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Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Independent Auditor's review report on unaudited consolidated quarterly 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 consolidated financial results of IL&FS Investment Managers Limited ('the Parent' or 'the Company') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') and its share of the net loss and total comprehensive loss of its joint ventures for the quarter ended 30 June 2023 ('the Statement'), being submitted by the Parent 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 Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 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 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 and other review 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 Listing Regulations, as amended, to the extent applicable.

4. The Statement includes the result of the following entities:

Name of the entity	Relationship
IL&FS Investment Managers Limited	Parent
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 ('IIAL')	Subsidiary
IIML Fund Managers (Singapore) Pte Ltd	Subsidiary
Saffron Investment Trust	Subsidiary of IIAL
IL&FS Milestone Realty Advisors Private Ltd	Joint Venture
Standard Chartered IL&FS Management (Singapore) Pte Ltd	Joint Venture



Basis for Qualified Conclusion

5. Attention is drawn to Note 5 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 as referred to 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 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.
6. The consolidated financial results include financial results of one of the material subsidiaries whose results, as certified by its management, reflect total revenues of Rs. 990.15 lakhs, total net profit after tax of Rs. 226.70 lakhs and total comprehensive income of Rs. 225.38 lakhs for the quarter ended 30 June 2023. The financial results of the said subsidiary, as certified by its management, are material to the Group. As the Board meeting of the said subsidiary haven't been conducted to approve their financial results, the provision of Regulation 33(3)(h) of SEBI LODR, which require a listed entity to ensure that, for the purposes of consolidated financial results, at least eighty percent each of the consolidated revenue, assets and profits, should be subjected to audit or in case of unaudited results, subjected to limited review, is not met by the Parent for the year under report.
7. We conducted our audit in accordance with the Standard on Auditing ('SAs') specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Qualified Conclusion

8. Based on our review conducted 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 financial results as referred to in paragraphs 11, 12 and 13 below, except for the matters described in the 'Basis for Qualified 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 Ind AS and other accounting principles generally accepted in India, 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.

Emphasis of Matter

9. Attention is drawn to Note 6 of the Statement regarding reduction in fee revenue of the Holding Company and few of its Subsidiaries 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 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 Statement is appropriate. Our conclusion on the Statement is not modified in respect of this matter.



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10. Attention is drawn to Note 9 of the Statement which describes three entities of the Group, being consolidated, have ceased their operations and their respective financial results are not prepared on going concern basis but on realisable value basis. Our conclusion on the Statement is not modified in respect of this matter.

Other Matters

11. We did not review the financial results of two subsidiaries included in the Statement, whose financial results, reflect total revenues of Rs. 421.60 lakhs, total net profit after tax of Rs. 203.03 lakhs and total comprehensive income of Rs. 203.03 lakhs for the quarter ended 30 June 2023 as considered 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 the above matter.

12. The Statement includes the financial results of four subsidiaries which have not been reviewed by their auditors, whose financial results reflect total revenues of Rs. 36.21 lakhs, total net profit after tax of Rs. 18.40 lakhs and total comprehensive income of Rs. 18.40 lakhs for the quarter ended 30 June 2023 as considered in the Statement. The Statement also includes the Group's share of net loss of Rs. 1.77 lakhs and total comprehensive loss of Rs. 1.77 lakhs for the quarter ended 30 June 2023 as considered in the Statement, in respect of two joint ventures, based on their financial results which have not been reviewed/audited by their auditors. According to the information and explanations given to us by the management, these financial results are not material to the group.

Our conclusion on the Statement is not modified in respect of the above matter.

13. The Statement includes the unaudited financial results of one subsidiary, as referred to in paragraph 6 above which have been furnished to us by the Management of the Parent and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary is based solely on such unaudited financial results as certified by the management of the said subsidiary. In our opinion and according to the information and explanations given to us, the financial results of these entities are material to the Group.

