

# kkc & associates llp

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Independent Auditor's report on annual standalone financial results of IL&FS Investment Managers Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Board of Directors of  
IL&FS Investment Managers Limited

## Introduction

1. We have audited the accompanying standalone financial results of IL&FS Investment Managers Limited ('the Company') for the year ended 31 March 2024, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
  - 2.1. are presented in accordance with the requirements of the Listing Regulations in this regard; and
  - 2.2. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards ('Ind AS') and other accounting principles generally accepted in India, of the net profit and Other Comprehensive Income and Other Financial Information for the year ended 31 March 2024.

## Basis for Qualified Opinion

3. Attention is invited to Note 4 of the standalone financial results which describes the situation faced by the Company in view of the ongoing investigation by Serious Fraud Investigation Office of Ministry of Corporate Affairs ('SFIO') against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Holding Company'), and its subsidiaries (including the Company). In view of the aforesaid ongoing investigations of the entire IL&FS Group by the SFIO we are unable to comment on the consequential impact(s) upon conclusion of the said investigation.
4. 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 Standalone Financial Results section of our report. We are independent of the Company 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 is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter

5. Attention is invited to Note 6 of the standalone financial results regarding reduction in the Company's revenue significantly coupled with the lack of any immediate new fund raise resulting in the reduced estimates of future revenue, there is a material uncertainty of the Company's ability to, at least, meet its obligations over the next 12 months out of its estimated earnings and liquid assets, the management believes that the use of 'going concern' assumption for preparation of the standalone financial results is appropriate. Our opinion on the standalone financial results is not modified in respect of this matter.



Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai 400013, India  
T: +91 22 6143 7333 E: info@kkcllp.in W: www.kkcllp.in LLPIN: AAP-2267

Suite 52, Bombay Mutual Building, Sir Phirozshah Mehta Road, Fort, Mumbai 400001, India

## Management's responsibilities for the Standalone Financial Results

6. These standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors is responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit after tax and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the standalone financial results by the Directors of the Company, as aforesaid.
7. In preparing the standalone financial results, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Results

9. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - 10.1. Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - 10.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - 10.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



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- 10.4. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our opinions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 10.5. Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Other Matters

13. Attention is invited to Note 5 of the standalone financial results regarding re-opening of books of accounts of the Holding Company and one of its subsidiaries, which having been completed, does not have material impact on the financial information of the Company as confirmed by an independent agency entrusted to do such re-opening of the books of accounts. In case of re-opening of books of accounts of another subsidiary of the Holding Company, similar assertion has been conveyed to us by the Chief Financial Officer of the said subsidiary. Our opinion on the standalone financial results is not modified in respect of this matter.
14. The standalone financial results include the result for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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: 24033494BKCRCA5790

Place: Mumbai

Date: 22 May 2024





**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 AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR  
 ENDED MARCH 31, 2024**

(₹ in lakhs)

Particulars	Quarter Ended 31.03.2024 (Refer Note 8)	Quarter Ended 31.12.2023 (Unaudited)	Quarter Ended 31.03.2023 (Refer Note 8)	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
<b>Revenue:</b>					
Revenue from Operations	27.21	43.51	45.02	155.60	376.87
Other Income	2,579.07	1.13	500.78	2,921.18	3,144.33
<b>1 Total Revenue</b>	<b>2,606.28</b>	<b>44.64</b>	<b>545.80</b>	<b>3,076.78</b>	<b>3,521.20</b>
<b>2 Expenses:</b>					
Employee benefits expense	121.16	133.56	116.61	511.90	543.16
Depreciation and amortisation expense	0.99	1.51	1.14	4.46	4.97
Rent	17.95	18.00	20.88	72.12	83.83
Legal and Professional expense	11.00	26.48	20.20	88.10	88.21
Expected Credit Loss on Trade receivables	-	-	228.66	-	331.73
Net loss on sale of non-current Investment	-	-	-	134.20	-
Other Expenses	33.85	17.31	43.58	132.38	107.11
<b>Total Expenses</b>	<b>184.95</b>	<b>196.86</b>	<b>431.07</b>	<b>943.16</b>	<b>1,159.01</b>
<b>3 Profit before tax (1-2)</b>	<b>2,421.33</b>	<b>(152.22)</b>	<b>114.73</b>	<b>2,133.62</b>	<b>2,362.19</b>
<b>4 Tax expense/(benefit):</b>					
a) Current tax	(1.87)	-	-	(1.87)	(1.69)
b) Deferred tax	13.23	5.90	(38.99)	(26.95)	(37.09)
<b>Total Net tax expense/ (benefit)</b>	<b>11.36</b>	<b>5.90</b>	<b>(38.99)</b>	<b>(28.82)</b>	<b>(38.78)</b>
<b>5 Profit after Tax (3-4)</b>	<b>2,409.97</b>	<b>(158.12)</b>	<b>153.72</b>	<b>2,162.44</b>	<b>2,400.97</b>
<b>6 Other comprehensive income</b>					
Items that will not be reclassified to profit or loss:					
Actuarial Gain/(loss) of the defined benefit plans	6.30	5.15	46.22	5.25	63.66
Income tax relating to items that will not be reclassified to profit or loss	(1.59)	(1.30)	(11.63)	(1.32)	(16.02)
<b>Total Other Comprehensive Income</b>	<b>4.71</b>	<b>3.85</b>	<b>34.59</b>	<b>3.93</b>	<b>47.64</b>
<b>7 Total Comprehensive Income (5+6)</b>	<b>2,414.68</b>	<b>(154.27)</b>	<b>188.31</b>	<b>2,166.37</b>	<b>2,448.61</b>
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
Other Equity				4,657.05	5,002.95
Earning per equity share (not annualised)					
- Basic	0.77	(0.05)	0.05	0.69	0.76
- Diluted	0.77	(0.05)	0.05	0.69	0.76



