Infrastructure Managers Limited and IIML Asset Advisors Limited with the Company, subject to approval of shareholders and/or creditors of the respective companies and necessary regulatory approvals. The Appointed Date for the said Scheme of Amalgamation is scheduled to be April 1, 2022. The Company has filed an application for the same with National Company Law Tribunal, Mumbai for which approval is awaited
- (7) Previous year numbers are regrouped/reclassified wherever necessary

Mumbai, February 13, 2024



By Order of the Board



Susim Mukul Datta
Chairman