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Chartered Accountants

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Independent Auditor's report on consolidated audited annual financial results of IL&FS Investment Managers Limited pursuant to the Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We have audited the consolidated annual financial results of IL&FS Investment Managers Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its joint venture for the year ended 31 March 2019, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these consolidated annual financial results are the balancing figures between consolidated audited figures in respect of the full financial year and the published year to date consolidated figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These consolidated annual financial results have been prepared from consolidated annual financial statements and reviewed quarterly consolidated financial results which are the responsibility of the Holding Company's Management. Our responsibility is to express an opinion on these consolidated annual financial results based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per 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.

Basis for Qualified Opinion

Attention is invited to Note 7 of the consolidated annual financial results which describes the situation facing the Group in view of the investigation by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO) against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Ultimate Holding Company'), and its subsidiaries (including the Company and its subsidiaries). Further, the National Company Law Tribunal (NCLT) has ordered re-opening of books of accounts of IL&FS and its two subsidiaries (other than this Company and its subsidiaries) for the past financial years referred in the note. However, the Supreme Court of India has stayed NCLT order to reopen past books of IL&FS and its above referred two subsidiaries. In view of the aforesaid ongoing investigations of the entire IL&FS Group (including the Company and its subsidiaries) by the SFIO and re-opening of books of accounts of the Ultimate Holding Company and its above referred two subsidiaries by the NCLT, we are unable to comment on the consequential impact thereof on these consolidated annual financial results.

Independent Auditor's report (*Continued*)

IL&FS Investment Managers Limited

Attention is invited to Note 8 of the consolidated annual financial results which describes that the Group has not been to determine the accurate and complete list of related parties for the period 1 April 2017 to 31 March 2019, as defined under Ind AS 24, Related Party Disclosures and as per the Companies Act, 2013. In the absence of the said information, we are unable to obtain sufficient appropriate audit evidence with regard to completeness and accuracy of related party disclosures made in the consolidated financial statements and on the Group's compliance with provision of the Companies Act, 2013 with regard to related party transactions.

We draw your attention to the following qualification to the audit opinion of the financial statements of IL&FS Infra Asset Management Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated April 15, 2019 reproduced by us as under:

In respect of an unsecured Inter corporate Deposit (ICD) given to IL&FS Financial Services Limited (IFIN), the interest accounting to Rs.40.68 lakhs for the current year on the total outstanding due of Rs. 500 lakhs (after write off of Rs.1,500 lakhs), has not been accounted for, in accordance with Ind AS 115 Revenue from Contracts with Customers. However, there is no impact on the loss for the year as a provision would have been made for the interest income as being doubtful of recovery and the consequent adjustments in deferred tax would cancel out each other.

We conducted our audit 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 consolidated annual financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion

- (a) We did not audit the financial statements of 5 subsidiaries included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs. 17,062.29 lakhs as at 31 March 2019 as well as the total revenue of Rs. 8,496.45 lakhs for the year ended 31 March 2019. The consolidated annual financial results also include the Group's share of net profit (and other comprehensive income) of Rs.193.30 lakhs for the year ended 31 March 2019 in respect of 2 joint ventures. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors.

Certain of these subsidiaries and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Independent Auditor's report (Continued)**IL&FS Investment Managers Limited**

- (b) The financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs.324.46 lakhs as at 31 March 2019, total revenues of Rs. 31.10 lakhs for the year ended on 31 March 2019, as considered in the consolidated annual financial results, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statements are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements of the subsidiaries and joint ventures as aforesaid, except for the matter described in the 'Basis for Qualified Opinion' paragraph above, these consolidated annual financial results:

- (i) include the annual financial results of the following entities;

Sr.No.	Name of the Company
	Subsidiaries
1	IIML Asset Advisors Limited
2	Saffron Investment Trust
3	IL&FS Investment Advisors LLC, Mauritius
4	IL&FS Asian Infrastructure Managers Limited
5	IL&FS Urban Infrastructure Managers Limited
6	IIML Fund Managers (Singapore) Pte Limited
7	Andhra Pradesh Urban Infrastructure Managers Limited
8	IL&FS AMC Trustee Limited
9	IL&FS Infra Asset Management Limited
	Joint Ventures
1	IL&FS Milestone Realty Advisors Private Limited
2	Standard Chartered IL&FS Management (Singapore) Pte Limited, Singapore

- (ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the net consolidated loss and other comprehensive income and other financial information for the year ended 31 March 2019.



