

29<sup>th</sup> June-2020

To

The General Manager  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai- 400 001

The Manager  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051

**Scrip Code: IL&FSENGG**

**Scrip Code: 532907**

Dear Sir / Madam,

**Sub:- Outcome of the Board Meeting dtd. 29<sup>th</sup> June-2020.**

With reference to the notice issued on June 22<sup>nd</sup>, 2020, we would like to inform you that the Board of Directors of the Company at their meeting held on June 29, 2020 have interalia approved the Unaudited Financial both Standalone & Consolidated Results of the Company for the quarter & half year ended **September-2019**.

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 & half year ended September-2019, under Ind AS, 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 & half year ended September-2019 from our Statutory Auditors.

The Board Meeting commenced at 2:30 PM and concluded at 04.00 PM.

Request you to take the same on record and oblige.

Thanking You

Yours faithfully

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

  
**(CS. SRINIVASA KIRAN)**

Company Secretary & Compliance Officer

Encl: As above.



**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- cs@ilfsengg.com

**Statement of Unaudited Standalone financial results for the Quarter and Six Months ended September 30, 2019**

(Rs. In Lakhs, unless otherwise stated)

Particulars	Quarter ended			Six months ended		Year ended
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
<b>1. Income</b>						
(a) Revenue from operations	13,349	15,584	25,397	28,933	75,128	1,23,914
(b) Other income	1,054	1,200	685	2,254	1,854	2,208
<b>Total Income</b>	<b>14,403</b>	<b>16,785</b>	<b>26,082</b>	<b>31,187</b>	<b>76,982</b>	<b>1,26,122</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	3,597	4,131	17,795	7,728	34,756	43,778
(b) Subcontracting expense	4,967	8,091	1,553	13,058	23,362	49,282
(c) Employee benefits expense	1,695	1,897	3,952	3,592	8,270	14,284
(d) Finance cost	656	66	9,944	723	20,249	29,018
(e) Depreciation and amortization	893	735	993	1,627	2,004	3,675
(f) Other expenses	2,349	1,609	2,576	3,959	12,471	24,745
<b>Total expenses</b>	<b>14,157</b>	<b>16,530</b>	<b>36,814</b>	<b>30,686</b>	<b>1,01,112</b>	<b>1,64,782</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>246</b>	<b>255</b>	<b>(10,732)</b>	<b>501</b>	<b>(24,130)</b>	<b>(38,660)</b>
4. Exceptional items (net) (Refer note 13)	6,047	32,379	<b>1,64,043</b>	38,426	<b>1,64,043</b>	<b>1,64,042</b>
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(5,801)</b>	<b>(32,124)</b>	<b>(1,74,775)</b>	<b>(37,925)</b>	<b>(1,88,173)</b>	<b>(2,02,702)</b>
6. Tax (expense) / credit						
-Current Tax						(1,044)
-Deferred Tax						
7. Share of profit in joint ventures accounted for using the equity method	-	-	-	-	55	101
<b>8. Net Profit /(loss) after Exceptional Items and tax (5+6+7)</b>	<b>(5,801)</b>	<b>(32,124)</b>	<b>(1,74,775)</b>	<b>(37,925)</b>	<b>(1,88,118)</b>	<b>(2,03,645)</b>
<b>9. Other Comprehensive Income/(expense)(net of tax)</b>						
<b>Items that will be reclassified to profit or loss</b>						
a) Remeasurements of the defined benefit plan	-	-	57	-	114	114
b) Income tax relating to the items that will not be reclassified to profit or loss						
<b>10. Total comprehensive income for the period (8+9)</b>	<b>(5,801)</b>	<b>(32,124)</b>	<b>(1,74,718)</b>	<b>(37,925)</b>	<b>(1,88,004)</b>	<b>(2,03,531)</b>
<b>11. Paid-up equity share capital (Face Value Rs. 10/- each )</b>	13,112	13,112	13,112	13,112	13,112	13,112
<b>12. Other equity as shown in the Audited Balance Sheet of Previous Year)</b>						(1,90,018)
<b>13. Earnings per equity share (of Rs . 10/- each) (not annualised):</b>						
a. Basic	(4.42)	(24.50)	(133.29)	(28.92)	(143.47)	(155.31)
b. Diluted	(4.42)	(24.50)	(133.29)	(28.92)	(143.47)	(155.31)
See accompanying notes to the Financial Results						

**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- cs@ilfsengg.com

Statement of Unaudited Consolidated financial results for the Quarter and Six Months ended September 30, 2019

(Rs. In Lakhs, unless otherwise stated)

