

**Registered Office**

D.No. 8-2-120/113 Block  
B, 1<sup>st</sup> Fl, Sanali Info Park  
Road No 2, Banjara Hills  
Hyderabad - 500033

**T** +91 40 40409333  
**F** +91 40 40400444  
**E** info@ilfsengg.com  
**W** www.ilfsengg.com

8<sup>th</sup> November, 2022

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

Scrip Code: **532907**

**National Stock Exchange of India Ltd.**

“Exchange Plaza” Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051

Symbol: **IL&FSENGG**

**Sub: Outcome of Board Meeting**

In continuation of our letter intimation of Board Meeting vide our communique dated 27<sup>th</sup> October, 2022 and pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with NSE circular Ref NSE/CML/2022/39 dated 2<sup>nd</sup> August, 2022, we are enclosing;

- i) the Unaudited Standalone and Consolidated Financial Results with Notes of the Company for the Quarter ended September 30, 2022.
- ii) Limited Review Reports as submitted by the Statutory Auditors of the Company on the Unaudited Standalone and Consolidated Financial Results.

The meeting of the Board of Directors of the Company commenced at 3.30 PM IST and concluded at 10 PM IST on 8<sup>th</sup> November, 2022.

Thanking you,  
For **IL&FS Engineering and Construction Company Limited**



**RAJIB KUMAR ROUTRAY**  
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, 2022

(Rs. In Lakhs, unless otherwise stated)

Particulars	Quarter ended			Six months ended		Year ended
	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income</b>						
(a) Revenue from operations	3,591	3,912	10,479	7,503	16,326	30,764
(b) Other income	661	402	3,064	1,063	3,437	7,104
<b>Total Income</b>	<b>4,252</b>	<b>4,314</b>	<b>13,543</b>	<b>8,566</b>	<b>19,763</b>	<b>37,868</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	1,051	862	4,495	1,913	6,076	10,035
(b) Subcontracting expense	1,446	1,944	2,457	3,390	5,494	9,763
(c) Employee benefits expense	897	984	1,153	1,881	2,244	4,363
(d) Finance cost	409	224	1,187	633	1,978	4,600
(e) Depreciation and amortization	253	271	340	524	693	1,355
(f) Other expenses	675	879	3,366	1,554	4,033	7,322
(g) Expected credit loss and other provisions	684	-	1,200	684	1,200	21,121
<b>Total expenses</b>	<b>5,415</b>	<b>5,164</b>	<b>14,198</b>	<b>10,579</b>	<b>21,718</b>	<b>58,560</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>(1,163)</b>	<b>(850)</b>	<b>(655)</b>	<b>(2,013)</b>	<b>(1,955)</b>	<b>(20,692)</b>
<b>4. Exceptional items (net)</b>	-	-	-	-	-	17,943
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(1,163)</b>	<b>(850)</b>	<b>(655)</b>	<b>(2,013)</b>	<b>(1,955)</b>	<b>(38,635)</b>
<b>6. Tax (expense) / credit</b>						
-Current Tax	-	-	-	-	-	-
-Deferred Tax	-	-	-	-	-	-
<b>7. Net Profit/(loss) after Exceptional Items and tax (5+6)</b>	<b>(1,163)</b>	<b>(850)</b>	<b>(655)</b>	<b>(2,013)</b>	<b>(1,955)</b>	<b>(38,635)</b>
<b>8. Other Comprehensive Income/(expense)(net of tax)</b>						
a) Remeasurements of the defined benefit plan	-	16	-	16	-	(17)
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>(1,163)</b>	<b>(834)</b>	<b>(655)</b>	<b>(1,997)</b>	<b>(1,955)</b>	<b>(38,652)</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	-	-	-	-	-	(3,10,901)
12. Earnings per equity share (of Rs. 10/- each) (not annualised):						
a. Basic	(0.89)	(0.65)	(0.50)	(1.54)	(1.49)	(29.47)
b. Diluted	(0.89)	(0.65)	(0.50)	(1.54)	(1.49)	(29.47)
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, 2022

(Rs. In Lakhs, unless otherwise stated)

