

## Independent Auditor's Report

To

The Members of

IIML Asset Advisors Limited

## Report on the audit of the Financial Statements

### Qualified Opinion

1. We have audited the accompanying Financial Statements of IIML Asset Advisors Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, and the Statement of Profit And Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph below, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2024, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

### Basis for Qualified Opinion

3. Attention is invited to Note no 23 of the Financial Statements which describes the situation faced by the Company in view of the ongoing 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). 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 Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 ('ICAI') 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

### Material Uncertainty relating to Going Concern

5. Attention is invited to Note no 25 to the Financial Statements regarding management's expectations of the Company's ability to, at least, meet its obligations over the next 12 months out of its earnings and liquid assets. As stated therein, despite no revenue from operations, the management believes that use of the going concern assumption for preparation of the financial statements is appropriate, considering its solvency over next one year. Further, attention is invited to Note No 26 to the Financial Statements pertaining to the proposed Scheme of Amalgamation of the Company with its Holding Company, 'IL&FS Investment Managers Limited', pending necessary approvals. Our opinion is not modified in respect of this matter.



**Other Information**

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report and such other disclosures but does not include the Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
9. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the State of Affairs, profit and Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in) conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. 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 of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the Financial Statements, 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.
12. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the Financial Statements**

13. Our objectives are to obtain reasonable assurance about whether the Financial Statements 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 Financial Statements.



14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- 14.1. Identify and assess the risks of material misstatement of the Financial Statements, 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.
  - 14.2. 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) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
  - 14.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
  - 14.4. Conclude on the appropriateness of the Management's 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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions 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.
  - 14.5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. 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.
16. 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 Matter**

17. Attention is invited to Note 24 of the Financial Statements regarding re-opening of books of accounts of the Ultimate 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 Ultimate Holding Company, similar assertion has been conveyed to us by the Chief Financial Officer of the said subsidiary. Our conclusion on the Statement is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

18. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by Section 143(3) of the Act, we report that:





- 19.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 19.2. Except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph above and reporting on audit trail under para 20.8 below, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- 19.3. The balance sheet, the statement of profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- 19.4. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.
- 19.5. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- 19.6. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 19.2 above on reporting under Section 143(3)(b) and paragraph 20.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- 19.7. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- 19.8. In our opinion and according to the information and explanations given to us, the company has not paid / provided any remuneration to its directors during the year. Accordingly, provisions of Section 197 of the Act is not applicable to the company.
20. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - 20.1. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its Financial Statements – Refer Note 16 to the Financial Statements.
  - 20.2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - 20.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - 20.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - 20.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner



# kkc & associates llp

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 20.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 20.4 and 20.5 contain any material misstatement.
- 20.7. In our opinion and according to information and explanation given to us, the Company has not declared or paid dividend during the year, accordingly compliance with section 123 of the Act by the Company is not applicable.
- 20.8. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application layer and the same has operated throughout the year for all relevant transactions recorded in the software, except that the feature of recording audit trail was not enabled at the database level to log any direct data changes for the accounting software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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: 24033494BKCRDK8771



Place: Mumbai

Date: 16 May 2024

**Annexure '[A]' to the Independent Auditor's Report on the Financial Statements of IIML Asset Advisors Limited for the year ended 31 March 2024**

(Referred to in paragraph 18 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').  
The Company does not have any intangible assets.
- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all PPE were physically verified by the Management during the Year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under paragraph 3(i)(c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE during the year. The Company does not have any intangible assets.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company and as stated in Note No 29(b) to Financial Statements, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) In our opinion and according to the information and explanations given to us, the Company is in the business of rendering fund management services and does not have any physical inventories, hence physical verification of inventory and reporting under paragraph 3(ii)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under paragraph 3(ii)(b) of the Order is not applicable to the Company.
- iii. (a) The Company has not made any investments or provided any guarantee / security or granted during the year under report any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the requirement of paragraph 3(iii)(a) to 3(iii)(e) of the Order are not applicable to the Company.
- (b) With respect to paragraph 3(iii)(f), in our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances in nature of loans to Promoters / Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or securities under sections 185 and 186 of the Act with respect to the loans given, investments made, guarantees given and security provided.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year



in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

- vi. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and hence reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, income-tax, service tax, cess and any other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, Goods and Services Tax, cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of income-tax and service tax which have not been deposited with the appropriate authority on account of any dispute.

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	884.15	FY 2011-12 to 2014-15	CESTAT	-
Finance Act, 1994	Service Tax	248.44	FY 2015-16 to 2017-18	CESTAT	-

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- ix. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or other borrowings from any financial institutions, banks and dues to debenture holders or in payment of interest thereon to any lender during the year. The Company does not have any borrowings from the Government. Hence, reporting under paragraph 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company has not raised any loans on short term basis and hence, reporting under paragraph 3(ix)(d) of the Order is not applicable to the Company.





