

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 September 2022 and year to date results for the period from 1 April 2022 to 30 September 2022 ('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



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Name of the entity	Relationship
IL&FS Investment Advisors LLC	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

- 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.
- As the Board meeting of one of the Subsidiary of the Parent hasn't been conducted to approve its financial results, the provisions of Regulation 33(3)(h) of SEBI LODR, which require a listed entity to ensure that, for the purposes of quarterly 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 Company for the period under report.

Qualified Conclusion

- 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 10 and 11 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

- Attention is drawn to Note 6 of the 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 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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9. Attention is drawn to Note 8 of the Statement which describes that three entities of the Group, being consolidated, have ceased their operations and their respective financial results are prepared not on going concern basis but on realisable value basis. Our conclusion on the Statement is not modified in respect of this matter.

Other Matters

10. We did not review the financial results of two subsidiaries included in the Statement, whose financial results, reflect total assets of Rs. 6,486.62 lakhs as at 30 September 2022 and total revenues of Rs. 423.81 lakhs and Rs. 827.57 lakhs, total net profit after tax of Rs. 220.78 lakhs and Rs. 431.15 lakhs and total comprehensive income of Rs. 220.78 lakhs and of Rs. 431.15 lakhs for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash inflows (net) of Rs. 308.57 lakhs for the period from 1 April 2022 to 30 September 2022, 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.

11. The Statement includes the financial results of five subsidiaries which have not been reviewed by their auditors, whose financial results reflect total assets of Rs. 6,055.83 lakhs as at 30 September 2022 and total revenues of Rs. 981.68 lakhs and Rs. 2,336.67 lakhs, total net profit after tax of Rs. 73.04 lakhs and Rs. 460.10 lakhs and total comprehensive income of Rs. 74.47 lakhs and of Rs. 462.15 lakhs for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash inflows (net) of Rs. 170.51 lakhs for the period from 1 April 2022 to 30 September 2022. The Statement also includes the Group's share of net loss of Rs. 1.33 lakhs and Rs. 2.35 lakhs and total comprehensive loss of Rs. 1.33 lakhs and Rs. 2.35 lakhs for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022, 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.

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: 22033494BCUHSY5574



Place: Mumbai

Date: 11 November 2022

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 AND
HALF YEAR ENDED SEPTEMBER 30, 2022**

(₹ In Lakhs)

	Particulars	Quarter Ended 30.09.2022 (Unaudited)	Quarter Ended 30.06.2022 (Unaudited)	Quarter Ended 30.09.2021 (Unaudited)	Half Year Ended 30.09.2022 (Unaudited)	Half Year Ended 30.09.2021 (Unaudited)	Year Ended 31.03.2022 (Audited)
	Revenue:						
	Revenue from Operations	1,580.10	1,702.21	1,177.80	3,282.31	1,898.68	4,165.42
	Other Income	398.66	150.68	103.14	549.34	266.68	1,576.98
1	Total Revenue	1,978.76	1,852.89	1,280.94	3,831.65	2,165.36	5,742.40
2	Expenses:						
	Employee benefits expense	419.50	372.17	454.69	791.67	805.11	1,687.82
	Depreciation and amortisation expense	5.31	4.62	5.24	9.93	10.54	21.08
	Rent expense	41.73	42.06	36.68	83.79	71.74	145.70
	Legal and Professional expense	647.45	721.57	452.38	1,369.02	691.72	1,602.93
	Net Loss Arising on financial assets designated as at FVTPL	127.10	89.73	14.92	216.83	76.47	-
	Net Loss on sale of non-current Investments	-	-	-	-	-	243.50
	Other Expenses	146.83	140.25	97.58	287.08	208.56	510.20
	Total Expenses	1,387.92	1,370.40	1,061.49	2,758.32	1,864.14	4,211.23
3	Profit/(Loss) before exceptional item and tax (1-2)	590.84	482.49	219.45	1,073.33	301.22	1,531.17
4	Exceptional Item	-	-	-	-	-	-
5	Profit/(Loss) after exceptional item and before tax (3-4)	590.84	482.49	219.45	1,073.33	301.22	1,531.17
6	Tax expense/(benefit):						
	a) Current tax	119.48	205.40	87.52	324.88	162.11	289.79
	b) Deferred tax	(21.48)	(17.36)	7.81	(38.84)	7.65	(74.95)
	Total Net tax expense/(benefit)	98.00	188.04	95.33	286.04	169.76	214.84
7	Profit/(Loss) after Tax (5-6)	492.84	294.45	124.12	787.29	131.46	1,316.33
8	Share of profit/(loss) of Joint Venture	(1.33)	(1.02)	(0.89)	(2.35)	(2.00)	(4.80)
9	Profit/(Loss) after tax and share in profit/(loss) of Joint Venture (7+8)	491.51	293.43	123.23	784.94	129.46	1,311.53
	Profit attributable to:						
	Owners of the company	431.02	77.28	42.43	508.30	17.36	778.97
	Non-controlling interest	60.49	216.15	80.80	276.64	112.10	532.56