Particulars	Quarter ended			Six months ended		Year ended
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	(unaudited)	(unaudited)	(unaudited) (Note 2)	(unaudited)	(unaudited) (Note 2)	(audited)
<b>1. Income</b>						
(a) Revenue from operations	13,349	15,584	25,397	28,933	75,128	1,23,914
(b) Other income	1,054	1,200	685	2,254	1,854	2,208
<b>Total Income</b>	<b>14,402</b>	<b>16,785</b>	<b>26,082</b>	<b>31,187</b>	<b>76,982</b>	<b>1,26,122</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	3,597	4,131	17,795	7,728	34,756	43,778
(b) Subcontracting expense	4,967	8,091	1,553	13,058	23,362	49,282
(c) Employee benefits expense	1,695	1,897	3,952	3,592	8,270	14,284
(d) Finance cost	656	66	9,944	723	20,249	29,018
(e) Depreciation and amortization	893	735	993	1,627	2,004	3,675
(f) Other expenses	2,349	1,609	2,576	3,959	12,471	25,378
<b>Total expenses</b>	<b>14,157</b>	<b>16,530</b>	<b>36,814</b>	<b>30,686</b>	<b>1,01,112</b>	<b>1,65,415</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>245</b>	<b>255</b>	<b>(10,732)</b>	<b>501</b>	<b>(24,130)</b>	<b>(39,293)</b>
4. Exceptional items (net) (Refer note 13)	6,047	32,379	1,64,043	38,426	1,64,043	<b>1,64,042</b>
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(5,802)</b>	<b>(32,124)</b>	<b>(1,74,775)</b>	<b>(37,925)</b>	<b>(1,88,173)</b>	<b>(2,03,335)</b>
6. Tax (expense) / credit						
-Current Tax	-	-	-	-	-	(1,044)
-Deferred Tax						
7. Share of profit in joint ventures accounted for using the equity method	138	-	-	138	55	101
<b>8. Net Profit /(loss) after Exceptional Items and tax (5+6+7)</b>	<b>(5,664)</b>	<b>(32,124)</b>	<b>(1,74,775)</b>	<b>(37,787)</b>	<b>(1,88,118)</b>	<b>(2,04,278)</b>
<b>Attributable to:</b>						
Shareholder of the Company						
Non controlling interests						
<b>9. Other Comprehensive Income/(expense)(net of tax)</b>						
<b>Attributable to:</b>						
Shareholder of the Company	-	-	57	-	114	114
Non controlling interests						
<b>10. Total comprehensive income for the period (8+9)</b>	<b>(5,664)</b>	<b>(32,124)</b>	<b>(1,74,718)</b>	<b>(37,787)</b>	<b>(1,88,004)</b>	<b>(2,04,164)</b>
<b>Attributable to:</b>						
Shareholder of the Company						
Non controlling interests						
<b>11. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each )</b>	13,112	13,112	13,112	13,112	13,112	13,112
<b>12. Other equity as shown in the Audited Balance Sheet of Previous Year)</b>						(1,83,792)
<b>13. Earnings per equity share (of Rs . 10/- each) (not annualised):</b>						
a. Basic	(4.32)	(24.50)	(133.29)	(28.82)	(143.47)	(155.79)
b. Diluted	(4.32)	(24.50)	(133.29)	(28.82)	(143.47)	(155.79)
See accompanying notes to the Financial Results						

**Notes to the unaudited consolidated and standalone financial results for the quarter and six months ended September 30, 2019:**

- (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 June 29, 2020.
- (2) Statutory Auditors of the Company have carried out limited review of unaudited financial results for the quarter and half year ended September 30, 2019. The Comparable figures of the consolidated financial results for the quarter and six months ended September 30, 2018 have neither been audited nor reviewed by the Statutory Auditors. The same has been prepared by management based on books of account including financial results/information of the material components.
- (3) 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
- (4) 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.
- (5) The unaudited financial results include the Company's share of profits (net) aggregating to Rs. 138 lakhs for the six months ended September 30, 2019 respectively from Integrated Joint Ventures in which the Company is a Co-Venturer, based on Management certified financial statements of the Joint Ventures. As the Integrated Joint Ventures do not present reviewed financial results on a quarterly basis, amounts included therein have not been subject to review by the Statutory Auditors of the respective Joint Ventures. In respect of the aforesaid, the Statutory Auditors of the Company have qualified their limited review report for the quarter and six months ended September 30, 2019.
- (6) Effective April 01, 2019, the Company has adopted Ind AS 116, Leases. There is no material impact of transition to Ind AS 116 on the unaudited consolidated and standalone financial results for the quarter and six months ended September 30, 2019.
- (7) Investigations etc. by the Regulatory / Investigative Agencies:

During the financial year ended March 31, 2019, pursuant to the proceedings filed by the Union of India under Sections 241 and 242 of the Companies Act, 2013, on account of various grounds, inter alia, (i) mismanagement of public funds by the erstwhile board of directors of Infrastructure Leasing and Financial Services Limited ("IL&FS"); and (ii) affairs of IL&FS being conducted in a manner prejudicial to the public interest, the National Company Law Tribunal, Mumbai bench ("NCLT"), by way of an order dated October 1, 2018, suspended the erstwhile board of directors of IL&FS and re-constituted the same with persons proposed by the Union of India (such reconstituted board, referred to as the "Reconstituted Board") with the powers to supersede the Boards of all entities belonging to the IL&FS Group including this Company.