Particulars	Quarter ended			Six months ended		Year ended
	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income</b>						
(a) Revenue from operations	3,591	3,912	10,479	7,503	16,326	30,764
(b) Other income	661	402	3,064	1,063	3,437	7,104
<b>Total Income</b>	<b>4,252</b>	<b>4,314</b>	<b>13,543</b>	<b>8,566</b>	<b>19,763</b>	<b>37,868</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	1,051	862	4,495	1,913	6,076	10,035
(b) Subcontracting expense	1,446	1,944	2,457	3,390	5,494	9,763
(c) Employee benefits expense	897	984	1,153	1,881	2,244	4,363
(d) Finance cost	409	224	1,187	633	1,978	4,600
(e) Depreciation and amortization	253	271	340	524	693	1,355
(f) Other expenses	675	879	3,366	1,554	4,033	7,323
(g) Expected credit loss and other provisions	684	-	1,200	684	1,200	21,121
<b>Total expenses</b>	<b>5,415</b>	<b>5,164</b>	<b>14,198</b>	<b>10,579</b>	<b>21,718</b>	<b>58,561</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>(1,163)</b>	<b>(850)</b>	<b>(655)</b>	<b>(2,013)</b>	<b>(1,955)</b>	<b>(20,692)</b>
4. Exceptional items (net)	-	-	-	-	-	17,943
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(1,163)</b>	<b>(850)</b>	<b>(655)</b>	<b>(2,013)</b>	<b>(1,955)</b>	<b>(38,635)</b>
6. Tax (expense) / credit						
-Current Tax	-	-	-	-	-	-
-Deferred Tax	-	-	-	-	-	-
7. Share of profit in joint ventures accounted for using the equity method	-	-	-	-	-	22
<b>8. Net Profit / (loss) after Exceptional Items and tax (5+6+7)</b>	<b>(1,163)</b>	<b>(850)</b>	<b>(655)</b>	<b>(2,013)</b>	<b>(1,955)</b>	<b>(38,613)</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>						
<b>Items that will be reclassified to profit or loss</b>						
a) Remeasurements of the defined benefit plan	-	16	-	16	-	(17)
b) Income tax relating to the items that will not be reclassified to profit or loss	-	-	-	-	-	-
Shareholder of the Company	-	16	-	16	-	(17)
Non controlling interests	-	-	-	-	-	-
<b>10. Total comprehensive income for the period (8+9)</b>	<b>(1,163)</b>	<b>(834)</b>	<b>(655)</b>	<b>(1,997)</b>	<b>(1,955)</b>	<b>(38,630)</b>
<b>Attributable to:</b>						
Shareholder of the Company	-	-	-	-	-	-
Non controlling interests	-	-	-	-	-	-
11. Paid-up equity share capital (Face Value Rs. 10/- each)	13,112	13,112	13,112	13,112	13,112	13,112
12. Other equity as shown in the audited Balance sheet						(3,11,330)
<b>13. Earnings per equity share (of Rs . 10/- each) (not annualised):</b>						
a. Basic	(0.89)	(0.65)	(0.50)	(1.54)	(1.49)	(29.45)
b. Diluted	(0.89)	(0.65)	(0.50)	(1.54)	(1.49)	(29.45)
See accompanying notes to the Financial Results						