Independent Auditor's report (*Continued*)

IL&FS Investment Managers Limited

Attention is invited to Note 9 of the consolidated annual financial results regarding a likely significant reduction in the Group's future fee revenue and management's expectation of Group's ability to at least meet its obligations over the next 12 months out of its earnings and liquid assets. As stated therein, the Group's business plans for new fund raise have kept on hold pending completion of 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 the consolidated annual financial results is appropriate. Our opinion is not modified in respect of this matter.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No:116231W/W-100024



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
30 May 2019

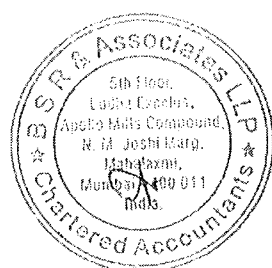
IL&FS INVESTMENT MANAGERS LIMITEDRegistered Office: The IL&FS Financial Centre, C-22, G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

CIN : L65999MH1986PLC147981. Website: www.iimlindia.com

**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR
ENDED MARCH 31, 2019**

(₹ in lakhs)

	Particulars	Quarter Ended 31.03.2019 (Unaudited) (Note 3)	Quarter Ended 31.12.2018 (Unaudited)	Quarter Ended 31.03.2018 (Unaudited) (Note 3)	Year Ended 31.03.2019 (Audited)	Year Ended 31.03.2018 (Audited)
	Revenue:					
	Revenue from Operations	2,456.29	1,748.82	2,483.24	8,868.98	10,830.55
	Other Income	202.40	202.69	26.07	1,414.21	1,061.10
1	Total Revenue	2,658.69	1,951.51	2,509.31	10,283.19	11,891.65
2	Expenses:					
	Employee benefits expense	836.75	1,084.65	971.30	3,881.12	4,305.51
	Depreciation and amortisation expense	22.64	316.56	286.85	940.50	1,151.11
	Rent expense	99.53	105.34	142.22	441.07	534.74
	Legal and Professional expense	378.15	363.35	500.90	1,904.81	1,678.85
	Other Expenses	203.14	263.45	578.60	1,145.72	1,824.87
	Total Expenses	1,540.21	2,133.35	2,479.87	8,313.22	9,495.08
3	Profit/(Loss) before tax (1-2)	1,118.48	(181.84)	29.44	1,969.97	2,396.57
4	Exceptional Item (Refer Note No. 5)	(125.65)	55.75	-	2,947.14	-
5	Profit/(Loss) after exceptional item and before tax (3-4)	1,244.13	(237.59)	29.44	(977.17)	2,396.57
6	Tax expense/(benefit):					
	a) Current tax	(80.66)	350.85	296.75	559.37	1,129.77
	b) Deferred tax	(9.04)	(133.02)	(291.11)	24.49	(238.20)
	Total Net tax expense/(benefit)	(89.70)	217.83	5.64	583.86	891.57
7	Profit/(Loss) after Tax (5-6)	1,333.83	(455.42)	23.80	(1,561.03)	1,505.00
8	Share of profit of Joint Venture	(14.41)	53.09	128.94	193.31	261.30
9	Profit/(Loss) after tax and share in profit of Joint Venture (7+8)	1,319.42	(402.33)	152.74	(1,367.72)	1,766.30
	Profit attributable to:					
	Owners of the company	1,051.36	(483.05)	52.65	(1,502.46)	1,523.67
	Non-controlling interest	268.06	80.72	100.09	134.74	242.63
	Profit after tax after minority interest (7+8)	1,319.42	(402.33)	152.74	(1,367.72)	1,766.30



	Particulars	Quarter Ended 31.03.2019 (Unaudited)	Quarter Ended 31.12.2018 (Unaudited)	Quarter Ended 31.03.2018 (Unaudited)	Year Ended 31.03.2019 (Audited)	Year Ended 31.03.2018 (Audited)
10	Other comprehensive income					
	Items that will not be reclassified to profit or loss :					
	Actuarial Gain of the defined benefit plans	(2.78)	34.08	20.07	82.23	64.47
	Gain/(Loss) on Foreign currency translation reserve	(80.10)	(466.95)	195.31	731.17	9.43
	Income tax relating to items that will not be reclassified to profit or loss	19.61	66.79	(0.07)	(156.00)	(12.99)
	Total other comprehensive income	(63.27)	(366.08)	215.31	657.40	60.91
	Total comprehensive income attributable to:					
	Owners of the company	(67.98)	(365.08)	217.11	659.16	62.71
	Non-controlling interest	4.71	(1.00)	(1.80)	(1.76)	(1.80)
11	Total Comprehensive Income (9+10)	1,256.15	(768.41)	368.05	(710.32)	1,827.21
	Owners of the company	983.38	(848.12)	269.77	(843.29)	1,586.38
	Non-controlling interest	272.77	79.71	98.28	132.97	240.83
12	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
13	Earning per equity share (not annualised)					
	- Basic	0.42	(0.13)	0.05	(0.44)	0.56
	- Diluted	0.42	(0.13)	0.05	(0.44)	0.56