Simultaneously, various inquiries have been initiated by the Registrar of Companies, Mumbai; Serious Fraud Investigations Office (SFIO); Enforcement Directorate (ED); Securities and Exchange Board of India (SEBI); Reserve Bank of India (RBI) etc. against IL&FS, IL&FS Financial Services Limited (IFIN), IL&FS Transportation

Networks India Limited (ITNL) and its ex-directors who were dismissed by NCLT.

As a part of their investigation into the affairs of the Promoter Group, SFIO and ED have been seeking information from the Company on an ongoing basis. Further, as per the directions of the reconstituted board, forensic audit also has been initiated for select entities including this Company. The investigations and forensic audit with respect to the Company are in progress and the Company is fully cooperating with the agencies.

Additionally, the National Company Law Appellate Tribunal, New Delhi (the "NCLAT") has passed an order of moratorium on October 15, 2018 in respect of actions (as set out therein) that cannot be taken against IL&FS and its group companies (including the Company), which includes, amongst others, institution or continuation of suits or any other proceedings by any party or person or bank or company, etc. against 'IL&FS' and its group companies in any Court of Law or Tribunal and any action by any party or person or bank or company, etc. to foreclose, recover or enforce any security interest created in the assets of 'IL&FS' and its group companies. This has been done taking into consideration the nature of the case, larger public interest and economy of the nation, and interest of IL&FS and its group companies. This moratorium has subsequently been modified by the NCLAT order dated January 11, 2019.

Subsequently, the NCLT passed an order dated January 1, 2019 pursuant to an application filed by MCA under Section 130 of the Companies Act, 2013 permitting reopening and recasting of accounts of (a) IL&FS; (b) IFIN and (c) ITNL, for the past 5 financial years (i.e. Financial year 2013 to Financial year 2018), on the ground that there was mismanagement in the affairs of these companies.

While the Company, based on its current understanding, believes that the above would not have a material impact on the unaudited financial results, the implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage.

Based on the internal assessment, the Management is confident that for the above mentioned contingent liabilities, no provision is required to be made as at September 30, 2019.

(8) Going Concern

The Company has incurred loss of Rs. 37,787 Lakhs during the period ended September 30, 2019 (year ended March 31, 2019, Rs 2,04,164 Lakhs). Company's net worth has been fully eroded and the current liabilities exceed its current assets as at the reporting sheet date. There are uncertainties on recovery of gross value of inter corporate deposits/ dues from group companies, dues from customers, etc. A major portion of the existing projects being executed by the Company are nearing completion / or approaching their end of term over next eighteen months, which is likely to result in significant reduction in the Company's operating revenue thereafter. During the period, the Company has defaulted on various loans to the lenders of the Company, including borrowings from promoter group entities.

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 making

payments to its Financial Creditors and the Operational Creditors existing prior to the date of reconstitution of Board of Directors of IL&FS. These adverse developments in promoter group entities impacted the operations of the company and also resulted in cancellation/ termination/suspension of certain contracts with customers.

The accompanying 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 Company is taking following steps for revival and restoration of operations of the Company:

- a) The reconstituted board is in the process of finalizing a comprehensive approach to manage the current situation.
- b) The Company is in discussions with its lenders to restructure its borrowings and is committed to taking necessary steps to meet its financial commitments to the extent possible.

(9) Interest Expense:

In line with the affidavit filed by the Ministry of Corporate Affairs ("MCA") with the Hon'ble NCLAT on May 21, 2019, the cut-off date of October 15, 2018 ("Cut-Off Date") was proposed, on account of inter alia the fact that the Hon'ble NCLAT had passed the Order on October 15, 2018, which inter alia granted certain reliefs to the IL&FS group and also restricted certain coercive actions by the creditors of the IL&FS group. Further, the Hon'ble NCLAT had passed the order on March 12, 2020 that interim order will continue until further orders and cut-off date of October 15, 2018 has been approved for resolution.

In terms of the Resolution Framework Reports, 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 October 15, 2018 (the Cut-Off Date, as explained in the previous paragraph) should not continue to accrue.

Further, since a Resolution Plan in line with the above orders, is in process, the Company has neither paid nor recognized as interest payable, aggregating to Rs. 14,698 Lakhs (for the period September 30,2018, Rs Nil Lakhs) approximately (Excluding penal interest etc.) for six months' period ended September 30, 2019, in anticipation of the approval of lenders for concession/waivers being sought by Company in the resolution plan. Such interest has not been recognized as payable as at September 30, 2019 aggregates to Rs 29,197 Lakhs (As at September 30, 2018, Rs Nil lakhs) approximately (excluding penal interest etc.). However, in continuation to previous year, Statutory Auditors of the Company have qualified this matter in their limited review reports for the quarter and six months ended September 30, 2019.

