

Limited Review Report on Unaudited Standalone Financial Results

To:

The Board of Directors of
IL&FS Investment Managers Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of IL&FS Investment Managers Limited ('the Company') for the quarter ended June 30, 2021 ('the Statement'), attached herewith, being submitted by the 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 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.

Basis of Modified Conclusion

4. Attention is invited to Note 5 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). Further, the National Company Law Tribunal (NCLT) has ordered re-opening of books of account of IL&FS and its two subsidiaries (other than this company) for the past financial years referred in the note. In view of the aforesaid ongoing investigations of the entire IL&FS Group (including the Company) by the SFIO and re-opening of accounts of the Holding Company and two of its subsidiaries by the NCLT, we are unable to comment on the consequential impact(s) upon conclusion of the said investigation and re-opening of the books of account on the financial results/information contained in the Statement.

Modified Conclusion

5. Based on our review conducted as above and procedures performed as stated in paragraph 3, except for the matter 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

6. Attention is invited to Note 6 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 earnings and liquid assets, the management believes that use of the 'going concern' assumption for preparation of the standalone financial results is appropriate. Our opinion is not modified in respect of this matter.
7. 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 Company, assessment thereof made by the management of the Company 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.

Other Matters

8. 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: 21033494AAAAMO1484
Place: Mumbai
Date: August 13, 2021



IL&FS INVESTMENT MANAGERS LIMITED

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**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER
ENDED JUNE 30, 2021**

(₹ In Lakhs)

	Particulars	Quarter Ended 30.06.2021 (Unaudited)	Quarter Ended 30.06.2020 (Unaudited)	Quarter Ended 31.03.2021 (Audited) (Note 3)	Year Ended 31.03.2021 (Audited)
	Revenue:				
	Revenue from Operations	90.32	149.50	97.00	738.29
	Other Income	77.24	184.50	114.76	666.49
1	Total Revenue	167.56	334.00	211.76	1,404.78
2	Expenses:				
	Employee benefits expense	168.10	168.45	163.92	831.37
	Depreciation and amortisation expense	2.20	1.66	2.28	7.11
	Rent expense	18.28	57.64	20.44	155.73
	Legal and Professional expense	20.14	45.28	78.00	243.42
	Net loss arising on financial assets designated as at FVTPL	31.93	47.44	38.80	337.83
	Other Expenses	57.37	47.71	103.93	270.84
	Total Expenses	298.02	368.18	407.37	1,846.30
3	Profit before tax (1-2)	(130.46)	(34.18)	(195.61)	(441.52)
4	Tax expense/(benefit):				
	a) Current tax	0.00	-	(76.92)	(76.92)
	b) Deferred tax	(9.76)	(7.93)	(10.88)	(83.81)
	Total Net tax expense/ (benefit)	(9.76)	(7.93)	(87.80)	(160.73)
5	Profit after Tax (3-4)	(120.70)	(26.25)	(107.81)	(280.79)
6	Other comprehensive income				
	Items that will not be reclassified to profit or loss:				
	Actuarial Gain of the defined benefit plans	1.64	(1.03)	14.68	38.81
	Income tax relating to items that will not be reclassified to profit or loss	(0.41)	0.26	(3.70)	(9.77)
	Total Other Comprehensive Income	1.23	(0.77)	10.98	29.04
7	Total Comprehensive Income (5+6)	(119.47)	(27.02)	(96.83)	(251.75)
	Paid-up Equity Share Capital (Face Value of ₹ 2/- each)	6,280.85	6,280.85	6,280.85	6,280.85
	Other Equity	-	-	-	3,491.17
	Earning per equity share (not annualised)				
	- Basic	(0.04)	(0.01)	(0.03)	(0.09)
	- Diluted	(0.04)	(0.01)	(0.03)	(0.09)



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 ended June 30, 2021 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 August 13, 2021 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The standalone financial results for the quarter ended on June 30, 2021 have been reviewed by the statutory auditors of the Company
- (3) Figures for the quarter ended March 31, 2021 are balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the unaudited published year to date figures upto third quarter ended December 31, 2020 which were subjected to a limited review by the Statutory Auditors of the Company
- (4) 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
- (5) 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. As a part of its investigation, SFIO and Enforcement Directorate (ED) has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company 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' ('the Ultimate Holding Company'), IL&FS Financial Services Limited ('IFIN' a fellow subsidiary) and IL&FS Transportation Networks Limited ('ITNL' a fellow subsidiary). While the Company, 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
- (6) 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/is likely to result 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 March 31, 2021 will be adequately sufficient to meet the Company's existing and future obligations arising over the next 12 months

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 Company. Accordingly, the Company's plans for new fund raise have been kept on hold pending completion of the stake sale. Further, with the outbreak of the pandemic the timelines for the sale process have got delayed 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



- (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 quarter ended June 30, 2021

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

Mumbai, August 13, 2021



By Order of the Board

Director