- (e) According to the information and explanations given to us the Company has no subsidiaries, associates or joint ventures hence, reporting under paragraph 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.
- xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistleblower complaints received by the Company during the year.
- xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Provisions of section 177 is not applicable to the Company.
- xiv. In our opinion and based on our examination, the Company is not required to have an internal audit system as per the provisions of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by Reserve Bank of India.
- (d) As per information provided by the management of the Company, at the Group level, there is one CIC as part of the Group.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable to the Company.
- xix. We draw attention to paragraph 5 to the report and Note 25 to the Financial Statements, regarding management's assessment that despite no revenue from operations the Company will be able to meet its obligations over the next 12 months out of its earnings and liquid assets; and to Note no. 26 regarding the amalgamation of the Company with its Holding Company IL&FS Investment Managers





# kkc & associates llp

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Limited and thus the management believes that the use of going concern basis is appropriate in the circumstances. Accordingly, based on the information and explanations given to us and our procedures thereon, including an evaluation of financial ratios, ageing analysis of financial assets and liabilities, and consideration of management's plans, nothing has come to our attention that causes us to believe that any material uncertainties would preclude the Company from meeting its obligations within the next year. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. In our opinion and according to the information and explanations given to us, the provisions of Section 135 of the Act are not applicable to the Company. Hence, reporting under clause 3(xx)(a) and 3(xx)(b) of the order is not applicable to the Company.
- xxi. The Company does not have any subsidiary, associate or joint venture company and is not required to prepare consolidated financial statements. Accordingly, paragraph 3(xxi) of the Order is not applicable to the Company.

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: 24033494 BKC RD K 8771



Place: Mumbai

Date: 16 May 2024

**Annexure 'B' to the Independent Auditors' report on the Financial Statements of IIML Asset Advisors Limited for the year ended 31 March 2024**

(Referred to in paragraph '19.7' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').****Opinion**

1. We have audited the internal financial controls with reference to the Financial Statements of IIML Asset Advisors Limited ('the Company') as at 31 March 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

**Management's responsibility for Internal Financial Controls**

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's responsibility**

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA '), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Financial Statements.



## Meaning of Internal Financial Controls with reference to the Financial Statements

7. A company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company's; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company's are being made only in accordance with authorisations of management and directors of the Company's; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

## Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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: 24033494BKCRDK8771

Place: Mumbai

Date: 16 May 2024





**IIML ASSET ADVISORS LIMITED**  
CIN : U74140MH2005PLC158416  
**BALANCE SHEET AS AT MARCH 31, 2024**

Particulars	Note Ref.	Amount (₹ '000)	
		As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	0.01	0.01
(b) Income Tax Asset (net)	5	4,728.84	4,739.29
<b>Total non-current assets</b>		<b>4,728.85</b>	<b>4,739.30</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Investments	6	46,392.40	117,755.77
(ii) Cash and Cash Equivalents	7	80,260.83	828.98
(iii) Other financial assets	8	188.51	57.00
(b) Other Current Assets	9	6,768.25	6,768.25
<b>Total current assets (net)</b>		<b>133,609.99</b>	<b>125,410.00</b>
<b>TOTAL ASSETS</b>		<b>138,338.84</b>	<b>130,149.30</b>
<b>EQUITY AND LIABILITIES</b>			
(a) Equity Share Capital	10	64,071.00	64,071.00
(b) Other Equity	10	70,285.04	64,066.46
Equity attributable to owners of the Company		<b>134,356.04</b>	<b>128,137.46</b>
<b>Total Equity</b>		<b>134,356.04</b>	<b>128,137.46</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	1,556.00	1,422.00
<b>Total non-current liabilities</b>		<b>1,556.00</b>	<b>1,422.00</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	11	90.00	100.00
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	11	126.80	139.84
(b) Other Current Liabilities	12	2,210.00	350.00
<b>Total current liabilities</b>		<b>2,426.80</b>	<b>589.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>138,338.84</b>	<b>130,149.30</b>

The accompanying notes 1 to 33 form an integral part of these Financial Statements

In terms of our report attached  
For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number : 105146W/W-100621

  
Hasmukh B. Dedhia

Partner  
Membership No.: 033494  
Place : Mumbai  
Date : May 16, 2024



For and on behalf of the Board

Manoj Borkar  
DIN: 00060698

Sanjay Mitra  
DIN: 00030836

Place : Mumbai  
Date : May 16, 2024



**IML ASSET ADVISORS LIMITED**  
CIN : U74140MH2005PLC158416  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**

		Amount (₹ '000)		
	Particulars	Note Ref.	For the year ended March 31, 2024	For the year ended March 31, 2023
1	<b>INCOME</b>			
	Revenue from operations		-	-
	Other Income	13	8,782.75	5,746.96
	<b>Total Income</b>		<b>8,782.75</b>	<b>5,746.96</b>
2	<b>EXPENSES</b>			
	Other expenses	14	232.14	212.24
	<b>Total Expenses</b>		<b>232.14</b>	<b>212.24</b>
3	<b>Profit before tax (1-2)</b>		<b>8,550.61</b>	<b>5,534.72</b>
4	<b>Tax Expense</b>			
	Current Tax	19	2,200.00	340.00
	Prior Year Taxes		(1.97)	(1,047.18)
	Deferred Tax	4	134.00	1,085.00
	<b>Total Tax Expense</b>		<b>2,332.03</b>	<b>377.82</b>
5	<b>Net Profit after Tax (3-4)</b>		<b>6,218.58</b>	<b>5,156.90</b>
6	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit or loss		-	-
	Items that will be reclassified to profit or loss		-	-
7	<b>Total Comprehensive income for the year (5+6)</b>		<b>6,218.58</b>	<b>5,156.90</b>
	<b>Earnings per equity share</b>			
	Equity shares of par value ₹ 100/- each			
	<b>Basic and Diluted</b>	15	<b>14.64</b>	<b>12.14</b>

The accompanying notes 1 to 33 form an integral part of these Financial Statements