(10) Deferred Tax: amounting to Rs. 24,299 Lakhs as at September 30, 2019 (Rs. 24,299 Lakhs as at March 31, 2019), 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.

(11) Advances to vendor:

During the financial year ended March 31, 2019, the erstwhile management of the Company has paid an amount of Rs. 6500 Lakhs to a vendor as material supply advance against a purchase order for supply of cement within a period of two months from the date of issue of the said purchase order. For the said advance, the vendor had issued postdated cheques and personal guarantee of its promoter as security. Subsequently, the vendor has neither supplied the cement nor refunded the advances paid. Postdated cheques issued by the vendor were bounced when presented to the Bank. The Company has initiated legal proceedings against the vendor and its promoters. The management has, after considering the financial inability of the vendor, made a provision against said advances in same financial year ended March 31, 2019.

The transactions carried out by the Company are found to be done at the behest of a Group Company, which was funded by way of cash flow from two other Group Companies.

The Audit Committee of the Company is of the opinion that the complete circle of the transaction originated from a Group Entity and ended with the same Group Entity. The Committee felt that the transaction was a case of fraud instituted by the Group Entity in collusion with certain erstwhile Director of the Company and another Group Entity.

The Company has referred the matter to Ministry of Corporate Affairs (MCA) to initiate investigation. Also, the Company has written to the said Group Entity and demanded that the said receivables of the Company should be transferred by way of an assignment back to the same Group Entity as a set-off against the loans payable to that Group Entity.

(12) Exceptional items

- (a) In the earlier years, the Company has given advances in the nature of promoter debt to an ultimate investee entity aggregating to Rs 4,611 Lakhs. During the period, due to certain developments that occurred in the said ultimate investee entity, the Company has made a provision for the same amount.
- (b) During the period the Company had made provision for diminution in the carrying value of inventory to the extent of Rs. 1,436 Lakhs in respect of terminated / foreclosed projects.
- (c) In the earlier years, erstwhile promoters of the Company had given Inter corporate deposits (ICDs), amounting to Rs 32,379 Lakhs to various companies. Considering the uncertainty in recovering the ICDs in future, the Company has provided the ICDs during the period.

Considering the impact for the period, the amounts so adjusted have been reported as an Exceptional Item.

(13) Trade receivables and Retention Money:

- a) Trade Receivables as at September 30, 2019 include:
  - (i) Dues from terminated / foreclosed/completed/inactive projects, Rs 8,138 Lakhs. Management initiated discussion for recovery of the billed revenue upto the date of termination / foreclosure of the contracts. The respective customers have indicated based on a mutual evaluation of the contract, project dues (billed and unbilled) till the date of termination shall be paid to the Company. Accordingly, the Company considered these receivables as realizable.
  - (ii) Receivables from promoter group entities, Rs 3,341 Lakhs for which the

Company obtained certifications for the works done / bills raised. No provisioning has been made for the said receivables as at September 30, 2019. Adjustments, if any, that may arise on ultimate realization will be made in the year in which the settlement is concluded.

- b) Retention money as at September 30, 2019: Rs 8,459 Lakhs (including relating to terminated/foreclosed/completed/inactive projects), can be received by the Company, primarily after completion of Defective Liability Period (DLP). As at September 30, 2019, the Company has not received any claims under defective liability clause and is confident of recovery of the carrying value of the same.

(14) Contract assets (project work in Progress) include:

(i) Rs 47,619 Lakhs, including interest, trade receivable and retention money recognized in earlier years thereon aggregating to Rs 19,881 Lakhs, Rs. 132 Lakhs and Rs. 1430 Lakhs respectively represents amounts receivable from a customer as per the arbitration award in favor of the Company. The customer has referred the matter further to High Court of Delhi, pending final disposal, no adjustments have been carried out in this regard.

(ii) Rs. 13,250 Lakh, represents recoverable from the respective customers from terminated / foreclosed / completed / inactive projects. The respective customers have indicated based on a mutual evaluation of the contract, project dues (unbilled) till the date of termination shall be paid to the Company. Accordingly, the Company has considered and retained the said amounts as realizable.

(iii) Amounts receivable from Group Company, Rs. 12,500 Lakhs, recognized based on the acknowledgment by said Company. Adjustments, if any, that may arise on ultimate realization will be made in the year in which the settlement is concluded.

(15) Confirmations of balances relating to borrowings:

As at September 30, 2019, fund based borrowings availed by the Company aggregates to Rs. 2,68,126 Lakhs. These include borrowings from promoter group entities, aggregating to Rs 208,682 Lakhs. The Company neither serviced principal amounts and /or interest payments, wherever applicable. These borrowings were not conformed by respective lenders. Adjustments to principal and interest, if any, will be recognized in the period of final settlement.

(16) 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 defaulted recognized in the books as on March 31, 2019, Rs 1579 Lakhs.

- (17) The SARS –CoV-2 virus responsible for Covid - 19 continues to spread across the globe and India, which has contributed to a significant decline in global and local economic activities. The extent to which the Covid 19 pandemic will impact the company's results will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid 19



pandemic and any action to contain its spread or mitigate its impact whether government –mandated or elected by the Company.