Statement of assets and liabilities

(₹ in lakhs)

Particulars		As at March 31, 2019	As at March 31, 2018
ASSETS			
I	Financial Assets		
(a)	Cash and cash equivalents	15,327.72	8,013.74
(b)	Bank balance other than (a) above	341.05	338.38
(c)	Trade Receivables	2,736.22	8,832.96
(d)	Loans	17.96	7.83
(e)	Investments	8,475.35	7,641.27
(f)	Other Financial assets	566.64	4,749.02
	Total Financial Assets	27,464.94	29,583.20
II	Non-financial Assets		
(a)	Income Tax Asset (net)	1,450.41	1,026.41
(b)	Property, Plant and Equipment	71.54	132.35
(c)	Other Intangible Assets	24.34	823.56
(d)	Other non-financial Assets	720.11	746.20
	Total Non-financial Assets	2,266.40	2,728.52
	TOTAL ASSETS	29,731.34	32,311.72

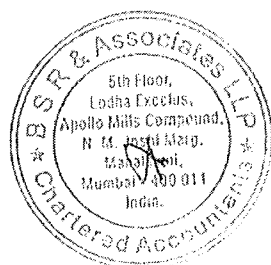


(₹ in lakhs)

Particulars		As at March 31, 2019	As at March 31, 2018
LIABILITIES AND EQUITY			
LIABILITIES			
I	Financial Liabilities		
	Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	726.93	783.94
	Total Financial Liabilities	726.93	783.94
II	Non-financial Liabilities		
(a)	Deferred Tax Liabilities (Net)	1,540.72	1,360.23
(b)	Employee benefit obligations	1,105.58	1,065.24
(c)	Other non-financial Liabilities	613.53	676.89
	Total Non -Financial Liabilities	3,259.83	3,102.36
III	Equity		
(a)	Equity Share Capital	6,280.85	6,280.85
(b)	Other Equity	17,695.37	20,509.18
	Equity attributable to owners	23,976.22	26,790.03
	Non-controlling interests	1,768.36	1,635.39
	TOTAL EQUITY AND LIABILITIES	29,731.34	32,311.72

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 year ended March 31, 2019 along-with restated comparative quarter/ year have been reviewed by the Audit Committee at its meeting held on May 29, 2019 and subsequently approved by the Board of Directors of the Company at its meeting held on May 30, 2019 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The financial results for the year ended March 31, 2019 have been audited by the Statutory Auditors of the Company
- The Group has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, from April 1, 2018. The transition to Ind AS has been effective from April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder (referred to as the 'Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2017 and the corresponding figures presented in these results have been prepared on the basis of the previously published audited financial information under Previous GAAP for the relevant period, duly restated to Ind AS
- Figures for the quarter ended March 31, 2019 and March 31, 2018 are balancing figures between the audited figures in respect of the full financial year ended March 31, and the unaudited published year to date figures upto third quarter ended December 31, which were subjected to a limited review by the Statutory Auditors of the Company
- 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 on operating segment



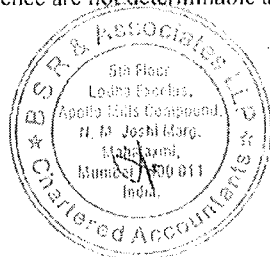
- (5) In respect of Inter Corporate Deposit ("ICD") given by the Group to Infrastructure Leasing & Financial Services Limited ("IL&FS", the Ultimate Holding Company) and IL&FS Financial Services Ltd. ("IFIN" a fellow subsidiary), the total outstanding due as on March 31, 2019 including interest is ₹ 2,947.14 lakhs. During the September 2018 quarter IL&FS and IFIN defaulted on their debt obligations and their credit rating was downgraded to Default ("D") status

