

14<sup>th</sup> Feb-2022

To

**General Manager,**  
Listing Department,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

**Vice President,**  
Listing Department  
**National Stock Exchange of India Ltd.**  
"Exchange Plaza" Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051

**Scrp Code No.: 532907**

**Symbol: IL&FSENGG**

**Sub:- Outcome of the Board Meeting dtd. 14<sup>th</sup> Feb-2022.**

This is with respect to the captioned subject.

Dear Sir / Madam,

With reference to the Board Meeting notice issued on 7<sup>th</sup> Feb-2022, we would like to inform you the Board of Directors of the Company at their meeting held on 14<sup>th</sup> Feb-2022 have inter alia approved the Unaudited Financial both Standalone & Consolidated Results of the Company for the quarter ended **December-2021**. In terms of the above, we are enclosing herewith the following:

1. Unaudited Standalone financial results & consolidated financial results of the Company, its subsidiaries and associate for the quarter ended December-2021 under Ind AS, along with notes which have been approved and taken on record at a meeting of the Board of Directors of the Company held today.
2. Limited Review Report pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, for Unaudited Financial Results (Consolidated & Standalone) for the quarter ended December-2021 from our Statutory Auditors.

The Board Meeting commenced at 11:15 AM and concluded at 15:14 PM.

Request the Stock Exchanges to take the same on record for disseminating on their websites for stakeholders information.

Thanking you,

Yours faithfully  
For **IL&FS engineering and Construction Company Limited**



*S. R. Kiran*  
**(CS RINIVASA KIRAN)**  
Company Secretary & Compliance Officer

Encl: As above.

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IL&FS Engineering and Construction Company Limited

CIN: L45201TG1988PLC008624

Regd. Office : D No 8-2-120/113,Block B 1st Floor, Sanali Info Park, Road No 2 , Banjara Hills, Hyderabad - 500033

Phone-040 40409333; Fax-040 40409444

Website- www.ilfsengg.com; Email- es@ilfsengg.com

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2021

(Rs. In Lakhs, unless otherwise stated)

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-21	30-Sep-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Mar-21
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income</b>						
(a) Revenue from operations	4,740	10,479	7,646	21,066	17,928	33,274
(b) Other income	456	3,064	437	3,893	1,754	4,502
<b>Total Income</b>	<b>5,196</b>	<b>13,543</b>	<b>8,083</b>	<b>24,959</b>	<b>19,682</b>	<b>37,776</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	822	4,495	2,420	6,898	5,145	9,102
(b) Subcontracting expense	1,981	2,457	3,982	7,475	8,547	14,070
(c) Employee benefits expense	1,092	1,153	1,169	3,336	3,669	4,897
(d) Finance cost	2,188	1,187	631	4,166	1,518	4,270
(e) Depreciation and amortization	333	340	410	1,026	1,421	1,899
(f) Other expenses	2,160	3,366	788	6,193	4,936	3,816
(g) Expected credit loss and other provisions	4,592	1,200	-	5,792	-	23,528
<b>Total expenses</b>	<b>13,168</b>	<b>14,198</b>	<b>9,400</b>	<b>34,886</b>	<b>25,236</b>	<b>61,582</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>(7,972)</b>	<b>(655)</b>	<b>(1,317)</b>	<b>(9,927)</b>	<b>(5,554)</b>	<b>(23,806)</b>
4. Exceptional items (net) (Refer note 11)	(6,356)	-	-	(6,356)	4,758	4,758
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(1,616)</b>	<b>(655)</b>	<b>(1,317)</b>	<b>(3,571)</b>	<b>(10,312)</b>	<b>(28,564)</b>
6. Tax (expense) / credit						
-Current Tax	-	-	-	-	-	-
-Deferred Tax	-	-	-	-	-	-
<b>7. Net Profit /(loss) after Exceptional Items and tax (5+6)</b>	<b>(1,616)</b>	<b>(655)</b>	<b>(1,317)</b>	<b>(3,571)</b>	<b>(10,312)</b>	<b>(28,564)</b>
8. Other Comprehensive Income/(expense)(net of tax)						
a) Remeasurements of the defined benefit plan	-	-	-	-	-	71
b) Income tax relating to the items that will not be reclassified to profit or loss	-	-	-	-	-	-
<b>9. Total comprehensive income for the period (7+8)</b>	<b>(1,616)</b>	<b>(655)</b>	<b>(1,317)</b>	<b>(3,571)</b>	<b>(10,312)</b>	<b>(28,493)</b>
10. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each)	13,112	13,112	13,112	13,112	13,112	13,112
11. Other equity as shown in the audited balance Sheet	-	-	-	-	-	(2,72,249)
12. Earnings per equity share (of Rs . 10/- each) (not annualised):						
a. Basic	(1.23)	(0.50)	(1.00)	(2.72)	(7.86)	(21.78)
b. Diluted	(1.23)	(0.50)	(1.00)	(2.72)	(7.86)	(21.78)
See accompanying notes to the Financial Results						