## Statement of Assets and Liabilities

(₹ in lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>I</b>	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	23.23	21.21
(b)	Bank balance other than (a) above	172.87	197.96
(c)	Trade Receivables	-	-
(d)	Loans	5.93	7.03
(e)	Investments	10,241.40	10,589.75
(f)	Other financial assets	31.00	49.50
<b>Total Financial Assets</b>		<b>10,474.43</b>	<b>10,865.45</b>
<b>II</b>	<b>Non-financial Assets</b>		
(a)	Income Tax Asset (Net)	224.13	298.36
(b)	Deferred Tax Assets (Net)	78.99	53.36
(c)	Property, Plant and Equipment	3.86	6.50
(d)	Other non-financial Assets	426.34	424.10
<b>Total Non-financial Assets</b>		<b>733.32</b>	<b>782.32</b>
<b>TOTAL ASSETS</b>		<b>11,207.75</b>	<b>11,647.77</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>I</b>	<b>Financial Liabilities</b>		
	Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	14.85	14.85
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18.07	67.96
<b>Total Financial Liabilities</b>		<b>32.92</b>	<b>82.81</b>
<b>II</b>	<b>Non-financial Liabilities</b>		
(a)	Employee benefit obligations	42.79	42.79
(b)	Other Non-Financial Liabilities	194.14	238.37
<b>Total Non-financial Liabilities</b>		<b>236.93</b>	<b>281.16</b>
<b>III</b>	<b>Equity</b>		
(a)	Equity Share Capital	6,280.85	6,280.85
(b)	Other Equity	4,657.05	5,002.95
<b>Equity attributable to owners</b>		<b>10,937.90</b>	<b>11,283.80</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,207.75</b>	<b>11,647.77</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2023

(₹ in lakhs)

	Particulars	Figures for the year ended March 31, 2024	Figures for the year ended March 31, 2023
I.	<b>Cash Flow from Operating Activities</b>		
	<b>Profit Before Tax</b>	2,133.62	2,362.19
	Adjustments For:		
	Depreciation and Amortisation	4.46	4.97
	Provision for Employee Benefits (Net of reversal)	-	(15.01)
	Provision for Expected Credit Loss for receivables / financial assets	-	331.73
	(Gain) / Loss on fair valuation of mutual funds	(269.34)	(145.46)
	(Gain) / Loss on fair valuation of venture capital funds	(168.96)	(301.24)
	Provision for diminution in value of Investment	0.63	-
	(Profit) / Loss on sale of non current investments	134.20	-
	(Profit) / Loss on sale of current investments	(350.90)	(54.46)
	(Profit) / Loss on sale of Property, Plant and Equipment's (Net)	(0.19)	(7.33)
	Interest Income	(11.46)	(9.45)
	Dividend Income on non-current investment	(2,508.46)	(2,604.80)
	<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>(1,036.40)</b>	<b>(438.86)</b>
	<b>Changes in working capital:</b>		
	<b>Adjustments for (increase) / decrease in operating assets:</b>		
	Trade Receivables	-	(107.65)
	Other Financial Assets	17.37	91.56
	Other Non-Financial Assets	5.24	(9.53)
	<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
	Trade Payables	(49.89)	(85.88)
	Other Non-Financial Liabilities	(19.14)	4.95
	<b>Cash generated from Operations</b>	<b>(1,082.82)</b>	<b>(545.41)</b>
	Less: Taxes (paid) / refund received (net)	76.09	(239.34)
	<b>Net Cash generated from / (used in) Operating Activities</b>	<b>(1,006.73)</b>	<b>(784.75)</b>
II.	<b>Cash Flow from Investing Activities</b>		
	(Purchase) / Sale of venture capital funds (Net)	(1.43)	(79.01)
	(Purchase) / Sale of mutual funds (Net)	1,004.14	(2,603.89)
	Dividend Income Received	2,508.46	2,604.80
	(Investment in) / Redemption from Fixed Deposits	-	553.00
	Purchase of Property, Plant and Equipment's	(1.81)	-
	Proceeds from Sale of Property, Plant and Equipment's	0.19	7.38
	Interest received	11.46	32.29
	<b>Net Cash generated from Investing Activities</b>	<b>3,521.01</b>	<b>514.57</b>
III.	<b>Cash Flow from Financing Activities</b>		
	Dividend Paid	(2,512.26)	(1,256.13)
	<b>Net Cash generated from / (used in) Financing Activities</b>	<b>(2,512.26)</b>	<b>(1,256.13)</b>
IV.	<b>Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III)</b>	<b>2.02</b>	<b>(1,526.31)</b>
	Cash and Cash Equivalents at the beginning of the year	21.21	1,547.52
	Cash and Cash Equivalents at the end of the year	23.23	21.21
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>2.02</b>	<b>(1,526.31)</b>