The ICDs placed by the Group with IL&FS and IFIN are unsecured. Considering the uncertainty around timing and the amount to be realised through the resolution process to be approved by the National Company Law Tribunal, the management on a prudent basis has provided for ₹ 1,445.11 lakhs towards ICD due including the accrued interest and balance of ₹ 1,502.03 lakhs has been written off

- (6) As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under :

Particulars	Profit Reconciliation		Equity Reconciliation
	Year ended March 31, 2018 (Audited)	Quarter ended March 31, 2018 (Unaudited)	As at March 31, 2018
Net profit after tax/Equity as reported under Previous GAAP	945.04	(86.48)	29,639.79
Adjustments increasing/(decreasing) net profit after tax as reported under Previous GAAP			
Fair valuation of financial assets at fair value through profit or loss on investments	201.29	35.59	(82.26)
Reversal of Expected ECL loss on trade receivable	419.64	(73.68)	(938.23)
Actuarial gain of employee defined benefit plan recognised in 'Other comprehensive income' net of tax as per Ind AS 19	(64.47)	(20.07)	(64.47)
Deferred tax adjustments on above	49.08	26.39	110.63
Deferred tax on unrealised profit of subsidiary	215.72	270.99	(1,747.57)
Others			(247.55)
Minority Interest			58.79
Net profit after tax as per Ind AS	1,766.30	152.74	26,729.13
Other comprehensive income (net of tax)	60.91	215.31	60.91
Total comprehensive income/Equity as per Ind AS	1,827.21	368.05	26,790.04

- (7) 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 has 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). On April 29, 2019, the Supreme Court of India has issued order granting a stay on the above referred NCLT order to reopen the books of accounts. 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



- (8) The Group is dependent on information from the Ultimate Holding Company of its Related Parties as defined under Ind AS 24 and under the Companies Act, 2013 during the period from 1st April, 2017 to 31st March 2019. The Ultimate Holding Company has not been able to provide the said information to the Group for the whole of the period referred to above. In the absence of the above information, the Group has identified its related party's relationship on the basis of information made available by the Ultimate Holding Company in the past. Accordingly, the related parties identified by the Group may not be complete and accurate. However, the Group believes that unavailability of the required information may not have a material impact on the financial results
- (9) 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 March 31, 2019 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. Further, NCLAT vide its order dated February 11, 2019 has also classified the Group under the "Green Category" based on a 12 month cash flow solvency test, which enables the Group to continue to meet all its payment obligation (both financial and operational) as and when they become due
- 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 invited a public Expression of Interest (EoI) for its sale of entire stake in the Holding Company. 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
- (10) The Board of Directors, in their meeting held on May 30, 2019 have proposed a final dividend of ₹ 0.30 per equity share amounting to ₹99,170,605/-, inclusive of tax on dividend. The proposal is subject to the approval of shareholders at the Annual General Meeting
- (11) 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 31.03.2019 (Unaudited)	Quarter Ended 31.12.2018 (Unaudited)	Quarter Ended 31.03.2018 (Unaudited)	Year Ended 31.03.2019 (Audited)	Year Ended 31.03.2018 (Audited)
1	Total Revenue	1,034.46	1,777.71	1,132.94	4,902.83	5,536.46
2	Profit before tax	212.39	796.34	(631.54)	1,471.31	1,061.63
3	Profit after tax	110.25	521.12	(726.49)	1,017.99	530.84