In terms of our report attached

**For KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number : 105146W/W-100621



**Hasmukh B. Dedhia**

Partner

Membership No.: 033494



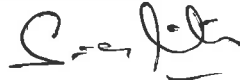
Place : Mumbai  
Date : May 16, 2024

**For and on behalf of the Board**



**Manoj Borkar**

DIN: 00060698



**Sanjay Mitra**

DIN: 00030836

Place : Mumbai  
Date : May 16, 2024



**IML ASSET ADVISORS LIMITED**  
CIN : U74140MH2005PLC158416

**Statement of Changes in Equity**

**(a) Equity Share Capital**

	Note	Amount in ₹ '000
Balance as at March 31, 2022	10	64,071.00
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the beginning of the reporting period		64,071.00
Changes in equity share capital		-
Balance as at March 31, 2023	10	64,071.00
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the beginning of the reporting period		64,071.00
Changes in equity share capital		-
Balance as at March 31, 2024	10	64,071.00

**(b) Other Equity**

	Amount (₹ '000)				
	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at April 1, 2022	18,000.00	2,772.00	20,000.00	18,137.56	58,909.56
Changes in Accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the previous reporting year	18,000.00	2,772.00	20,000.00	18,137.56	58,909.56
Profit/(loss) for the year ended March 31, 2023	-	-	-	5,156.90	5,156.90
Other Comprehensive Income	-	-	-	-	-
Balance as at March 31, 2023	18,000.00	2,772.00	20,000.00	23,294.46	64,066.46
Changes in Accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting year	18,000.00	2,772.00	20,000.00	23,294.46	64,066.46
Profit/(loss) for the year ended March 31, 2024	-	-	-	6,218.58	6,218.58
Other Comprehensive Income	-	-	-	-	-
Balance as at March 31, 2024	18,000.00	2,772.00	20,000.00	29,513.04	70,285.04

The accompanying notes 1 to 33 form an integral part of these Financial Statements

In terms of our report attached

**For KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number : 105146W/W-100621

**Hasmukh B. Dedhia**

Partner

Membership No.: 033494



Place : Mumbai  
Date : May 16, 2024

**For and on behalf of the Board**

**Manoj Borkar**

DIN: 00060698

**Sanjay Mitra**

DIN: 00030836

Place : Mumbai  
Date : May 16, 2024





**IIML ASSET ADVISORS LIMITED**  
CIN: U74140MH2005PLC158416  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024**

		Amount (₹ '000)	
		Year ended March 31, 2024	Year ended March 31, 2023
<b>I</b>	<b>Cash Flow from Operating Activities</b>		
	Profit/(loss) Before Tax	8,550.61	5,534.71
	Adjustments For :		
	Net (Profit)/loss on sale of investment	(8,146.03)	(1,239.36)
	(Gain)/Loss arising on financial assets designated as at FVTPL	(490.61)	(4,256.95)
	Interest income from financial assets at amortised cost	(146.12)	(250.65)
	<b>Operating Loss Before Working Capital Changes</b>	<b>(232.15)</b>	<b>(212.25)</b>
	<b>Changes in working capital :</b>		
	<b>Adjustments for (increase)/decrease in operating assets :</b>		
	Other Financial Assets	-	-
	<b>Adjustments for increase/(decrease) in operating liabilities :</b>		
	Trade Payables	(23.03)	17.68
	Other Current Liabilities	-	(12.00)
		(255.18)	(206.57)
	Less: Taxes paid	(327.58)	(52.48)
	<b>Net Cash used in Operating Activities</b>	<b>(582.76)</b>	<b>(259.05)</b>
<b>II</b>	<b>Cash Flow from Investing Activities</b>		
	Interest Received	14.61	1,003.68
	Proceeds from Sale of/(Investment in) Current Investments	80,000.00	(69,560.64)
	(Investments in)/Proceeds from fixed deposit with banks	-	19,900.00
	<b>Net Cash generated from/(used in) Investing Activities</b>	<b>80,014.61</b>	<b>(48,656.96)</b>
<b>III</b>	<b>Net Increase/(Decrease) in Cash and Cash Equivalent (I+II)</b>	<b>79,431.85</b>	<b>(48,916.01)</b>
	<b>Add: Cash and Cash Equivalent at the beginning of the year (Refer Note 7)</b>	<b>828.98</b>	<b>49,744.99</b>
	<b>Cash and Cash Equivalent at the end of the year (Refer Note 7)</b>	<b>80,260.83</b>	<b>828.98</b>

**Components of cash and cash equivalents and reconciliation with the amount reported in the Balance Sheet :**

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
Cash in hand	-	-
<b>Balance with banks</b>		
In current accounts	260.83	828.98
In fixed deposits accounts (with original maturity less than 3 months)	80,000.00	-
<b>Total Cash and Cash Equivalents</b>	<b>80,260.83</b>	<b>828.98</b>

The accompanying notes 1 to 33 form an integral part of these Financial Statements

In terms of our report attached  
**For KKC & Associates LLP**  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number : 105146W/W100621

**Hasmukh B. Dedhia**  
Partner  
Membership No.: 033494



Place : Mumbai  
Date : May 16, 2024

**For and on behalf of the Board**

*Manoj Borkar*

**Manoj Borkar**  
DIN: 00060698

*Sanjay Mitra*

**Sanjay Mitra**  
DIN: 00030836

Place : Mumbai  
Date : May 16, 2024



## IIML ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2024

### (1) Corporate Information

IIML Asset Advisors Limited ("Company") is a Public Limited Company domiciled in India and its Registered Office is situated at The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051. The Company has been incorporated under the Companies Act, 1956 on December 28, 2005 and is a domestic private equity fund management company which advises funds on behalf of leading Indian and International Institutions