SUBRATA KUMAR  
ATINDRA MITRA

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**Notes to the Unaudited Consolidated and Standalone Financial Results for the Quarter and Nine Months Ended December 31, 2021:**

- (1) The above unaudited consolidated and standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on February 14, 2022.
- (2) The Company's business activity falls within a single business segment i.e. Construction and Infrastructure Development, in terms of Ind AS 108 on Operating Segments
- (3) These unaudited consolidated and standalone financial results of the Company are prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
- (4) Investigations etc. by the Regulatory / Investigative Agencies:  
Subsequent to adverse developments at Infrastructure Leasing and Financial Services Limited ("IL&FS") and IL&FS group level, as stated in earlier years, various regulatory and investigatory authorities are seeking information from the company as part of their investigations since 2018-19 onwards. Company and the present management are cooperating with the respective authorities and submitting the information as sought from time to time.

Further, as per the directions of the Reconstituted Board of IL&FS, forensic audit also has been initiated for select entities including this Company. The forensic auditors submitted their final reports during May 2021 detailing certain potential anomalies in the financial statements and operations of the Company. The report has been hosted on the Company's websites and also filed with stock exchanges, submitted to SFIO etc. Based on the said report SFIO is seeking additional information from the Company and also requested the statutory auditors of the Company past and present to submit their audit working files.

- (5) Going Concern:

The Group or Company has incurred loss of Rs.3,571 Lakhs during the period ended December 31, 2021 (Year ended March 31, 2021 Rs. 28,564 Lakhs). Company's net worth has been fully eroded and the current liabilities exceed its current assets as at the reporting date. Existing projects being executed by the Company are nearing completion / or approaching their end of term, which resulted in significant reduction in the Company's operating revenue over the past three years. During the current and earlier years, the Company has defaulted on various loans to the lenders of the Company, including borrowings from promoter group entities.

As indicated in Note No. 4 above, the Reconstituted Board of Directors of IL&FS filed various status reports to National Company Law Tribunal (NCLT) and in one of such reports, all the group entities of IL&FS have been categorized into

Green/Amber/Red entities and the Company was categorized under the Group "Red" implying that the Company is unable to meet its contractual, statutory and debt obligations. The Company is currently not settling payments existing prior to the date of reconstitution of Board of Directors of IL&FS to its Financial Creditors and the Operational Creditors.

Adverse developments in promoter group entities impacted the operations of the company and also resulted in cancellation/termination/suspension/foreclosure of certain contracts with customers. The accompanying consolidated and standalone financial results statements has been prepared on going concern basis based on cumulative impact of certain steps taken by the Reconstituted Board and the support received from NCLAT for bringing in a period of calm during the resolution process. Based on this, the business can be predicted to be operative for the following 12 months and there is no threat of liquidation or closure.

Further, the Reconstituted Board is in the process of finalizing a comprehensive approach to manage the current situation including sale of existing equity share holding by IL & FS Group. In this process, the Reconstituted Board, as part of resolution process for the Company, has invited expression of interest for acquiring the equity stake in the Company.

Based on the cumulative impact of above stated matters/factors and support received from NCLAT, the management prepared the financial statements on a going concern basis.

(6) Interest Expense:

Consequent to the matters referred in Note no 4 and 5 above and in terms of the resolution framework process, the proposal made is that liabilities relating to the relevant IL&FS Group Entity, including interest, default interest, indemnity claims and additional charges, whether existing at or relating to a period after the Cut-Off Date (October 15, 2018) should not continue to accrue.

Ongoing resolution process is in line with the orders issued by Hon'ble National Company Law Tribunal Appellate Tribunal. The Company is in anticipation of obtaining necessary approval for concession/waivers from lenders has neither paid nor recognized interest, aggregating to Rs. 31,434 Lakhs approximately (excluding penal interest etc.) for period ended December 31, 2021.

Interest so far not recognized as payable as at December 31, 2021 aggregates to Rs 117,523 Lakhs approximately (excluding penal interest etc.)