<b>IL&amp;FS Engineering and Construction Company Limited</b> <b>CIN: L45201TG1988PLC008624</b> <b>Regd. Office : D No 8-2-120/113,Block B 1st Floor, Sanali Info Park, Road No 2 , Banjara Hills, Hyderabad - 500033</b> <b>Phone-040 40409333; Fax-040 40409444</b> <b>Website- www.ilfsengg.com; Email- cs@ilfsengg.com</b> <b>Standalone and Consolidated Statement of assets and liabilities as at September 30, 2022</b> <b>(Rs. In Lakhs, unless otherwise stated)</b>				
Particulars	Standalone as at		Consolidated as at	
	30-Sep-22	31-Mar-22	30-Sep-22	31-Mar-22
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	4,370	4,895	4,370	4,895
(b) Right-of-use-assets	-	-	-	-
(c) Intangible assets	-	-	-	-
(d) Financial Assets				
(i) Investments	4,524	4,314	4,730	4,520
(ii) Trade receivables	5,647	2,523	5,647	2,523
(iii) Loans	1,933	1,931	1,933	1,931
(iv) Others financial assets	23,231	23,108	23,231	23,108
(e) Deferred tax assets (net)	-	-	-	-
(f) Current tax assets (Net)	2,467	2,526	2,467	2,526
(g) Other non-current assets	65,963	64,183	65,963	64,183
	<b>1,08,135</b>	<b>1,03,479</b>	<b>1,08,341</b>	<b>1,03,686</b>
<b>Current assets</b>				
(a) Inventories	2,168	2,174	2,168	2,174
(b) Financial Assets				
(i) Trade receivables	4,931	7,581	4,931	7,581
(ii) Cash and cash equivalents	11,910	10,395	11,913	10,398
(iii) Bank balances other than (ii) above	23,327	22,777	23,327	22,777
(iv) Others financial assets	1,588	1,395	1,588	1,395
(c) Current tax assets (Net)	4,138	4,314	4,138	4,314
(d) Other current assets	33,998	39,291	33,998	39,291
	<b>82,059</b>	<b>87,927</b>	<b>82,062</b>	<b>87,930</b>
<b>Total Assets</b>	<b>1,90,193</b>	<b>1,91,407</b>	<b>1,90,402</b>	<b>1,91,616</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	13,112	13,112	13,112	13,112
(b) Other Equity	(3,12,898)	(3,10,901)	(3,13,327)	(3,11,330)
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Trade payables				
Dues to micro and small enterprises	-	-	-	-
Dues to other than micro and small enterprises	26,560	21,703	26,560	21,703
(ii) Other financial liabilities	12,364	4,058	12,364	4,058
(b) Provisions	2,468	1,834	2,468	1,834
	<b>41,392</b>	<b>27,596</b>	<b>41,392</b>	<b>27,595</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Lease Liability	-	-	-	-
(ii) Borrowings	2,66,869	2,66,883	2,66,869	2,66,883
(iii) Trade payables				
Dues to micro and small enterprises	504	604	-	-
Dues to other than micro and small enterprises	66,256	73,445	67,398	74,687
(iv) Other financial liabilities	88,868	97,615	88,868	97,615
(b) Provisions	4,638	4,721	4,638	4,721
(c) Other current liabilities	21,452	18,331	21,452	18,333
	<b>4,48,588</b>	<b>4,61,600</b>	<b>4,49,226</b>	<b>4,62,239</b>
<b>Total Equity and Liabilities</b>	<b>1,90,193</b>	<b>1,91,407</b>	<b>1,90,402</b>	<b>1,91,616</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

Statement of Standalone and Consolidated Cash flow Statement for the six months ended September 30, 2022

(Rs. In Lakhs, unless otherwise stated)