In continuation to previous year, Statutory Auditors of the Company have qualified in their limited review reports with regards to matters stated in paragraphs 5,9 and 10 above and drawn emphasis of matter with respect to matters stated in paragraphs 7, 8, 12, 13, 14 above. Further, during the period, Statutory Auditors have also drawn emphasis of matter with respect to matters stated in paragraphs 15, 16 and 17 above.

- (18) 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**

Digitally signed by BIJAY KUMAR  
Date: 2020.06.29 15:39:44 +05'30'

**BIJAY KUMAR**  
Director  
DIN: 07262627

Digitally signed by Dilip Lalchand Bhatia  
Date: 2020.06.29 16:05:12 +05'30'

**DILIP LALCHAND BHATIA**  
DIRECTOR  
DIN: 01825694

Digitally signed by KHAN KAZIM RAZA  
Date: 2020.06.29 16:04:34 +05'30'

**Kazim Raza Khan**  
Chief Executive Officer

Place: -----  
Date: June 29, 2020

Digitally signed by Naveen Kumar Agrawal  
Date: 2020.06.29 15:08:08 +05'30'

**Naveen Kumar Agrawal**  
Chief Financial Officer

Place: Hyderabad  
Date: June 29, 2020

Digitally signed by SISTLA SRINIVASA KIRAN  
Date: 2020.06.29 16:19:26 +05'30'

**Sistla Srinivasa Kiran**  
Company Secretary

**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- cs@ilfsengg.com

Standalone and Consolidated Statement of assets and liabilities as at September 30, 2019

(Rs. In Lakhs, unless otherwise stated)

Particulars	Standalone as at		Consolidated as at	
	30-Sep-19	31-Mar-19	30-Sep-19	31-Mar-19
	(unaudited)	(audited)	(unaudited)	(audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	10,349	11,921	10,349	11,921
(b) Capital work-in-progress	-	100	-	100
(c) Other Intangible assets	2	60	2	60
(d) Financial Assets				
(i) Investments	3,419	5,958	3,556	5,958
(ii) Trade receivables	14,360	10,084	14,360	10,084
(iii) Loans	11,911	47,017	18,770	53,876
(iv) Others financial assets	28,010	28,397	28,010	28,397
(e) Deferred tax assets (net)	24,299	24,299	24,299	24,299
(f) Non-current tax assets (Net)	6,745	9,022	6,745	9,022
(g) Other non-current assets	39,082	37,258	39,082	37,258
	<b>1,38,177</b>	<b>1,74,116</b>	<b>1,45,173</b>	<b>1,80,975</b>
<b>Current assets</b>				
(a) Inventories	6,797	8,979	6,797	8,979
(b) Financial Assets	-	-	-	-
(i) Trade receivables	9,898	15,525	9,898	15,525
(ii) Cash and cash equivalents	2,512	1,549	2,515	1,552
(iii) Bank balances other than (ii) above	19,384	1,384	19,384	1,384
(iv) Loans	4,641	5,686	4,641	5,686
(v) Others financial assets	1,516	8,874	1,516	8,874
(c) Current tax assets (Net)	3,357	3,357	3,357	3,357
(d) Other current assets	95,525	98,451	95,525	98,451
	<b>1,43,630</b>	<b>1,43,804</b>	<b>1,43,633</b>	<b>1,43,808</b>
<b>Total Assets</b>	<b>2,81,806</b>	<b>3,17,920</b>	<b>2,88,806</b>	<b>3,24,783</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	13,112	13,112	13,112	13,112
(b) Other Equity	-2,41,094	-2,03,130	-2,34,730	-1,96,904
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	1	66,809	2	66,810
(ii) Trade payables	-	-	-	-
Dues to micro and small enterprises	-	-	-	-
Dues to other than micro and small enterprises	40,063	16,524	40,062	16,524
(iii) Other financial liabilities	15,870	18,184	15,870	18,184
(b) Provisions	4,844	5,975	4,844	5,975
(c) Other non-current liabilities	-	362	-	362
	<b>60,778</b>	<b>1,07,855</b>	<b>60,779</b>	<b>1,07,855</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	66,432	67,076	66,432	67,076
(ii) Trade payables				
Dues to micro and small enterprises	1,100	1,100	1,100	1,100
Dues to other than micro and small enterprises	51,956	74,785	52,592	75,422
(iii) Other financial liabilities	2,98,646	2,29,684	2,98,645	2,29,683
(b) Provisions	7,132	6,497	7,132	6,497
(c) Current tax liabilities, net				
(d) Other current liabilities	23,744	20,941	23,744	20,941
	<b>4,49,010</b>	<b>4,00,084</b>	<b>4,49,646</b>	<b>4,00,720</b>
<b>Total Equity and Liabilities</b>	<b>2,81,806</b>	<b>3,17,920</b>	<b>2,88,806</b>	<b>3,24,783</b>