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: 23033494BGWSWN8554



Place: Mumbai

Date: 14 August 2023

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
ENDED JUNE 30, 2023**

(₹ in lakhs)					
	Particulars	Quarter Ended 30.06.2023 (Unaudited)	Quarter Ended 30.06.2022 (Unaudited)	Quarter Ended 31.03.2023 (Audited) (Note 3)	Year Ended 31.03.2023 (Audited)
	Revenue:				
	Revenue from Operations	1,329.57	1,702.21	1,750.89	6,444.57
	Other Income	491.25	150.68	339.24	1,106.77
1	Total Revenue	1,820.82	1,852.89	2,090.13	7,551.34
2	Expenses:				
	Employee benefits expense	367.25	372.17	369.28	1,532.10
	Depreciation and amortisation expense	4.05	4.62	4.88	19.11
	Rent expense	39.35	42.06	41.81	167.41
	Legal and Professional expense	424.74	721.57	895.20	2,778.67
	Expected Credit loss arising on Receivables	99.35	89.73	173.63	555.63
	Other Expenses	347.96	140.25	212.82	655.98
	Total Expenses	1,282.70	1,370.40	1,697.62	5,708.90
3	Profit/(Loss) before exceptional item and tax (1-2)	538.12	482.49	392.51	1,842.44
4	Exceptional Item	-	-	-	-
5	Profit/(Loss) after exceptional item and before tax (3-4)	538.12	482.49	392.51	1,842.44
6	Tax expense/(benefit):				
	a) Current tax	173.29	205.40	92.73	568.30
	b) Deferred tax	55.17	(17.36)	(65.04)	(106.37)
	Total Net tax expense/(benefit)	228.46	188.04	27.69	461.93
7	Profit/(Loss) after Tax (5-6)	309.66	294.45	364.82	1,380.51
8	Share of profit/(loss) of Joint Ventures	(1.77)	(1.02)	(2.61)	319.23
9	Profit/(Loss) after tax and share in profit/(loss) of Joint Venture (7+8)	307.89	293.43	362.21	1,699.74
	Profit attributable to:				
	Owners of the company	169.84	77.28	244.57	1,197.80
	Non-controlling interest	138.05	216.15	117.64	501.94



	Particulars	Quarter Ended 30.06.2023 (Unaudited)	Quarter Ended 30.06.2022 (Unaudited)	Quarter Ended 31.03.2023 (Audited) (Note 3)	Year Ended 31.03.2023 (Audited)
10	Other comprehensive income				
	Items that will not be reclassified to profit or loss:				
	Actuarial Gain of the defined benefit plans	7.86	2.88	50.62	70.32
	Income tax relating to items that will not be reclassified to profit or loss	1.17	(55.92)	(3.12)	(132.05)
	Items that will be reclassified to profit or loss:				
	Gain/(Loss) on Foreign currency translation reserve (net)	(18.77)	339.04	(59.82)	693.37
	Total other comprehensive income	(9.74)	286.00	(12.32)	631.64
	Total other comprehensive income attributable to:				
	Owners of the company	(9.09)	285.70	(15.44)	627.69
	Non-controlling interest	(0.65)	0.30	3.12	3.95
11	Total Comprehensive Income (9+10)	298.15	579.43	349.89	2,331.38
	Owners of the company	160.74	362.98	229.14	1,825.49
	Non-controlling interest	137.41	216.45	120.75	505.89
12	Paid-up Equity Share Capital (Face Value of ₹ 2/- each)	6,280.85	6,280.85	6,280.85	6,280.85
	Other Equity				15,360.91
13	Earning per equity share (not annualised)				
	- Basic	0.05	0.02	0.08	0.38
	- Diluted	0.05	0.02	0.08	0.38

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 ended June 30, 2023 along-with comparative quarter have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on August 14, 2023 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 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
- Figures for the quarter ended March 31, 2023 are balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the unaudited published year to date figures upto third quarter ended December 31, 2022 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 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
- (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 Group) 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 Group) 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 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
- (6) The term of most of the existing funds being managed/advised by the Holding Company and few of its subsidiaries has already been over. Other funds being managed/advised by the Holding Company and few of its subsidiaries in the Group are approaching end of their term in near future which has resulted in significant reduction in such entities fee revenue. Management expects that its future income from existing funds being managed/advised together with liquid assets held by the Group as at June 30, 2023 will be adequately sufficient to meet the Group'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
- (7) 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 is in process of filing application for the same with National Company Law Tribunal, Mumbai
- (8) 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.iimlindia.com

(₹ in lakhs)					
	Particulars	Quarter Ended 30.06.2023 (Unaudited)	Quarter Ended 30.06.2022 (Unaudited)	Quarter Ended 31.03.2023 (Audited) (Note 3)	Year Ended 31.03.2023 (Audited)
1	Total Revenue	270.12	90.60	545.80	3,521.20
2	Profit before tax	(66.62)	(146.39)	114.73	2,362.19
3	Profit after tax	(69.17)	(141.40)	153.72	2,400.97

- (9) The financial statements of its subsidiary IIML Fund Managers (Singapore) Pte Ltd and its Joint Ventures IL&FS Milestone Realty Advisors Private Limited and Standard Chartered IL&FS Management (Singapore) Pte Ltd have been prepared on the basis that it does not continue as a going concern
- (10) Previous year numbers are regrouped/reclassified wherever necessary



By Order of the Board

Susim Mukul Datta
Chairman