As at March 31, 2024, IL&FS Investment Managers Limited, the holding company owned the Company's entire equity share capital

### (2) Significant accounting policies

#### (a) Statement of Compliance

These financial statements 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. These financial statements were approved by the Board of Directors and authorised for issue on May 16, 2024

#### (b) Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value

#### (c) Fair Value Measurement

##### Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

Further information about the assumptions made in measuring fair values is included in note 20 financial instruments



(d) **Financial instruments**

(i) **Recognition and initial measurement**

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Trade receivables are initially measured at their transaction price as defined in Ind AS 115

All other financial assets or financial liabilities are initially measured at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue

(ii) **Classification and subsequent measurement**

Financial assets

On initial recognition, a financial asset is classified and measured at

- amortised cost;
- fair value through other comprehensive income ("FVOCI");
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition except if in the period the Company changes its business model for managing the financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL

Subsequent measurement and gains and losses are recognised as :

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss





### **Financial liabilities : Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss

#### **(iii) De-recognition**

##### **Financial Asset**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised

##### **Financial Liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss

#### **(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

#### **(v) Cash and cash equivalents**

Cash comprises of demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balance, as defined above as they are considered an integral part of the Company cash management

#### **(e) Property, plant and equipment**

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, directly attributable to bringing the asset to the site and in working condition for its intended use

Intangible Assets are reported at acquisition value with deductions for accumulated amortisation and impairment losses, if any



Depreciation on asset is provided pro-rata from the date on which asset is ready to be put to use for its intended purpose on Straight-Line Method based on the estimated useful life of the assets, which are as follows :

Category of Asset	Estimated Useful Life (in years)
Office Equipment	4
Data Processing Equipment (Servers & Networking)	3

As per CA 2013, depreciation of assets is required to be provided based on estimated useful life as per Schedule II of the CA 2013. However, there are certain categories of assets where the useful life of assets have been assessed as under, taking into consideration the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, the past history of replacement, anticipated technological changes etc. Pursuant to the foregoing, it is proposed to continue with the existing policy of accelerated depreciation on following category of assets :

- (i) Office Equipment as per current policy of 4 years as against the useful life of 5 years provided in the CA 2013
- (ii) Data Processing Equipment - Servers & Networking as per current policy of 4 years as against the useful life of 6 years provided in the CA 2013
- (iii) Individual assets costing ₹ 5,000 or less in the year of capitalisation shall be depreciated 100% for all the categories of assets

Residual value of all assets is retained at ₹ 1 till they are disposed/written off

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognised in profit or loss

**(f) Revenue recognition**

**Recognition of dividend income, interest income from financial instruments**

Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive dividend is established

Interest income or expense is recognised using the effective interest rate method

**(g) Income Tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income

**(i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously



**(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

**(h) Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable

Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/development of assets and amounts pertaining to Investments which have been committed but not called for

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date

**(i) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure :

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115





ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss

**(j) Earnings Per Share**

In determining earnings per share, the Company considers the profit attributable to the owners of the Company. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of additional equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date

**(k) Cash flow Statements**

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

**(l) Goods and Services Tax**

Goods and Services Tax ("GST") is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing the credits

**(m) Segment reporting**

An operating segment is a component of a Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relates to transactions with any of the Company's other components, for which discrete financial information is available, and such information is regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make key decision on operations of the segments and assess its performance. The Company operates in one reportable business segment i.e. "Asset Management and other related service"

**(n) Operating Cycle**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

**(o) Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2024 is included in the following notes :

- (a) Note 21 Impairment of financial assets (including trade receivable)
- (b) Note 25 Estimation for preparation of financials under going concern assumption



(p) **Rounding off**

All amounts disclosed in the financial statement and notes have been rounded off to the nearest thousands, unless otherwise stated

- (q) The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company

(3) **Property Plant and Equipment**

				Amount (₹ '000)
Sr. No.	Description of Assets	Office Equipment	Data Processing Equipment	Total
<b>I</b>	<b>Deemed Cost</b>			
	Balance as at April 1, 2022	0.01	34.63	34.64
	Additions	-	-	-
	Disposals	-	-	-
	Balance as at March 31, 2023	0.01	34.63	34.64
	Additions	-	-	-
	Disposals	-	-	-
	Balance as at March 31, 2024	0.01	34.63	34.64
<b>II</b>	<b>Accumulated Depreciation and impairment</b>			
	Balance as at April 1, 2022	0.01	34.62	34.63
	Deletion on disposal of sale	-	-	-
	Depreciation expense for the year	-	-	-
	Balance as at March 31, 2023	0.01	34.62	34.63
	Deletion on disposal of sale	-	-	-
	Depreciation expense for the year	-	-	-
	Balance as at March 31, 2024	0.01	34.62	34.63
<b>III</b>	<b>Net Carrying Amount</b>			
	Balance as at April 1, 2022	0.00	0.01	0.01
	Additions	-	-	-
	Disposals	-	-	-
	Depreciation Expense for the year	-	-	-
	Balance as at March 31, 2023	0.00	0.01	0.01
	Additions	-	-	-
	Disposals	-	-	-
	Depreciation Expense for the year	-	-	-
	Balance as at March 31, 2024	0.00	0.01	0.01