## NOTES :

- (1) The financial results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of the Companies Act, 2013 (CA 2013) and other relevant provisions of the CA 2013 as amended from time to time
- (2) The above standalone financial results for the quarter and year ended March 31, 2024 along-with comparative quarter and year have been reviewed by the Audit Committee at its meeting held on May 22, 2024 and subsequently approved by the Board of Directors of the Company at its meeting held on May 22, 2024 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The standalone financial results have been audited by the Statutory Auditors of the Company
- (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 Company has identified a single segment i.e. providing asset management services and other related services. As such, there are no separate reportable business or geographical segments as per Ind AS 108
- (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 Infrastructure Leasing & Financial Services Limited (IL&FS), the Holding Company and its subsidiaries (including the Company) under Section 212(1) of the Companies Act, 2013. 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
- (5) 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). The restatement has been completed. The independent agency entrusted to do such re-opening of the books of accounts and restatement for the Ultimate Holding Company and one of the fellow subsidiary, have confirmed that there is no impact on the financial information of the Company. In respect of other fellow subsidiary's reopening and restatement a similar assertion has been received from the fellow subsidiary
- (6) The term of most of the existing funds being managed/advised by the Company has already been over. Other funds being managed/advised by the company are approaching end of their term in near future which has resulted in significant reduction in the Company's fee revenue. Management expects that its future income from existing funds being managed/advised together with liquid assets held by the Company as at March 31, 2024 will be adequately sufficient to meet the Company'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

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, 2023 invited a public Expression of Interest (EoI) for sale of its entire stake in the Company

- (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 final petition has been filed with the concerned bench of National Company Law Tribunal (NCLT) and the approvals are still awaited



- (8) The Board of Directors, in their meeting held on May 22, 2024 have proposed a final dividend of ₹ 0.70 per equity share amounting to ₹ 2,198.23 lakhs. The proposal is subject to the approval of shareholders at the Annual General Meeting
- (9) The figures for the three months ended March 31, 2024 and March 31, 2023 are the balancing figures between the audited figures with respect to full financial year and the published unaudited year to date figures upto the third quarter of the financial year which were subjected to limited review
- (10) Previous year numbers are regrouped/reclassified wherever necessary

By Order of the Board



**Chitranjan Singh Kahlon**  
Chairman

Mumbai, May 22, 2024








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

<b><u>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024</u></b>				
<b>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications) (₹ in lakhs)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications) (₹ in lakhs)</b>
	1.	Turnover/Total income	3,076.78	Not ascertainable
	2.	Total Expenditure	943.16	
	3.	Net Profit/(Loss)	2,162.44	
	4.	Earnings Per Share	0.69	
	5.	Total Assets	11,207.75	
	6.	Total Liabilities	269.85	
	7.	Net Worth	10,937.90	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	
<b>II.</b>	<b><u>Audit Qualifications</u> :</b>			
	a.	<p><b><u>Details of Audit Qualification</u></b> : Refer below details of qualification as per Audit Report dated May 22, 2024</p> <p>Attention is invited to Note 4 of the standalone financial results which describes the situation faced by the Company in view of the ongoing investigation by Serious Fraud Investigation Office of Ministry of Corporate Affairs (SFIO) against Infrastructure Leasing &amp; Financial Services Limited ('IL&amp;FS' or 'the Holding Company'), and its subsidiaries (including the Company). In view of the aforesaid ongoing investigations of the entire IL&amp;FS Group by the SFIO we are unable to comment on the consequential impact(s) upon conclusion of the said investigation</p>		
	b.	<b><u>Type of Audit Qualification</u></b> : Qualified Opinion		
	c.	<b><u>Frequency of qualification</u></b> : Appearing for the sixth time		
	d.	<b><u>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views</u></b> : Not applicable		



e.	For Audit Qualification(s) where the impact is not quantified by the auditor :
(i)	<b>Management's estimation on the impact of audit qualification</b> : Unable to estimate impact
(ii)	<b>If management is unable to estimate the impact, reasons for the same</b> : 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
(iii)	<b>Auditors' Comments on (i) or (ii) above</b> : No Comments
III.	<b>Signatories :</b>
	 <b>Manoj Borkar</b> Chief Executive Officer & Chief Financial Officer
	 <b>Munish Kumar Saraogi</b> Audit Committee Chairman
	Statutory Auditor : For KKC & Associates LLP Chartered Accountants (formerly Khimji Kunverji & Co LLP) Firm Registration Number: 105146W/W100621   <b>Hasmukh B Dedhia</b> Partner ICAI Membership No: 033494
Place :	Mumbai
Date :	May 22, 2024