(7) Deferred Tax: amounting to Rs. 24,299 Lakhs as at December 31, 2021 (Rs. 24,299 Lakhs as at March 31, 2021), recognized by the Company in earlier years. The same is being retained as the Company is in the process of finalizing resolution plan which if approved and implemented is likely to generate enough profits in subsequent years which can set-off deferred tax asset.

(8) Trade receivables and Contract assets (Retention Money and Project work in progress):

a) Balances under trade receivables, retention money and project work in progress (PWIP) include long pending dues relating to the completed /terminated / foreclosed projects, amounting to Rs 4,856 Lakhs, Rs 8,230 Lakhs and Rs 11,414 Lakhs respectively. Management is communicating and discussing with customers for recovery of these monies. Based on the internal assessment, the management is of the view that no further provision is required to be made.

b) Total retention money recoverable as at December 31, 2021 aggregate to Rs. 39,243 Lakhs. As per contractual terms, these retention monies can be receivable by the Company, primarily after completion of Defective Liability Period (DLP). The Company has not received any claims under defect liability clause and is confident of recovery of the carrying value of the same irrespective of termination/foreclosure/disputes, hence no further provision is required to be made.

c) PWIP include Rs 25,263 lakhs (including interest receivable, trade receivable and retention money recognized in earlier years thereon and net of mobilization advance and interest payable on mobilization advance) represents amounts receivable from a customer as per the arbitration award in favour of the Company. The Customer has referred the matter further to High Court of Delhi.

(9) Confirmations of balances relating to borrowings:

As at December 31, 2021, fund based borrowings availed by the Company aggregates to Rs 2,62,916 Lakhs. These include borrowings from group entities, aggregating to Rs 2,04,707 Lakhs. The Company neither serviced principal amounts and /or interest payments, wherever applicable. Further, Borrowings to the extent of Rs. 1,68,841 Lakhs were not confirmed by respective lenders. Adjustments to principal and interest, if any, will be recognized in the period of final settlement.

Also, the Company has not received confirmation of balances for amounts receivable from customers and from parties to whom advances have been made by the Company for supply of services/goods and trade payables. Further, the balances under these items are subject to reconciliation. The management is confident that the settlement of these balances will be made at the carrying amounts and no provision is required at present. Adjustments for variances, if any will be made in the year of settlement.

(10) Default in redemption of preference shares and dividend thereon:

In the earlier years, the Company has issued 37,50,000, 6% optionally convertible cumulative redeemable preference shares (OCCRPS) of Rs 100 each, aggregating to Rs 3750 Lakhs were outstanding as on September 30, 2019. All these OCCRPS were purchased by ILFS Trust Company Limited (ITCL), now Vistara ITCL India Limited, being the trustee of Maytas Investment Trust. As per various agreements/extensions, all these OCCRPS were due for redemption as on September 30, 2019. The Company defaulted in the repayment of these OCCRPS. Further, the Company has also defaulted in

repayment of dividend of Rs 1,579 Lakhs. Dividend payable defaulted in the books as on December 31, 2021, Rs 1,579 Lakhs.

- (11) Exceptional Items: Based on the legal opinion obtained by the Company, no interest expense is required to be paid on certain statutory dues post the cut-off date fixed by the NCLAT. Considering the same, the Company during the quarter and nine months period ended on December 31, 2021, reversed the balances related to the interest expenses on such statutory dues, recognized in earlier periods.
- (12) The Company has not consolidated one subsidiary "Maytas Infra Saudi Arabia Company" in current year and previous year as the said subsidiary has ceased its operations for a period in excess of three years.
- (13) Statutory Auditors of the Company have qualified in their Review Reports on Standalone Financial Results Statements with regards to matters stated in paragraphs 6, 7 and in their Review Reports on Consolidated Financial Results Statements with regards to matters stated in paragraphs 6,7 and 12 above and drawn emphasis of matter with respect to matters stated in paragraphs 4,5,8, 9 and 11 above in both Standalone and Consolidated Financial Results Statement.
- (14) These consolidated and standalone financial results will be made available on the Company's Website viz., [www.ilfsengg.com](http://www.ilfsengg.com) and websites of BSE Limited and National Stock Exchange of India Limited viz., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