(4) **Non-Current Liabilities/(Assets)**

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
Deferred Tax Liabilities (Net)	1,556.00	1,422.00
<b>Total</b>	<b>1,556.00</b>	<b>1,422.00</b>

**Movement in Deferred Tax Balance**

				Amount (₹ '000)
Particulars	Closing Balance March 31, 2024	Recognised in OCI	Recognised in Profit and Loss	Closing Balance March 31, 2023
Property, Plant and Equipment	66.00	-	11.00	77.00
<b>Total</b>	<b>66.00</b>	<b>-</b>	<b>11.00</b>	<b>77.00</b>
FVTPL financial asset	(1,622.00)	-	123.00	(1,499.00)
<b>Total</b>	<b>(1,622.00)</b>	<b>-</b>	<b>123.00</b>	<b>(1,499.00)</b>
<b>Net Tax Asset/(Liability)</b>	<b>(1,556.00)</b>	<b>-</b>	<b>134.00</b>	<b>(1,422.00)</b>



## (5) Income Tax Asset (net)

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
<b>Non-Current</b>		
Advance payment of taxes	6,928.84	7,226.09
<b>Total (A)</b>	<b>6,928.84</b>	<b>7,226.09</b>
<b>Income tax payable (B)</b>	<b>2,200.00</b>	<b>2,486.81</b>
<b>Net Income Tax Assets (A - B)</b>	<b>4,728.84</b>	<b>4,739.28</b>

## (6) Investments

Particulars	As at March 31, 2024		As at March 31, 2023	
	QTY	Amounts (₹ '000)	QTY	Amounts (₹ '000)
<b>Current investments</b>				
<b>Investment in mutual funds at FVPL</b>				
<b>Unquoted</b>				
ABSL Liquid	4,321.417	1,666.61	359.797	1,554.83
ABSL Savings	34,360.40	17,132.68	464.155	43,973.43
Nippon India Corporate Bond Fund – Reg – Growth	448,291.477	24,202.90	448,291.477	22,441.79
Nippon Money Market	897.07	3,390.21	14,173.334	49,785.72
<b>Total investment in mutual funds</b>		<b>46,392.40</b>		<b>117,755.77</b>
<b>Aggregate amount of Unquoted Investments</b>		<b>46,392.40</b>		<b>117,755.77</b>

## (7) Cash and Cash Equivalents

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
Cash in hand	-	-
<b>Balance with banks</b>		
In current accounts	260.83	828.98
In fixed deposits accounts (with original maturity less than 3 months)	80,000.00	-
<b>Other bank balances</b>		
In fixed deposits account	-	-
<b>Total Cash and Cash Equivalents</b>	<b>80,260.83</b>	<b>828.98</b>

## (8) Other Financial Assets

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
Security Deposits	57.00	57.00
Interest accrued on Fixed Deposits	131.51	-
<b>Total Other Financial Assets</b>	<b>188.51</b>	<b>57.00</b>

## (9) Other Current Assets

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
Indirect Tax Recoverable	6,768.25	6,768.25
<b>Total Other Current Assets</b>	<b>6,768.25</b>	<b>6,768.25</b>



(10) (A) Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ '000	Number of shares	₹ '000
<b>AUTHORISED</b>				
Class A 500,000 Equity Shares of ₹ 100/- each	500,000	50,000.00	500,000	50,000.00
Class B 220,000 Equity Shares of ₹ 100/- each with no voting rights	220,000	22,000.00	220,000	22,000.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>				
Class A 424,762 Equity Shares of ₹ 100/- each fully paid-up	424,762	42,476.20	424,762	42,476.20
Class B 215,948 Equity Shares of ₹ 100/- each fully paid-up	215,948	21,594.80	215,948	21,594.80
Equity Shares of ₹ 100/- each	<b>640,710</b>	<b>64,071.00</b>	<b>640,710</b>	<b>64,071.00</b>

(Refer Foot Note No. (i), (ii), (iii) and (iv))

**Foot Note :**

**(i) Terms/Rights attached to the Equity Shares :**

The Company has two class of equity shares having a par value of ₹ 100/- each

Class A Equity Shares of ₹ 100/- each fully paid up have a voting right in proportion to their holding of the Class A Equity Share Capital of the Company

Class B Equity shares of ₹ 100/- each fully paid up do not have voting rights and are not entitled to distributable profits. Accordingly, they are not considered in computation of Earnings per share

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company as per rights as mentioned above, in proportion to the number of equity shares held after distribution of all preferential amounts. However, no such preferential amounts exist currently

**(ii) Details of shares held by each promoter shareholder holding more than 5% shares :**

Equity Shares of ₹ 100/- each Fully Paid	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
IL&FS Investment Managers Limited (Holding Company) – Class A	424,762	100.00%	424,762	100.00%
IL&FS Investment Managers Limited (Holding Company) – Class B	215,948	100.00%	215,948	100.00%

**(iii) Reconciliation of the number of shares outstanding at the beginning of the year and at the end of the year :**

Particulars	Opening balance	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Closing balance
<b>As at March 31, 2024</b>					
Number of shares	640,710	-	640,710	-	640,710
Amount (₹ '000)	64,071.00	-	64,071.00	-	64,071.00
<b>As at March 31, 2023</b>					
Number of shares	640,710	-	640,710	-	640,710
Amount (₹ '000)	64,071.00	-	64,071.00	-	64,071.00