**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- cs@ilfsengg.com

**Unaudited Statement of Standalone and Consolidated Cash flow Statement for the half year ended September 30, 2019**

**(Rs. In Lakhs, unless otherwise stated)**

Particulars	Standalone as at		Consolidated as at	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
<b>A. Cash flow from operating activities</b>				
<b>Profit/(Loss) before tax</b>	(37,925)	(1,88,118)	(37,925)	(1,88,118)
<b>Adjustment: Non cash adjustments to reconcile profit before tax to net cash flows</b>				
Company's share of profit from integrated joint ventures	-	(55)	-	(55)
Liabilities no longer required written back	(418)	(132)	(418)	(132)
Provision / (Reversal) for estimated future loss on projects	(503)	-	(503)	-
(Profit)/ loss on sale/discard/write off of fixed assets (net)	-	(13)	-	(13)
Provision for liquidated damages	-	-	-	-
Provision for retirement benefits	7	-	7	-
Depreciation and amortization expense	1,627	2,004	1,627	2,004
Provision for doubtful advances/trade receivables/other assets/investments	-	253	-	253
Stocks written-off	1,288	2,110	1,288	2,110
Contract Assets provision/ written off	148	99,863	148	99,863
Intangible Assets and CWIP/ provision/ written off	77	3,299	77	3,299
Inter Corporate Assets written off	32,378	2,000	32,378	2,000
Loans and Other Assets provision/ written off	4,092	27,163	4,092	27,163
Trade Receivables written off	-	7,119	-	7,119
Other Assets written off	-	22,494	-	22,494
Interest income from financial assets carried at amortised cost	-	(196)	-	(196)
Interest expense	723	20,249	723	20,249
Interest income	(1,330)	(1,184)	(1,330)	(1,184)
<b>Operating profit before working capital changes</b>	<b>164</b>	<b>(3,144)</b>	<b>164</b>	<b>(3,144)</b>
<b>Movement in working capital adjustments</b>				
(Increase) / decrease in inventories	2,274	88,537	2,274	88,537
(Increase) / decrease in trade receivables	789	42,276	789	42,276
(Increase) / decrease in loans	(319.24)	27,938	(319.24)	27,938
(Increase) / decrease in other financial assets	7,745	(1,382)	7,745	(1,382)
(Increase) / decrease in other non financial assets	59	(1,23,564)	59	(1,23,564)
Increase / (decrease) in provision	0	(416)	0	(416)
Increase / (decrease) in trade payables	1,090.54	(26,481)	1,089.84	(26,481)
Increase / (decrease) in other financial liabilities	(724)	40,030	(724)	40,030
Increase / (decrease) in other liabilities	2,441	293	2,441	293
<b>Cash (used in) / flow from operating activities</b>	<b>13,519</b>	<b>44,088</b>	<b>13,518</b>	<b>44,088</b>
Income tax (refund) / paid (net)	2,277	(1,280)	2,277	(1,280)
<b>Net cash (used in) / flow from operating activities (A)</b>	<b>15,796</b>	<b>42,808</b>	<b>15,795</b>	<b>42,808</b>
<b>B. Cash flows from investing activities</b>				
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	100	(1,249)	100	(1,249)
Proceeds from sale of fixed assets	-	148	-	148
Company's share of profit in the joint ventures received	-	55	-	55
Refund of advances from subsidiaries /joint ventures/associate	2,539.00	820	2,402	820
(Deposit) / proceeds from bank deposits (having original maturity of more than three months)	(18,000)	-	(18,000)	-
Interest received	1,330	1,380	1,330	1,380
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>(14,031)</b>	<b>1,154</b>	<b>(14,030)</b>	<b>1,154</b>
<b>Cash flow from financing activities</b>				
Proceeds from long-term borrowings	(416)	-	(416)	-
Repayment of long-term borrowings	-	(24,236)	-	(24,236)
Proceeds from short-term borrowings (net)	(644)	-	(644)	-
Interest paid	258	(20,249)	258	(20,249)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(802)</b>	<b>(44,485)</b>	<b>(802)</b>	<b>(44,485)</b>
Net increase (decrease) in cash and cash equivalents (A + B + C)	963	(523)	963	(523)
Cash and cash equivalents at the beginning of the period	1,549	1,393	1,552	1,452
<b>Cash and cash equivalents at the end of the period (Refer below for break-up)</b>	<b>2,512</b>	<b>870</b>	<b>2,515</b>	<b>929</b>
<b>Components of Cash and cash equivalents</b>				
Cash on hand	14	49	17	49
With banks - on current accounts	2,498	821	2,498	880
Deposits with original maturity for less than 3 months	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>2,512</b>	<b>870</b>	<b>2,515</b>	<b>929</b>

**Independent Auditor's Review Report on Unaudited Standalone Financial Results of IL&FS Engineering and Construction Company Limited for the quarter and six months ended September 30, 2019**