	Particulars	Quarter Ended 30.09.2022 (Unaudited)	Quarter Ended 30.06.2022 (Unaudited)	Quarter Ended 30.09.2021 (Unaudited)	Half Year Ended 30.09.2022 (Unaudited)	Half Year Ended 30.09.2021 (Unaudited)	Year Ended 31.03.2022 (Audited)
10	Other comprehensive income						
	Items that will not be reclassified to profit or loss :						
	Actuarial Gain of the defined benefit plans	16.97	2.88	(10.17)	19.85	7.52	18.15
	Income tax relating to items that will not be reclassified to profit or loss	(49.45)	(55.92)	4.63	(105.37)	(17.91)	(52.95)
	Items that will be reclassified to profit or loss :						
	Gain/(Loss) on Foreign currency translation reserve (net)	280.58	339.04	(11.94)	619.62	98.05	298.76
	Total other comprehensive income	248.10	286.00	(17.48)	534.10	87.66	263.96
	Total other comprehensive income attributable to:						
	Owners of the company	247.39	285.70	(10.55)	533.09	90.99	264.80
	Non-controlling interest	0.71	0.30	(6.93)	1.01	(3.33)	(0.84)
11	Total Comprehensive Income (9+10)	739.61	579.43	105.75	1,319.04	217.12	1,575.49
	Owners of the company	678.41	362.98	31.89	1,041.39	108.36	1,043.77
	Non-controlling interest	61.20	216.45	73.86	277.65	108.76	531.72
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						14,791.63
13	Earning per equity share (not annualised)						
	- Basic	0.14	0.02	0.01	0.16	0.01	0.25
	- Diluted	0.14	0.02	0.01	0.16	0.01	0.25



Statement of Assets and Liabilities

		(₹ In Lakhs)	
Particulars		As at September 30, 2022	As at March 31, 2022
ASSETS			
I	Financial Assets		
(a)	Cash and cash equivalents	2,568.13	6,933.34
(b)	Bank balance other than (a) above	14,570.58	12,331.56
(c)	Trade Receivables	1,758.61	900.37
(d)	Loans	30.11	26.74
(e)	Investments	4,789.49	3,188.13
(f)	Other Financial assets	990.76	1,150.39
Total Financial Assets		24,707.68	24,530.53
II	Non-financial Assets		
(a)	Income Tax Asset (net)	493.02	325.16
(b)	Property, Plant and Equipment	35.65	27.72
(c)	Other Intangible Assets	0.11	0.25
(d)	Other Non-financial Assets	649.89	601.56
Total Non-financial Assets		1,178.67	954.69
TOTAL ASSETS		25,886.35	25,485.22

		(₹ In Lakhs)	
Particulars		As at September 30, 2022	As at March 31, 2022
LIABILITIES AND EQUITY			
LIABILITIES			
I	Financial Liabilities		
	Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	24.57	24.57
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	762.54	697.67
Total Financial Liabilities		787.11	722.24
II	Non-financial Liabilities		
(a)	Deferred Tax Liabilities (Net)	1,018.87	952.37
(b)	Employee benefit obligations	341.84	295.90
(c)	Other Non-financial Liabilities	709.96	549.05
Total Non-financial Liabilities		2,070.67	1,797.32
III	Equity		
(a)	Equity Share Capital	6,280.85	6,280.85
(b)	Other Equity	14,576.89	14,791.63
Equity attributable to owners		20,857.74	21,072.48
Non-controlling interests		2,170.83	1,893.18
TOTAL EQUITY AND LIABILITIES		25,886.35	25,485.22