(iv) **Details of shares held by the holding company, subsidiary of holding company :**

Particulars	As at March 31, 2024	As at March 31, 2023
Fully paid up Class A equity shares with voting rights		
a. Holding Company - IL&FS Investment Managers Limited	424,762	424,762
Fully paid up Class B equity shares no voting rights		
a. Holding Company - IL&FS Investment Managers Limited	215,948	215,948

- (i) No shares were allotted by the Company as fully paid-up pursuant to any contract without payment being received in cash in last five years
- (ii) No shares were bought back by the Company during the last five years

(B) **Other Equity**

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
<b>Securities Premium Reserve</b>		
Opening Balance	18,000.00	18,000.00
Closing Balance	18,000.00	18,000.00
<b>General Reserve</b>		
Opening Balance	2,772.00	2,772.00
Closing Balance	2,772.00	2,772.00
<b>Capital Redemption Reserve</b>		
Opening Balance	20,000.00	20,000.00
Closing Balance	20,000.00	20,000.00
<b>Retained Earnings</b>		
Opening Balance	23,294.46	18,137.56
Add : Net Profit For the Year	6,218.58	5,156.90
Add : Other Comprehensive income	-	-
Re-measurement of defined benefit liability (net of taxes)	-	-
Closing Balance	29,513.04	23,294.46
<b>Total Other Equity</b>	<b>70,285.04</b>	<b>64,066.46</b>

**Nature and purpose of reserve :**

- (a) **Security Premium Reserve** : Securities Premium Reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013
- (b) **Capital Reserve** : Capital Reserve is created out of profits on account of redemption of preference share
- (c) **General Reserve** : The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to profit or loss



(11) Trade Payables

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
<b>Trade Payables (Refer Note below)</b>		
Total outstanding dues of Micro Enterprises and Small Enterprises	90.00	100.00
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	126.80	139.84
<b>Total Trade Payables</b>	<b>216.80</b>	<b>239.84</b>

**Note :**

According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006. Hence no disclosures are to be given in respect thereof. This has been provided by the Company and relied upon by the auditors

- \* Total amount outstanding dues to MSME is ₹ 90,000 is a provision made as on March 31, 2024 and for which invoice is not yet received

The Company exposure to liquidity risk relating to trade payables is disclosed in Note 21

**Ageing of Trade Payable as at March 31, 2024 :**

Particulars	Amount (₹ '000)						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	90.00	-	-	-	-	-	90.00
Others	-	-	-	-	-	126.80	126.80
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	<b>90.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126.80</b>	<b>216.80</b>

**Ageing of Trade Payable as at March 31, 2023 :**

Particulars	Amount (₹ '000)						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	100.00	-	-	-	-	-	100.00
Others	-	-	13.04	-	-	126.80	139.84
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>13.04</b>	<b>-</b>	<b>-</b>	<b>126.80</b>	<b>239.84</b>

(12) Other Current Liabilities

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
<b>Other payables</b>		
Statutory Dues payable	10.00	10.00
Provision for tax	2,200.00	340.00
<b>Total Other Current Liabilities</b>	<b>2,210.00</b>	<b>350.00</b>



(13) **Other Income**

Particulars		For the year ended March 31, 2024 (₹ '000)	For the year ended March 31, 2023 (₹ '000)
(a)	Interest Income		
	On Financial Assets recognized at amortised cost :		
	Interest on Fixed Deposits	146.12	250.65
(b)	Net Gain/(Loss) on sale of investments		
	On sale of other current investments	8,146.03	1,239.36
(c)	Net gain/(loss) arising on financial assets designated as at FVTPL – Investments	490.60	4,256.95
<b>Total Other Income</b>		<b>8,782.75</b>	<b>5,746.96</b>

(14) **Other Expenses**

Particulars		For the year ended March 31, 2024 (₹ '000)	For the year ended March 31, 2023 (₹ '000)
Rates and Taxes		19.28	53.08
Postage and Telecommunication		5.16	2.26
Auditors remuneration and out-of-pocket expenses (Refer Note below)		100.00	100.00
Miscellaneous Expenses		2.50	2.20
Legal and Professional Expenses		105.20	54.70
<b>Total Other Expenses</b>		<b>232.14</b>	<b>212.24</b>

Amounts paid/payable to Auditors as below :

Particulars		For the year ended March 31, 2024 (₹ '000)	For the year ended March 31, 2023 (₹ '000)
Statutory Audit		100.00	100.00
Out of Pocket Expenses		-	-
		<b>100.00</b>	<b>100.00</b>

Above amounts exclude GST

(15) **Earnings Per Equity Share (EPS)**

In accordance with the Indian Accounting Standard on 'Earnings Per Share' (IND AS-33), the Basic Earnings Per Share and Diluted Earnings Per Share has been computed by dividing the Profit After Tax by the number of equity shares for the respective period as under :

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year attributable to Class A Equity Shareholders (₹ '000)	6,218.58	5,156.90
Weighted Average Number of Class A Equity Shares for calculating Basic and Diluted EPS	424,762	424,762
Nominal Value per share (₹)	100	100
Basic and Diluted Earnings per share	14.64	12.14

Note : Class B Equity shares of ₹ 100/- each fully paid up do not have voting rights and are not entitled to distributable profits of the Company and hence are not considered in computation of Earnings per share



Handwritten signatures and initials in blue ink.