By Order of the Board

For **IL&FS Engineering and Construction Company Limited**



SUBRATA KUMAR  
ATINDRA MITRA

**SK. MITRA**  
Director

DIN # 00029961

KAZIM RAZA  
KHAN

**Kazim Raza Khan**  
Chief Executive Officer

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NAVEEN KUMAR  
AGRAWAL

**Naveen Kumar Agrawal**  
Chief Financial Officer

Place: Mumbai  
Date: 14-02-2022

Place: Dubai  
Date: 14-02-2022

Place: New Delhi  
Date: 14-02-2022

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**Independent Auditor's Review Report on Statement of Unaudited Standalone Financial Results of  
IL&FS Engineering and Construction Company Limited for the quarter and nine months ended  
December 31, 2021**

**Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015 as amended**

To  
The Board of Directors of  
IL&FS Engineering and Construction Company Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of IL&FS Engineering and Construction Company Limited ('the Company') for the quarter and Nine months ended December 31, 2021, ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company on February 14, 2022, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis for Qualified Conclusion:**

We draw attention to the following notes to the statement:

4. Note 6 relating to non-recognition of interest expense for the period amounting to Rs. 31,434 Lakhs (excluding penal interest) (approximately) on the borrowings availed by the Company considering the process initiated for submission of a resolution proposal to lenders for restructuring of existing debt.
  - a. Consequently, interest expense and loss for the period are understated by Rs. 31,434 Lakhs approximately and
  - b. Retained earnings (accumulated loss) and Interest payable as at December 31, 2021 is understated by Rs. 117,523 Lakhs.



5. Note 7: Deferred tax assets classified as a part of Non-current assets and forming part of Standalone annual Financial results amounting to Rs. 24,299 lakhs as at December 31, 2021 represents amounts recognised by the Company in earlier years. Considering the material uncertainty related to going concern that exists in the Company, the threshold of reasonable certainty for recognising the deferred tax assets as per Ind AS 12- Income Taxes has not been met. Consequently, deferred tax assets are overstated and loss for the period and retained earnings (accumulated loss) are understated by Rs. 24,299 Lakhs.

**Material uncertainty related to going Concern:**

6. Attention is invited to Note 5 to financial results, regarding a significant reduction in the Company's income from operations, in the absence of new business orders, management's expectation of Company's inability to meet its obligations over the next 12 months out of its earnings and liquid assets. The Company's management represented to us that they are currently in discussion with the lenders for carrying out a debt restructuring proposal. These events and conditions indicate a material uncertainty which cast a significant doubt on the Company's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Company to continue as a going concern is solely dependent on the acceptance of the debt restructuring proposal / finalisation and approval of the resolution plan, which is not wholly within the control of the Company.

**Emphasis of Matter:**

We draw attention to the following notes to the financial results:

7. Note 4 regarding ongoing investigations by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO), Enforcement Directorate (ED) and other regulators / agencies against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Holding Company'), and its subsidiaries (including the Company). The financial results of the Company for the period ended December 31, 2021 do not include adjustments, if any, that may arise on account of the ongoing investigations by the investigating and other agencies and Regulatory Authorities, as the management, at this juncture, do not foresee any adjustments to be made in these financial results of the Company as a result of any such investigations.
8. Note 8 (a) regarding long pending trade receivables, retention money and contract assets (Project work in progress) from the completed projects, amounting to Rs 4,856 Lakhs, Rs 8,230 Lakhs and Rs 11,414 Lakhs respectively. For the reasons stated in the relevant notes to the accompanying standalone financial results management, based on internal assessment, is of the opinion that the amounts carrying value of these balances are fully recoverable.
9. Note 11 regarding reversal of interest expense on certain statutory dues recognised in earlier years, based on a legal opinion obtained by the management of the Company.
10. Note 9 regarding absence of confirmation of balances as at December 31, 2021 by certain lenders, customers and vendors.

Amounts stated in Note 7, 8, 9 and 10 cannot be presently determined and for the reasons stated in the relevant notes to the accompanying standalone annual financial statements. Accordingly, no adjustment has been made in the carrying value of the aforesaid assets.

Our opinion is not modified in respect of matters stated in paras 6 to 10.

