

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 September 30, 2020 and for the period from April 1, 2020 to September 30, 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.

Modified Conclusion

6. 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 9 and 10 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

7. 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.
8. Attention is drawn to Note 8 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.

Other Matters

9. We did not review the financial results of three subsidiaries included in the unaudited consolidated financial results, whose financial results reflect total assets of Rs. 6,883.48 Lakhs as at September 30, 2020, total revenues of Rs. 993.56 Lakhs, total net profit after tax of Rs. 363.13



Lakhs and total comprehensive income of Rs. 363.92 Lakhs for the quarter ended September 30, 2020; total revenues of Rs. 1,717.15 Lakhs, total profit loss after tax of Rs. 551.06 Lakhs, total comprehensive income of Rs. 553.80 Lakhs and cash inflows (net) of Rs. 1,642.06 Lakhs for the year to date period from April 1, 2020 to September 30, 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.

10. The unaudited consolidated financial results include the financial information of four subsidiaries which have neither been audited nor reviewed, whose financial information reflect total assets of Rs. 2,168.24 Lakhs as at September 30, 2020, total revenue of Rs. 19.84 lakhs, total net loss after tax of Rs. 68.83 lakhs and total comprehensive loss of Rs. 68.83 lakhs for the quarter ended September 30, 2020; total revenue of Rs. 40.14 lakhs, total net loss after tax of Rs. 71.78 lakhs and total comprehensive loss of Rs. 71.78 lakhs and cash outflows (net) of Rs. 1,474.04 Lakhs for the year to date period from April 1, 2020 to September 30, 2020 as contained in the Statement. The unaudited consolidated financial results also include the Group's share of net loss after tax of Rs. 0.68 lakhs and total comprehensive loss of Rs. 0.68 lakhs for the quarter ended September 30, 2020 and Group's share of net loss after tax of Rs. 1.57 lakhs and total comprehensive loss of Rs. 1.57 lakhs for the year to date period from April 1, 2020 to September 30, 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.
11. Due to lockdown, imposed by the Government, to restrict the spread of COVID-19, the processes of quarterly limited review were carried out from remote locations i.e. from other than the office of the Company, based on the data/details or financial information 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

UDIN: 20033494AAAANP9712

Place: Mumbai
November 11, 2020



IL&FS INVESTMENT MANAGERS LIMITED

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CIN : L65999MH1986PLC147981. Website: www.iimlindia.com

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND
HALF YEAR ENDED SEPTEMBER 30, 2020**

(₹ in lakhs)

	Particulars	Quarter Ended 30.09.2020 (Unaudited)	Quarter Ended 30.06.2020 (Unaudited)	Quarter Ended 30.09.2019 (Unaudited)	Half Year Ended 30.09.2020 (Unaudited)	Half Year Ended 30.09.2019 (Unaudited)	Year Ended 31.03.2020 (Audited)
	Revenue:						
	Revenue from Operations	1,453.44	807.33	880.68	2,260.77	1,757.26	3,643.33
	Other Income	150.82	455.62	301.93	606.44	590.68	1,223.31
1	Total Revenue	1,604.26	1,262.95	1,182.61	2,867.21	2,347.94	4,866.64
2	Expenses:						
	Employee benefits expense	384.06	390.33	615.13	774.39	1,250.80	2,284.40
	Depreciation and amortisation expense	8.87	10.28	15.34	19.15	32.20	61.42
	Rent expense	87.41	87.87	98.95	175.28	204.55	387.97
	Legal and Professional expense	450.15	227.02	279.82	677.17	556.89	993.77
	Other Expenses	378.60	274.59	315.32	653.19	917.65	1,794.96
	Total Expenses	1,309.09	990.09	1,324.56	2,299.18	2,962.09	5,522.52
3	Profit/(Loss) before exceptional item and tax (1-2)	295.17	272.86	(141.95)	568.03	(614.15)	(655.88)
4	Exceptional Item	-	-	-	-	-	-
5	Profit/(Loss) after exceptional item and before tax (3-4)	295.17	272.86	(141.95)	568.03	(614.15)	(655.88)
6	Tax expense/(benefit):						
	a) Current tax	80.90	98.10	79.03	179.00	160.86	447.08
	b) Deferred tax	14.21	(37.43)	(134.88)	(23.22)	(282.62)	(463.62)
	Total Net tax expense/(benefit)	95.11	60.67	(55.85)	155.78	(121.76)	(16.54)
7	Profit/(Loss) after Tax (5-6)	200.06	212.19	(86.10)	412.25	(492.39)	(639.34)
8	Share of profit/(loss) of Joint Venture	0.21	(0.89)	(1,543.50)	(0.68)	(1,602.30)	(1,329.12)
9	Profit/(Loss) after tax and share in profit/(loss) of Joint Venture (7+8)	200.27	211.30	(1,629.60)	411.57	(2,094.69)	(1,968.46)
	Profit attributable to:						
	Owners of the company	107.96	220.97	(1,515.57)	328.93	(1,733.02)	(1,386.24)
	Non-controlling interest	92.31	(9.67)	(114.03)	82.64	(361.67)	(582.22)