(16) **Contingent Liabilities (to the extent not provided for)**

Particulars	Year ended March 31, 2024 (₹ '000)	Year ended March 31, 2023 (₹ '000)
Income tax demand contested by the Company *	3,300.41	51,301.87
Service tax demand contested by the Company **	118,521.88	118,521.88

\* Amounts are disputed with Income Tax Authority for A.Y. 2008-09, A.Y. 2010-11 and A.Y. 2011-12 towards adjustments made for Transfer Pricing. The Company does not expect any outflow of economic resources in respect of above and therefore no provision is made in respect thereof

\*\* Amounts are disputed with the Service Tax Authority for the period from April 1, 2011 to June 30, 2017 towards classification of services rendered by the Company and disallowing Export of Service claim. The Company has filed an appeal against the order

(17) **Disclosure as required by the IND AS 24 on "Related Party Disclosures" are made below :**

- (a) Names of the related parties with whom transactions have been entered into during the year and description of relationship :

Name of the Party	Relationship
IL&FS Investment Managers Limited (IIML)	Holding Company
Infrastructure Leasing & Financial Services Limited ("IL&FS")	Ultimate Holding Company

Nature of Transaction	Amount (₹ '000)	
	Ultimate Holding Company	Holding Company
<b>Transaction for the year ended March 31, 2024</b>		
Other reimbursement	-	-
<b>Balances as at March 31, 2024</b>		
Payable	126.80	-

- (b) The nature and volume of transactions during the year ended March 31, 2024 with the above related parties are as follows :

Nature of Transaction	Amount (₹ '000)	
	Ultimate Holding Company	Holding Company
<b>Transaction for the year ended March 31, 2023</b>		
Other reimbursement	-	-
<b>Balances as at March 31, 2023</b>		
Payable	126.80	-

Above mentioned related parties are identified by Management and the same has been relied upon by Auditors

All transaction with related parties are priced on an arm's length basis and resulting outstanding balance are expected to be recovered in cash within six months of the reporting except for which provision is already made

(18) **Segment Information**

- (a) Description of segments and principal activities :

The Company is a domestic private equity fund management company which advises funds on behalf of leading Indian and International Institutions. The operations of the Company are limited to one segment viz. Asset Management and other related service. As such, there are no separate reportable business or geographical segments as per as per the Indian Accounting Standard 108 (Ind AS) on Operating Segment

- (b) All assets of the Company are domiciled in India





(19) **Income Tax Expense**

Particulars	March 31, 2024 (₹ '000)	March 31, 2023 (₹ '000)
<b>(a) Income Tax expense</b>		
<b>Current Tax</b>		
Current tax on Profit for the year	2,200.00	340.00
Prior Period Taxes	(1.97)	(1,047.18)
Deferred Tax	134.00	1,085.00
<b>Total Income tax expense</b>	<b>2,332.03</b>	<b>377.82</b>
<b>(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate</b>		
Profit from operations before income tax expense	8,550.61	5,534.72
India tax rate	25.168%	25.168%
	2,152.02	1,392.98
<b>Tax effect of amounts which are not deductible (allowable) in calculating taxable income :</b>		
Deduction under various sections of Income Tax Act, 1961	47.98	(1,052.98)
Deferred tax	134.00	1,085.00
Others	(1.97)	(1,047.18)
<b>Total Income tax expense</b>	<b>2,332.03</b>	<b>377.82</b>

The Company has elected to exercise the option u/s 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 and has accordingly remeasured its deferred tax liabilities basis the rates prescribed in said section

(20) **Fair Value Measurements**

(a) Financial Instruments by category

As at March 31, 2024	Carrying amount (₹ '000)			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
<b>Financial assets</b>				
Investments	46,392.40	-	-	46,392.40
Interest accrued	-	-	131.51	131.51
Security Deposits	-	-	57.00	57.00
Other Receivables	-	-	-	-
<b>Total Financial Asset</b>	<b>46,392.40</b>	<b>-</b>	<b>188.51</b>	<b>46,580.91</b>
<b>Financial Liabilities</b>				
Trade Payables	-	-	216.80	216.80
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>216.80</b>	<b>216.80</b>

As at March 31, 2023	Carrying amount (₹ '000)			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
<b>Financial assets</b>				
Investments	117,755.77	-	-	117,755.77
Interest accrued	-	-	-	-
Security Deposits	-	-	57.00	57.00
Other Receivables	-	-	-	-
<b>Total Financial Asset</b>	<b>117,755.77</b>	<b>-</b>	<b>57.00</b>	<b>117,802.77</b>
<b>Financial Liabilities</b>				
Trade Payables	-	-	239.84	239.84
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>239.84</b>	<b>239.84</b>



- (b) Fair value hierarchy

As at March 31, 2024

Particulars	Carrying Amount	Amount (₹ '000)		
		Level of input used in Level 1	Level of input used in Level 2	Level of input used in Level 3
<b>Financial assets</b>				
<b>At FVTPL</b>				
Investments	46,392.40	46,392.40	-	-

As at March 31, 2023

Particulars	Carrying Amount	Amount (₹ '000)		
		Level of input used in Level 1	Level of input used in Level 2	Level of input used in Level 3
<b>Financial assets</b>				
<b>At FVTPL</b>				
Investments	117,755.77	117,755.77	-	-

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described in Note 2 (c) of the financial statement

## (21) Financial Risk Management

The Company has exposure to the following risks from financial instruments :

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

### Risk Management Framework

The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the risk management process to ensure adherence to appropriate risk limits and controls are set in place