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**Qualified Conclusion**

Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the possible effects, in respect of the matters described in Paras 4 and 5 under Basis for Qualified Conclusion, and read with Material uncertainty relating to the Going Concern and the matters in Paras 6 to 10 under Emphasis of Matter paragraph above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **M. Bhaskara Rao & Co.,**  
Chartered Accountants  
Firm Registration No.000459S

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**V K Muralidhar**

*Partner*

Membership No.201570

February 14, 2022, Hyderabad

UDIN: (Could not be generated due to technical matter in UDIN portal)

**Independent Auditor's Review Report on Unaudited Consolidated Financial Results of IL&FS  
Engineering and Construction Company Limited for the quarter and nine months ended  
December 31, 2021**

**Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015 as amended**

To  
**The Board of Directors of  
IL&FS Engineering and Construction Company Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of IL&FS Engineering and Construction Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter and nine months ended December 31, 2021 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').
2. This Statement which is the responsibility of the Group's Management and approved by the Board of Directors of the Holding Company on February 14, 2022, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis for Qualified Conclusion:**

We draw attention to the following notes to the statement:

4. Note 6 relating to non-recognition of interest expense for the period amounting to Rs. 31,434 Lakhs (excluding penal interest) on the borrowings availed by the Company considering the process initiated for submission of a resolution proposal to lenders for restructuring of existing debt.
  - a. Consequently, interest expense and loss for the period are understated by Rs. 31,434 Lakhs approximately and
  - b. Retained earnings (accumulated loss) and Interest payable as at December 31, 2021 is understated by Rs. 117,523 Lakhs.

5. Note 7: Deferred tax assets classified as a part of Non-current assets and forming part of Standalone annual Financial results amounting to Rs. 24,299 lakhs as at December 31, 2021 represents amounts recognised by the Company in earlier years. Considering the material uncertainty related to going concern that exists in the Company, the threshold of reasonable certainty for recognising the deferred tax assets as per Ind AS 12- Income Taxes has not been met. Consequently, deferred tax assets are overstated and loss for the period and retained earnings (accumulated loss) are understated by Rs. 24,299 Lakhs
6. Note 12: Regarding non consolidation of one foreign subsidiary which has ceased its operations for a period exceeding three years. We are unable to comment on the impact, if any, on the financial results for the respective periods in the absence of the financial information of the said foreign subsidiary.

**Material uncertainty related to going Concern:**

7. Attention is invited to Note 5 to financial results, regarding a significant reduction in the Company's income from operations, in the absence of new business orders, management's expectation of Company's inability to meet its obligations over the next 12 months out of its earnings and liquid assets. The Company's management represented to us that they are currently in discussion with the lenders for carrying out a debt restructuring proposal. These events and conditions indicate a material uncertainty which cast a significant doubt on the Company's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Company to continue as a going concern is solely dependent on the acceptance of the debt restructuring proposal / finalisation and approval of the resolution plan, which is not wholly within the control of the Company.

The Management of the Company has prepared these consolidated financial results on going concern basis based on their assessment of the successful outcome of the restructuring proposal / finalisation and approval of the resolution plan.

Our opinion is not modified in respect of this matter

**Emphasis of Matter:**

We draw attention to the following notes to the consolidated financial results:

8. Note 4 regarding ongoing investigations by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO), Enforcement Directorate (ED) and other regulators / agencies against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Holding Company'), and its subsidiaries (including the Company). The financial results of the Company for the period ended December 31, 2021 do not include adjustments, if any, that may arise on account of the ongoing investigations by the investigating and other agencies and Regulatory Authorities, as the management, at this juncture, do not foresee any adjustments to be made in these financial results of the Company as a result of any such investigations.
9. Note 8 (a) regarding long pending trade receivables, retention money and contract assets (Project work in progress) from the completed projects, amounting to Rs 4,856 Lakhs, Rs 8,230 Lakhs and Rs 11,414 Lakhs respectively. For the reasons stated in the relevant notes to the accompanying standalone financial results management, based on internal assessment, is of the opinion that the amounts carrying value of these balances are fully recoverable.
10. Note 11 regarding reversal of interest expense on certain statutory dues recognised in earlier years, based on a legal opinion obtained by the management of the Company.

11. Note 9 regarding absence of confirmation of balances as at December 31, 2021 by certain lenders, customers and vendors.

Amounts stated in Notes 8, 9, 10 and 11 cannot be presently determined and for the reasons stated in the relevant notes to the accompanying standalone annual financial statements. Accordingly, no adjustment has been made in the carrying value of the aforesaid assets.

Our opinion is not modified in respect of matters stated in paras 7 to 11.

#### Qualified Conclusion

Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the possible effects, in respect of the matters described in Paras 4, 5 and 6 under Basis for Qualified Conclusion, and read with Material uncertainty relating to the Going Concern and the matters in Paras 7 to 11 under Emphasis of Matter paragraph above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No.000459S

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V K Muralidhar  
Partner

Membership No.201570

February 14, 2022, Hyderabad

UDIN: (Could not be generated due to technical matter in UDIN portal)