	Particulars	Quarter Ended 30.09.2020 (Unaudited)	Quarter Ended 30.06.2020 (Unaudited)	Quarter Ended 30.09.2019 (Unaudited)	Half Year Ended 30.09.2020 (Unaudited)	Half Year Ended 30.09.2019 (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	16.31	1.67	(5.29)	17.98	(9.92)	(46.15)
	Income tax relating to items that will not be reclassified to profit or loss	32.63	(3.48)	(42.14)	29.15	(34.90)	(140.00)
	Items that will be reclassified to profit or loss:						
	Gain/(Loss) on Foreign currency translation reserve (net)	(230.08)	18.76	357.46	(211.32)	323.48	827.02
	Total other comprehensive income	(181.14)	16.95	310.03	(164.19)	278.66	640.87
	Total other comprehensive income attributable to:						
	Owners of the company	(181.53)	15.99	308.81	(165.54)	277.96	641.65
	Non-controlling interest	0.39	0.96	1.22	1.35	0.70	(0.78)
11	Total Comprehensive Income (9+10)	19.13	228.25	(1,319.57)	247.38	(1,816.03)	(1,327.59)
	Owners of the company	(73.57)	236.97	(1,206.77)	163.40	(1,455.06)	(744.59)
	Non-controlling interest	92.70	(8.72)	(112.80)	83.98	(360.97)	(583.00)
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	6,280.85
	Other Equity						15,959.08
13	Earning per equity share (not annualised)						
	- Basic	0.03	0.07	(0.48)	0.10	(0.55)	(0.44)
	- Diluted	0.03	0.07	(0.48)	0.10	(0.55)	(0.44)



Statement of Assets and Liabilities

(₹ in lakhs)

Particulars		As at September 30, 2020	As at March 31, 2020
ASSETS			
I	Financial Assets		
(a)	Cash and cash equivalents	8,536.77	10,082.89
(b)	Bank balance other than (a) above	8,634.83	6,256.19
(c)	Trade Receivables	1,246.57	996.98
(d)	Loans	32.25	32.32
(e)	Investments	5,256.14	6,164.69
(f)	Other Financial assets	1,054.97	839.26
Total Financial Assets		24,761.53	24,372.33
II	Non-financial Assets		
(a)	Income Tax Asset (net)	1,075.55	1,109.70
(b)	Property, Plant and Equipment	33.49	44.80
(c)	Other Intangible Assets	1.94	8.36
(d)	Other Non-financial Assets	745.58	729.94
Total Non-financial Assets		1,856.56	1,892.80
TOTAL ASSETS		26,618.09	26,265.13

(₹ in lakhs)

Particulars		As at September 30, 2020	As at March 31, 2020
LIABILITIES AND EQUITY			
LIABILITIES			
I	Financial Liabilities		
	Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.27	22.15
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	958.40	763.37
Total Financial Liabilities		958.67	785.52
II	Non-financial Liabilities		
(a)	Deferred Tax Liabilities (Net)	1,163.69	1,217.11
(b)	Employee benefit obligations	281.60	296.49
(c)	Other Non-financial Liabilities	541.47	540.73
Total Non-financial Liabilities		1,986.76	2,054.33
III	Equity		
(a)	Equity Share Capital	6,280.85	6,280.85
(b)	Other Equity	16,122.48	15,959.08
Equity attributable to owners		22,403.33	22,239.93
Non-controlling interests		1,269.33	1,185.35
TOTAL EQUITY AND LIABILITIES		26,618.09	26,265.13