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company

### Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults

Others financial asset are Loans given and interest accrued on the same. Provision is created on a case to case basis depending on circumstances with respect to non-recoverability of the amount. At the end of the year, the details were as follows :

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
Security Deposits	57.00	57.00
Interest on Fixed Deposits	131.51	-
Advances other than capital advances	-	-
<b>Total Other Financial Assets</b>	<b>188.51</b>	<b>57.00</b>



ME  
SD

**Reconciliation of expected credit loss on other financial asset**

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
Expected credit loss at the beginning of the year	-	-
Add/(less): changes in allowance	-	-
Expected credit loss at the end of the year	-	-

Cash and cash equivalents are held with an Indian bank having high quality credit rating

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company maintains sufficient cash to address any liquidity risk that may arise

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities

**Maturity profile of financial liabilities**

Particulars	As at March 31, 2024 (₹ '000)	As at March 31, 2023 (₹ '000)
Less than 1 year	-	-
Non- interest bearing instrument	-	-
Trade payable	216.80	239.84

**Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, equity prices and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Company's income or the fair value of its holdings of financial instruments. The Company's financial assets and liabilities are denominated in INR and most transactions are made in INR

**Interest rate risk**

The Company is not exposed to interest rate risk as the Company has fixed interest bearing financial assets

**Price risk**

The Company has invested in the Mutual Funds

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors

A movement of 5% in NAV mutual funds on either side can lead to a gain/loss of ₹ 23.20 Lakhs and ₹ 58.88 Lakhs on the overall portfolio as at March 31, 2024 and March 31, 2023 respectively

**Capital Management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As part of its capital risk management policies, the Company reviews the capital structure to ensure that it has an appropriate portion of net debt to equity. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments. The debt equity ratio highlights the ability of a business to repay its debts. The Net financial debt position of the Company as on March 31, 2024 and March 31, 2023 is negative which signifies the Company has more than sufficient cash to pay off its liabilities



Handwritten signatures in blue ink.

- (22) The Company has used an accounting software i.e. Microsoft AXAPTA for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application layer and the same has operated throughout the year for all relevant transactions recorded in the software, except that the feature of recording audit trail was not enabled at the database level to log any direct data changes for the accounting software
- (23) 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
- (24) Based on 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
- (25) The Company has no revenue from operations during the year. Management expects that its future income from liquid assets held by the Company as at March 31, 2024 will be sufficient to meet the Company's existing and future obligations over the next 12 months
- (26) The Board of Directors of the Company at its meeting held on February 14, 2022 approved a Scheme of Amalgamation of the Company and IL&FS Asian Infrastructure Managers Limited with its Holding company, "IL&FS Investment Managers Limited" 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
- (27) **Key Financial Ratios :**

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Explanation
Current Ratio	Current Assets	Current Liabilities	55.06	212.62	(74.11)	There is a decrease in Investment in Mutual Fund due to which Current ratio has decreased
Debt-Equity Ratio	Total Debt	Shareholders' Equity	NA	NA	NA	
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	NA	NA	NA	
Return on Equity Ratio	Net Profits after Taxes	Average Shareholders' Equity	4.74	4.11	15.54	
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	NA	NA	NA	
Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	NA	NA	NA	
Trade Payable Turnover Ratio	Purchases or other services	Average Trade Payables	NA	NA	NA	As there is no purchases, due to nature of business being service sector, this ratio is not applicable



*Handwritten signatures and initials in blue ink.*



Net Capital Turnover Ratio	Revenue	Working Capital	-	-	-	No Sales during Current and Previous Year
Net Profit Ratio	Net Profit	Revenue	-	-	-	No Sales during Current and Previous Year
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	6.51	4.41	47.79	There is increase in Earnings before interest and tax during the Current Year
Return on Investment	Income during the year	Time weighted average of Investment	10.52	6.85	53.60	There is a decrease in Investment in Mutual Fund due to which Return on Investment ratio has increased

- (28) The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year
- (29) The disclosure requirements to be given pursuant to Gazette notification for Amendments in Schedule III to Companies Act, 2013 dated 24 March 2021 effective from 01 April 2021 pertaining to the following matters are not applicable to the Company :
- Disclosure on Revaluation of property, plant and equipment and intangible assets from Registered Valuers
  - Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
  - Registration of charges or satisfaction with Registrar of Companies
  - Transactions with Crypto Currency or Virtual Currency
  - The Company has not been declared a willful defaulter by any Bank or financial institution or other lender
  - As per clause (87) of section 2 and section 186(1) of the Companies Act, 2013 and Rules made there under, the company is in compliance with the number of layers as permitted under the said provisions
  - There are no transactions recorded in books of accounts reflecting surrender/disclosure of income in the assessment under Income Tax Act, 1961
  - Disclosures relating to Borrowings obtained on the basis of security of current assets and utilisation thereof
- (30) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (31) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



(32) No dividend is declared & paid during the current financial year

(33) Figures for the previous year have been regrouped/reclassified wherever considered necessary to confirm to the current year classification/disclosure

In terms of our report attached

**For KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number : 105146W/W-100621

**Hasmukh B. Dedhia**

Partner

Membership No. 033494



Place : Mumbai  
Date : May 16, 2024

**For and on behalf of the Board**

**Manoj Borkar**

DIN: 00060698

**Sanjay Mitra**

DIN: 00030836

Place : Mumbai  
Date : May 16, 2024