**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 six months ended September 30, 2019, ('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'). Attention is drawn to the fact that the figures for net cash flows for corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company, but have not been subjected to review.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, 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 Opinion:**

We draw attention to the following notes to the statement:

4. Note 9 relating to non-recognition of interest expense by the Company
  - a. for the three months period ended on September 30, 2019 Rs. 7,345 Lakhs (Rs. 7,353 Lakhs for three months period ended on June 30, 2019 and Rs. Nil for three months period ended on September 30, 2018) and
  - b. for the six months period ended on September 30, 2019 amounting to Rs. 14,698 Lakhs (approximately excluding penal interest, etc.) (Rs. Nil for six months period ended on September 30, 2018 and Rs. 14,499 Lakhs for the year ended on March 31,





- 2019) on the outstanding borrowings of the Company for the reasons stated in the said note.
- c. Consequently, interest expense, and loss for the three months period and the six months period ended on September 30, 2019 are understated by Rs. 7,345 Lakhs and Rs. 14,698 Lakhs respectively. Interest expense and loss for the three months period ended on June 30, 2019 is understated by Rs. 7,353 Lakhs ; and
  - d. interest payable as at September 30, 2019 is understated by Rs. 29,197 Lakhs (as at March 31, 2019 Rs. 14,499 Lakhs).
5. Note 10 regarding deferred tax assets amounting to Rs. 24,299 Lakhs 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 by Rs. 24,299 Lakhs.

Consequent to the matters stated at paragraph 4 and 5 above, retained earnings (accumulated loss) as at September 30 2019 is under stated by Rs. 53,496 Lakhs (as at September 30, 2018 Rs. 24,299 Lakhs and as at March 31, 2019 Rs. 38,798 Lakhs). Interest and Interest payable amounts are excluding penal interest, etc.

**Material uncertainty related to going Concern:**

6. Attention is invited to Note 8 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 18 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 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 financial results:

7. Note 7 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 National Company Law Tribunal (NCLT) has issued an Order to re-open books of accounts of IL&FS and its two subsidiaries (other than this Company)





for the past financial years. The financial statements of the Company for the period ended September 30, 2019 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, cannot foresee any adjustments to be made in these financial statements of the Company as a result of any such investigations.

8. Note 13 and 14 regarding recoverability of Trade Receivables, retention money and contract assets (Project work in progress) from the terminated / foreclosed / completed/inactive projects, amounting to Rs 11,612 Lakhs, Rs 9,888 Lakhs and Rs 71,808 Lakhs (including interest accrued for project under arbitration, Rs 19,881 Lakhs) respectively. Based on its internal assessment, no adjustments have been made in the carrying value of the receivables / contract assets/ retention money.
9. Note 15 regarding confirmation of balances for outstanding borrowings aggregating to Rs 268,126 Lakhs including borrowings from promoter group entities, aggregating to Rs 208,682 Lakhs. The Company neither serviced principal amounts and /or interest payments, wherever applicable. These borrowings were not confirmed by respective lenders.

The ultimate outcome of the matters stated above in Note 7, 8 and 9 cannot be presently determined, pending approvals, acceptances, legal interpretations, conclusion of legal proceedings, achievements of traffic projections, favourable settlement of claims and ultimate realisations, waivers by lenders, etc. as referred to in the relevant notes to the accompanying standalone financial statements referred above, accordingly no adjustment has been made in the carrying value of the aforesaid assets.

10. Note 12 regarding exceptional items comprising written off / provisions made and other adjustments made during the respective periods based on comprehensive review / assessment carried out by the management.
11. Note 16 regarding default in redemption of optionally convertible cumulative redeemable preference shares (OCCRPS) and dividend thereon. These OCCRPSS were due for redemption as on September 30,2019 and the Company defaulted in repayment of preference shares and dividend thereon, Rs 3,750 Lakhs and Rs 1,579 Lakhs respectively.
12. Note 17 which explains the uncertainty and the management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and conditions related to Covid 2019 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in subsequent period

Our opinion is not modified in respect of matters stated in paras 7 to 12.

#### 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 to 5 under Basis for Qualified Conclusion, and read with Material uncertainty relating to the Going Concern and the matters in Paras 6 to 12 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



*V K Muralidhar*  
V K Muralidhar  
Partner

Membership No.201570

UDIN: 20201570 AAAADM 1718

June 29, 2020, Hyderabad



**Independent Auditor's Review Report on Unaudited Consolidated Financial Results of IL&FS Engineering and Construction Company Limited for the quarter and six months ended September 30, 2019**

**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 six months ended September 30, 2019 ('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'). Attention is drawn to the fact that the figures for net cash flows for corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited consolidated financial results have been approved by the Board of Directors of the Company, but have not been subjected to review.
2. This Statement which is the responsibility of the Group's Management and approved by the Board of Directors of the Holding Company, 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 Opinion:**

We draw attention to the following notes to the statement:

4. Note 9 relating to non-recognition of interest expense by the Company
  - a. for the three months period ended on September 30, 2019 Rs. 7,345 Lakhs (Rs. 7,353 Lakhs for three months period ended on June 30, 2019 and Rs. Nil for three months period ended on September 30, 2018) and
  - b. for the six months period ended on September 30, 2019 amounting to Rs. 14,698 Lakhs (approximately excluding penal interest, etc.) (Rs. Nil for six months period ended on September 30, 2018 and Rs. 14,499 Lakhs for the year ended on March 31,





- 2019) on the outstanding borrowings of the Company for the reasons stated in the said note.
- c. Consequently, interest expense, and loss for the three months period and the six months period ended on September 30, 2019 are understated by Rs. 7,345 Lakhs and Rs. 14,698 Lakhs respectively. Interest expense and loss for the three months period ended on June 30, 2019 is understated by Rs. 7,353 Lakhs ; and
  - d. interest payable as at September 30, 2019 is understated by Rs. 29,197 Lakhs (as at March 31, 2019 Rs. 14,499 Lakhs).
5. Note 10 regarding deferred tax assets amounting to Rs. 24,299 Lakhs 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 by Rs. 24,299 Lakhs.

Consequent to the matters stated at paragraph 4 and 5 above, retained earnings (accumulated loss) as at September 30 2019 is under stated by Rs. 53,496 Lakhs (as at September 30, 2018 Rs. 24,299 Lakhs and as at March 31, 2019 Rs. 38,798 Lakhs). Interest and Interest payable amounts are excluding penal interest, etc.

6. 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.
7. The unaudited financial results also include the Company's share of net profit after tax of Rs. 138 Lakhs for the quarter and six months ended September 30, 2019 considered in the Statement, in respect of integrated Joint Ventures (JV's), whose financial result has not been reviewed by us. As set out in Note 5 to the Statement and as represented by the Management of the Company, the amounts included herein have been based on financial information of the said joint ventures and have not been subjected to a review. We are unable to comment on the consequential impact that may have been required had the financial information of the joint ventures been subjected to review.

**Material uncertainty related to going Concern:**

8. Attention is invited to Note 8 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:

9. Note 7 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 National Company Law Tribunal (NCLT) has issued an Order to re-open books of accounts of IL&FS and its two subsidiaries (other than this Company) for the past financial years. However, Hon'ble Supreme Court of India has stayed the Order of NCLT to reopen past books of IL&FS and its above referred two subsidiaries. The consolidated financial results of the Company for the period 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, cannot foresee any adjustments to be made in these consolidated financial results of the Company as a result of any such investigations.
10. Note 13 and 14 regarding recoverability of trade receivables, retention money and contract assets (Project work in progress) from the terminated / foreclosed / completed/inactive projects, amounting to Rs 11,612 Lakhs, Rs 9,888 Lakhs and Rs 71,808 Lakhs (including interest accrued for project under arbitration, Rs 19,881 Lakhs) respectively. Based on its internal assessment, no adjustments have been made in the carrying value of the receivables / contract assets/ retention money.
11. Note 15 regarding confirmation of balances for outstanding borrowings amounting to Rs 268,126 Lakhs including borrowings from promoter group entities, aggregating to Rs 208,682 Lakhs. The Company neither serviced principal amounts and /or interest payments, wherever applicable. These borrowings were not confirmed by respective lenders.

The ultimate outcome of the matters stated in Note 9, 10 and 11 above, cannot be presently determined, pending approvals, acceptances, legal interpretations, conclusion of legal proceedings, achievements of traffic projections, favourable settlement of claims and ultimate realisations, waivers by lenders, etc. as referred to in the relevant notes to the accompanying standalone financial statements referred above, accordingly no adjustment has been made in the carrying value of the aforesaid assets.

12. Note 12 regarding exceptional items comprising written off / provisions made and other adjustments made during the respective periods based on comprehensive review / assessment carried out by the management.
13. Note 16 regarding default in redemption of optionally convertible cumulative redeemable preference shares (OCCRPS) and dividend thereon. These OCCRPS were due for redemption as on September 30, 2019 and the Company defaulted in repayment of preference shares and dividend thereon, Rs 3,750 Lakhs and Rs 1,579 Lakhs respectively.



14. Note 17 which explains the uncertainty and the management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and conditions related to Covid 2019 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in subsequent period

Our opinion is not modified in respect of matters stated in paras 9 to 14.

**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 to 7 under Basis for Qualified Conclusion, and read with Material uncertainty relating to the Going Concern and the matters in Paras 8 to 14 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.

The Statement includes the consolidated financial results and other financial information for the quarters and period ended June 30, 2019 and September 30, 2018 which have neither been audited nor reviewed. The same have been prepared by the management from the books of account. Our Conclusion is not modified in respect of this matter.

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



*V K Muralidhar*

**V K Muralidhar**  
Partner

Membership No.201570

UDIN: 20201570AAAADN 8643

June 29, 2020, Hyderabad