CASH FLOW STATEMENT FOR THE HALF YEAR ENDED

	Particulars	As at September 30, 2020	As at September 30, 2019
I.	Cash Flow from Operating Activities		
	Profit/(Loss) before Tax	567.35	(2,216.45)
	Adjustments For:		
	Items classified as Other Comprehensive income	17.98	1,602.30
	Depreciation and amortisation expense	19.15	32.20
	Provision for Employee benefit obligation (net of reversal)	(14.90)	(202.46)
	Provision for ECL for trade receivables	343.52	561.48
	FVTPL (Gain)/Loss on current investments	59.51	(88.97)
	FVTPL (Gain)/Loss on Noncurrent investments	32.36	(9.72)
	(Profit)/Loss on sale of current investments	(196.72)	(131.07)
	(Profit)/Loss on sale of non current investments	-	-
	(Profit)/Loss on sale of Property, Plant and Equipment	(0.34)	(7.60)
	Interest Income	(247.91)	(327.02)
	Operating Profit/(Loss) Before Working Capital Changes	580.00	(787.31)
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Trade Receivables	(572.28)	846.54
	Other Financial Assets	(243.84)	(120.19)
	Other Non-Financial Asset	(15.64)	(50.53)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade Payables	173.15	29.45
	Other Non-financial liability	43.12	(24.28)
	Less: Taxes paid	(144.86)	(188.31)
	Net Cash generated from/(used in) from Operating Activities	(180.35)	(294.63)
II.	Cash Flow from Investing Activities		
	(Purchase)/Redemption in Mutual Funds (Net)	802.41	(235.97)
	(Purchase)/Redemption of Long Term Investments	111.38	-
	Fixed Deposit (placed)/redeemed	(2,421.02)	(5,066.59)
	Proceeds from Sale of Other Non current Investments	79.57	-
	Proceeds from Sale of Property, Plant and Equipment	0.40	7.36
	Capital Expenditure on Property, Plant and Equipment	(1.47)	(8.86)
	Interest Income	274.28	250.48
	Inter Corporate Deposit Redeemed (net of placed)	-	-
	Net Cash generated from Investing Activities	(1,154.45)	(5,053.58)
III.	Cash Flow from Financing Activities		
	Dividend Paid	-	-
	Dividend Tax Paid	-	-
	Net Cash used in Financing Activities	-	-
IV.	Net (Decrease)/Increase in Cash and Cash Equivalent (I+II+III)	(1334.80)	(5,348.21)
	Effect of exchange differences on Foreign Currency Translation	(211.32)	217.47
		(1,546.12)	(5,130.74)
	Cash and Cash Equivalent at the beginning of the year	10,082.89	9,103.48
	Cash and Cash Equivalent at the end of the period	8,536.77	3,972.24
	Net (Decrease)/Increase in Cash and Cash Equivalent	(1,546.12)	(5,130.74)



NOTES :

- (1) 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 half year ended September 30, 2020 along-with comparative period have been reviewed by the Audit Committee at its meeting held on November 11, 2020 and subsequently approved by the Board of Directors of the Company at its meeting held on November 11, 2020 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The financial results for the half year and quarter ended September 30, 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 September 30, 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

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. 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.iimlindia.com

(₹ in lakhs)

	Particulars	Quarter Ended 30.09.2020 (Unaudited)	Quarter Ended 30.06.2020 (Unaudited)	Quarter Ended 30.09.2019 (Unaudited)	Half Year Ended 30.09.2020 (Unaudited)	Half Year Ended 30.09.2019 (Unaudited)	Year Ended 31.03.2020 (Audited)
1	Total Revenue	203.13	334.00	833.08	537.12	1,678.15	2,886.31
2	Profit before tax	(139.50)	(34.18)	356.11	(173.70)	727.86	1,140.73
3	Profit after tax	(133.12)	(26.25)	338.47	(159.39)	663.06	794.32

- (7) Foreign Currency translation reserve of ₹ 712.17 lakhs reflected in subsidiary company represented Capital Reserve adjusted against Goodwill and recognised in earlier years as a result of acquisition of entities by the Company and offshore subsidiary in FY 2010-11. In the Consolidated Financials the net amount of Goodwill was fully amortised by FY 2012-13. Subsequently, the goodwill in the standalone books of the offshore subsidiary was fully impaired during FY 2014-15, thus resulting in the amount of Capital Reserve earlier adjusted against goodwill remaining outstanding which has been clubbed along with FCTR

As at and for the quarter ended September 30, 2020, the Company, based on an Opinion from an independent technical expert, has rectified an error which had occurred prior to the first day of the comparative period for the Financial Year 2018-19 presented, that is prior to April 1, 2019; the end result of the error was due to adjustment of the balance of ₹ 712.17 lakhs to Foreign Currency Translation Reserve (FCTR) instead of reflecting as Capital Reserve. On Rectification, the balance in FCTR as on April 1, 2019 is adjusted by ₹ 712.17 lakhs and the corresponding effect is given to Capital Reserve and accordingly, as on March 31, 2019 and consequently, as on March 31, 2020, FCTR remained adjusted and Capital Reserve reflected at ₹ 712.17 lakhs

- (8) 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 September 30, 2020

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

By Order of the Board



Director

Mumbai, November 11, 2020