CASH FLOW STATEMENT FOR THE HALF YEAR ENDED

	Particulars	As at September 30, 2022	As at September 30, 2021
I.	Cash Flow from Operating Activities		
	Profit/(Loss) before Tax	1,070.97	299.23
	Adjustments For:		
	Items classified as Other Comprehensive income	19.85	7.52
	Depreciation and amortisation expense	9.93	10.54
	Provision for Employee benefit obligation (net of reversal)	45.94	(30.12)
	Provision for ECL for trade receivables	216.83	76.47
	FVTPL (Gain)/Loss on current investments	(21.64)	(20.57)
	FVTPL (Gain)/Loss on Noncurrent investments	(203.27)	3.21
	(Profit)/Loss on sale of current investments	(51.06)	(68.64)
	(Profit)/Loss on sale of Property, Plant and Equipment	(3.60)	(0.19)
	Interest Income	(248.42)	(175.66)
	Operating Profit/(Loss) Before Working Capital Changes	835.53	101.79
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Trade Receivables	(1,075.08)	159.34
	Other Financial Assets	148.90	(224.52)
	Other Non-Financial Asset	(48.33)	(115.96)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade Payables	64.89	165.74
	Other Non-financial liability	96.31	53.30
	Less: Taxes paid	(492.73)	(149.31)
	Net Cash generated from/(used in) from Operating Activities	(470.51)	(9.62)
II.	Cash Flow from Investing Activities		
	(Purchase)/Redemption in Mutual Funds (Net)	(1,326.07)	(1.54)
	Fixed Deposit (placed)/redeemed	(2,174.43)	(399.62)
	Proceeds from Sale of Other Non current Investments	0.68	1.21
	Proceeds from Sale of Property, Plant and Equipment	3.60	5.09
	Capital Expenditure on Property, Plant and Equipment	(17.72)	(6.94)
	Interest Income	255.77	210.41
	Net Cash generated from Investing Activities	(3,258.17)	(191.39)
III.	Cash Flow from Financing Activities		
	Dividend Paid (including taxes)	(1,256.13)	-
	Net Cash used in Financing Activities	(1,256.13)	-
IV.	Net (Decrease)/Increase in Cash and Cash Equivalent (I+II+III)	(4,984.81)	(201.01)
	Effect of exchange differences on Foreign Currency Translation	619.60	98.05
	Cash and Cash Equivalent at the beginning of the year	6,933.34	8,448.89
	Cash and Cash Equivalent at the end of the period	2,568.13	8,345.93
	Net (Decrease)/Increase in Cash and Cash Equivalent	(4,365.21)	(102.96)



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, 2022 along-with comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on November 11, 2022 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The financial results for the quarter and half year ended September 30, 2022 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) Revenue from operations includes management fee of ₹ 188.33 lakhs for previous year accounted for on receipt basis
- (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. 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 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 Group has already been over. Other funds being managed/advised by the Group are approaching end of their term in near future which has resulted/is likely to result in significant reduction in the Group’s fee revenue. Management expects that its future income from existing funds being managed/advised together with liquid assets held by the Group as at September 30, 2022 will be adequately sufficient to meet the Group’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 summarised unaudited 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 30.09.2022 (Unaudited)	Quarter Ended 30.06.2022 (Unaudited)	Quarter Ended 30.09.2021 (Unaudited)	Half Year Ended 30.09.2022 (Unaudited)	Half Year Ended 30.09.2021 (Unaudited)	Year Ended 31.03.2022 (Audited)
1	Total Revenue	486.08	90.60	122.68	576.68	290.24	2,434.48
2	Profit before tax	256.78	(146.39)	(78.05)	110.39	(208.50)	1,203.98
3	Profit after tax	258.85	(141.40)	(94.22)	117.45	(214.92)	1,249.67

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

Mumbai, November 11, 2022



By Order of the Board

Director