By Order of the Board

Mumbai, May 30, 2019



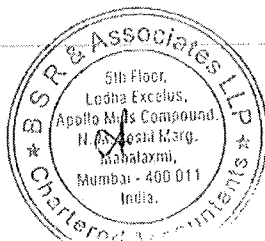
Director

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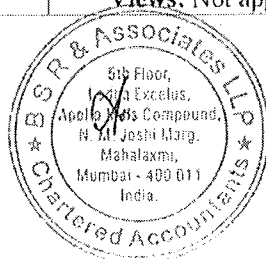
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with the Consolidated Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (₹ in lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (₹ in lakhs)
	1.	Turnover / Total income	10,283.19	Not ascertainable
	2.	Total Expenditure	8,313.22	
	3.	Net Profit/(Loss)	(710.32)	
	4.	Earnings Per Share	(0.44)	
	5.	Total Assets	29,731.34	
	6.	Total Liabilities	5,755.12	
	7.	Net Worth	23,976.22	
	8.	Any other financial item(s) (as felt appropriate by the management)		-
II. (a) Audit Qualification (each audit qualification separately):				
a. Details of Audit Qualification: Refer below details of qualification as per Audit Report dated May 30, 2019:				
<p>We draw your attention to the following qualification to the audit opinion of the financial statements of IL&FS Infra Asset Management Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated April 15, 2019 reproduced by us as under :</p> <p>In respect of an unsecured Inter corporate Deposit (ICD) given to IL&FS Financial Services Limited (IFIN), the interest accounting to Rs.40.68 lakhs for the current year on the total outstanding due of Rs. 500 lakhs (after write off of Rs.1,500 lakhs), has not been accounted for, in accordance with Ind AS 115 Revenue from Contracts with Customers". However, there is no impact on the loss for the year as a provision would have been made for the interest income as being doubtful of recovery and the consequent adjustments in deferred tax would cancel out each other</p>				
b. Type of Audit Qualification : Qualified Opinion				
c. Frequency of qualification: First time				
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The Auditors of IL&FS Infra Asset Management Limited have confirmed that there is no financial impact and the Management agrees with the same				
e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not applicable				
(i) Management's estimation on the impact of audit qualification: NIL				
(ii) If management is unable to estimate the impact, reasons for the same:				
(iii) Auditors' Comments on (i) or (ii) above: No Comments				

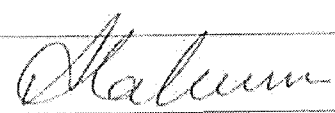
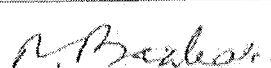

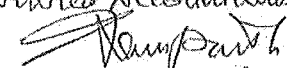


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II. (b)	<p>Audit Qualification (each audit qualification separately):</p> <p>a. Details of Audit Qualification: Refer below details of qualification as per Audit Report dated May 30, 2019:</p> <p>Refer Attention is invited to Note 7 of the consolidated annual financial results which describes the situation facing the Group in view of the investigation by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO) against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Ultimate Holding Company'), and its subsidiaries (including the Company and its subsidiaries). Further, the National Company Law Tribunal (NCLT) has ordered re-opening of books of accounts of IL&FS and its two subsidiaries (other than this Company and its subsidiaries) for the past financial years referred in the note. However, the Supreme Court of India has stayed NCLT order to reopen past books of IL&FS and its above referred two subsidiaries. In view of the aforesaid ongoing investigations of the entire IL&FS Group (including the Company and its subsidiaries) by the SFIO and re-opening of books of accounts of the Ultimate Holding Company and its above referred two subsidiaries by the NCLT, we are unable to comment</p> <p>b. Type of Audit Qualification: Qualified Opinion <i>on the consequential impact thereof on these consolidated annual financial results.</i></p> <p>c. Frequency of qualification: Appearing for the second time</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Unable to estimate impact</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: In the absence of any specific findings as on date, the financial impact if any can only be ascertained once the SFIO investigation is completed and the exercise of the restatement of financial statements is completed</p> <p>(iii) Auditors' Comments on (i) or (ii) above: No comments</p>
II. (c)	<p>Audit Qualification (each audit qualification separately):</p> <p>a. Details of Audit Qualification: Refer below details of qualification as per Audit Report dated May 30, 2019:</p> <p>Attention is invited to Note 8 of the consolidated annual financial results which describes that the Group has not been to determine the accurate and complete list of related parties for the period 1 April 2017 to 31 March 2019, as defined under Ind AS 24, Related Party Disclosures and as per the Companies Act, 2013. In the absence of the said information, we are unable to obtain sufficient appropriate audit evidence with regard to completeness and accuracy of related party disclosures made in the consolidated financial statements and on the Group's compliance with provision of the Companies Act, 2013 with regard to related party transactions</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification: First time</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable</p>



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	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Unable to estimate</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: The Company has provided the Related Party disclosures as per IND AS 24, based on the information available from IL&FS as of September 30, 2018. In the absence of the above information, the Company has identified its related party's relationship on the basis of information made available by the Holding Company in the past. Accordingly, the related parties may not be complete and accurate. However, the Company believes that unavailability of the required information may not have a material impact on the financial statements</p> <p>(iii) Auditors' Comments on (i) or (ii) above: No Comments.</p>
<p>III. <u>Signatories:</u></p>	<p>Chief Executive Officer : </p> <p>Chief Financial Officer : </p> <p>Audit Committee Chairman: </p> <p>Statutory Auditor : For BSR & Associates LLP Chartered Accountants, Firm Regn No. 116231 W/W-100024  N. Sampath Ganesh Partner, M.No. 042554</p> <p>Place: Mumbai Date: May 30, 2019</p>

