

Registered Office

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Hyderabad - 500033
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CIN L45201AP1988PLC008624

15th Nov-2021

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, 5th Floor,
Bandra Kurla Complex,
Bandra (East), Mumbai-400 051

Scrip Code: 532907

Scrip Code: IL&FSENGG

Dear Sir / Madam,

Sub:- Outcome of the Board Meeting dtd. 15th Nov-2021.

With reference to the Board Meeting notice issued on 8th Nov-2021, we would like to inform you that the Board of Directors of the Company at their meeting held on 15th Nov-2021, have inter alia approved the Unaudited Financial both Standalone & Consolidated Results of the Company for the quarter ended **June-2021**.

In terms of the above, we are enclosing herewith the following:

Unaudited Standalone financial results & consolidated financial results of the Company, its subsidiaries and associate for the quarter ended **June-2021** under Ind AS, which have been approved and taken on record at a meeting of the Board of Directors of the Company held today.

Limited Review Report pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, for Unaudited Financial Results (Consolidated & Standalone) for the quarter ended **June-2021** from our Statutory Auditors.

The Board Meeting commenced at 11:00 AM and concluded at 3.10 PM.

Request you to take the same on record and oblige.

Thanking You

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

Sistla 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 ended June 30, 2021

(Rs. In Lakhs, unless otherwise stated)

| Particulars | Quarter ended | | | Year ended |
|---|----------------|-----------------|----------------|-----------------|
| | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 | 31-Mar-21 |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| 1. Income | | | | |
| (a) Revenue from operations | 5,847 | 15,346 | 3,333 | 33,274 |
| (b) Other income | 373 | 2,748 | 501 | 4,502 |
| Total Income | 6,220 | 18,094 | 3,834 | 37,776 |
| 2. Expenses | | | | |
| (a) Cost of materials consumed | 1,581 | 3,957 | 926 | 9,102 |
| (b) Subcontracting expense | 3,037 | 5,523 | 1,542 | 14,070 |
| (c) Employee benefits expense | 1,091 | 1,228 | 1,254 | 4,897 |
| (d) Finance cost | 791 | 2,752 | 503 | 4,270 |
| (e) Depreciation and amortization | 353 | 478 | 493 | 1,899 |
| (f) Other expenses | 667 | 1,259 | 796 | 3,816 |
| (g) Expected credit loss and other provisions | - | 21,149 | - | 23,528 |
| Total expenses | 7,520 | 36,346 | 5,514 | 61,582 |
| 3. Profit / (loss) before Exceptional Items and tax (1-2) | (1,300) | (18,252) | (1,680) | (23,806) |
| 4. Exceptional items (net) | - | - | - | 4,758 |
| 5. Profit/(Loss) before tax (3-4) | (1,300) | (18,252) | (1,680) | (28,564) |
| 6. Tax (expense) / credit | | | | |
| -Current Tax | - | - | - | - |
| -Deferred Tax | - | - | - | - |
| 7. Net Profit /(loss) after Exceptional Items and tax (5+6) | (1,300) | (18,252) | (1,680) | (28,564) |
| 8. Other Comprehensive Income/(expense)(net of tax) | | | | |
| a) Remeasurements of the defined benefit plan | - | 71 | - | 71 |
| b) Income tax relating to the items that will not be reclassified to profit or loss | - | - | - | - |
| 9. Total comprehensive income for the period (7+8) | (1,300) | (18,181) | (1,680) | (28,493) |
| 10. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each) | 13,112 | 13,112 | 13,112 | 13,112 |
| 11. Other equity as shown in the audited balance Sheet | - | - | - | (272,249) |
| 12. Earnings per equity share (of Rs . 10/- each) (not annualised): | | | | |
| a. Basic | (0.99) | (13.92) | (1.28) | (21.78) |
| b. Diluted | (0.99) | (13.92) | (1.28) | (21.78) |
| See accompanying notes to the Financial Results | | | | |



SUBRATA
KUMAR
ATINDRA
MITRA

Digitally signed by SUBRATA KUMAR
ATINDRA MITRA
DN: cn=Subrata Kumar Atindra
Mitra, o=IL&FS Engineering and
Construction Company Limited,
c=IN, email=cs@ilfsengg.com,
serial=1151345584, version=3,
reason=COSY, c=IL&FS Engineering
and Construction Company Limited,
o=IL&FS Engineering and
Construction Company Limited,
c=IN, email=cs@ilfsengg.com,
serial=1151345584, version=3,
reason=COSY

**Independent Auditor's Review Report on Unaudited Consolidated Financial Results of IL&FS
Engineering and Construction Company Limited for the quarter ended
June 30, 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 ended June 30, 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 November 15, 2021, 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. 10263 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. 10,263 Lakhs approximately and
 - b. Retained earnings (accumulated loss) and Interest payable as at June 30, 2021 is understated by Rs. 10,263 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 June 30, 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 regarding a likely significant reduction in the Company's future income from operations in the absence of new business orders and other matters stated in the said paragraph. 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 finalisation and approval of the resolution process, 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 finalisation and approval of the resolution process.

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 June 30,2021 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 9 (a) regarding long pending trade receivables, retention money and contract assets (Project work in progress) from the completed projects, amounting to Rs 4478 Lakhs, Rs 3111 Lakhs and Rs 11907 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 10 regarding absence of confirmation of balances as at June 30, 2021 by certain lenders, customers and vendors.



Amounts stated in Note 7, 8 and 9 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 9.

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 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



V K Muralidhar
Partner

Membership No.201570
UDIN: 21201570AAAAJX7296

November 15, 2021, Hyderabad

**Independent Auditor's Review Report on Statement of Unaudited Standalone Financial Results of
IL&FS Engineering and Construction Company Limited for the quarter ended June 30, 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 ended June 30, 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 November 15, 2021, 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. 10263 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. 10263 Lakhs approximately and
 - b. Retained earnings (accumulated loss) and Interest payable as at June 30, 2021 is understated by Rs. 10263 Lakhs.



- 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 June 30, 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:

- Attention is invited to Note 5 regarding a likely significant reduction in the Company's future income from operations in the absence of new business orders and other matters stated in the said paragraph. 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 finalisation and approval of the resolution process, 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 finalisation and approval of the resolution process.

Our opinion is not modified in respect of this matter

Emphasis of Matter:

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

- 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 June 30, 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.
- Note 9 (a) regarding long pending trade receivables, retention money and contract assets (Project work in progress) from the completed projects, amounting to Rs 4478 Lakhs, Rs 3111 Lakhs and Rs 11907 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.
- Note 10 regarding absence of confirmation of balances as at June 30, 2021 by certain lenders, customers and vendors.

Amounts stated in Note 7, 8 and 9 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 9.



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 9 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
Partner

Membership No.201570
UDIN: 21201570AAAAJW4617

November 15, 2021, Hyderabad