Particulars	Standalone as at		Consolidated as at	
	30-Sep-22	31-Mar-22	30-Sep-22	31-Mar-22
<b>A. Cash flow from operating activities</b>				
<b>Profit / (Loss) before tax</b>	(2,013)	(38,635)	(2,013)	(38,635)
<b>Adjustment: Non cash adjustments to reconcile loss before tax to net cash flows</b>				
Company's share of profit from integrated joint ventures	-	-	-	(22)
Reversal for estimated future loss on projects	(121)	(7,429)	(121)	(7,429)
Depreciation and amortization expense	524	1,355	524	1,355
Provision for advances, trade receivables, other assets, future loss and impairment of property, plant and equipment	684	21,121	684	21,121
Provision/liabilities no longer required written back	-	(5,130)	-	(5,130)
Exceptional Item	-	17,943	-	17,943
Interest income from financial assets carried at amortised cost	(210)	(372)	(210)	(372)
Interest expense from financial liabilities carried at amortised cost	-	1	-	1
Interest expense	633	4,599	633	4,599
Interest income	(633)	(1,015)	(633)	(1,015)
<b>Operating profit before working capital changes</b>	<b>(1,136)</b>	<b>(7,561)</b>	<b>(1,136)</b>	<b>(7,584)</b>
<b>Movement in working capital adjustments</b>				
(Increase) / decrease in inventories	6	1,598	6	1,598
(Increase) / decrease in trade receivables	(474)	11,168	(474)	11,168
(Increase) / decrease in loans	(2)	-	(2)	-
(Increase) / decrease in other financial assets	(316)	2,227	(316)	2,227
(Increase) / decrease in other non financial assets	2,829	(918)	2,829	(918)
Increase / (decrease) in provision	687	(1,475)	687	(1,475)
Increase / (decrease) in trade payables	(2,432)	6,114	(2,432)	6,110
Increase / (decrease) in other financial liabilities	(441)	(22,832)	(441)	(22,832)
Increase / (decrease) in other liabilities	3,121	(5,890)	3,121	(5,890)
<b>Cash generated from operating activities</b>	<b>1,842</b>	<b>(17,569)</b>	<b>1,842</b>	<b>(17,596)</b>
Income tax refunded (net)	236	27,351	236	27,351
<b>Net cash from operating activities (A)</b>	<b>2,078</b>	<b>9,782</b>	<b>2,078</b>	<b>9,755</b>
<b>B. Cash flows from investing activities</b>				
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	-	-	-	-
Share of Profit in the joint ventures received	-	-	-	22
(Deposit) / proceeds from bank deposits (having original maturity of more than three months)	(550)	(3,393)	(550)	(3,393)
Sale Proceeds from Fixed Assets	1	962	1	962
Interest received	633	1,015	633	1,015
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>84</b>	<b>(1,416)</b>	<b>84</b>	<b>(1,394)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds/Repayment from short-term borrowings (net)	(14)	(32)	(14)	(32)
Interest paid/BG commission	(633)	(4,628)	(633)	(4,628)
<b>Net cash flow used in financing activities (C)</b>	<b>(647)</b>	<b>(4,660)</b>	<b>(647)</b>	<b>(4,660)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>1,515</b>	<b>3,706</b>	<b>1,515</b>	<b>3,701</b>
Cash and cash equivalents at the beginning of the year	10,395	6,694	10,398	6,697
<b>Cash and cash equivalents at the end of the year (Refer below for break-up)</b>	<b>11,910</b>	<b>10,400</b>	<b>11,913</b>	<b>10,398</b>
<b>Components of Cash and cash equivalents</b>				
Cash on hand	5	5	8	8
With banks - on current accounts	11,905	10,395	11,905	10,390
<b>Total Cash and cash equivalents (as per Ind AS 7)</b>	<b>11,910</b>	<b>10,400</b>	<b>11,913</b>	<b>10,398</b>



## Notes to the audited consolidated and standalone financial results for the quarter and six months ended September 30, 2022:

- (1) The above consolidated and standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on November 08, 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 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 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. The 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 relating to the Company 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 website and also submitted to the stock exchanges and submitted to Serious Fraud Investigation Office (SFIO) etc. Based on the said report SFIO sought 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 Company has incurred loss of Rs.1997 Lakhs during the quarter and six months ended September 30, 2022 (Loss for the year ended March 31, 2022 Rs. 38,613 Lakhs). The Company's net worth is 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. The Company has continued to default in payment of 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 in their reports to National Company Law Tribunal (NCLT) categorized the Company under the Group "Red" implying that the Company is unable to meet its contractual, statutory and debt obligations. The Company is currently not settling liabilities existing prior to October 15 2018, being the cutoff date and the date of reconstitution of Board of Directors of IL&FS to its Financial Creditors and the Operational Creditors, based on the interim Orders passed by the NCLT.

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 Reconstituted Board and the management of the Company have taken various steps to continue the operations at present level during the period as per the resolution process framework mandated by the Hon'ble National Company Law Appellate Tribunal (NCLAT).

In line with the said framework, 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. In January 2022, a bid has been received from an unincorporated Consortium against which the Swiss Challenge process is currently underway. If accepted, the bid would then be placed for necessary approvals and finally from NCLT.

The accompanying standalone and consolidated financial results have been prepared on a going concern basis considering the status of process initiated by the Board and Interim Orders of NCLT/NCLAT.

(6) Interest Expense:

Consequent to the matters referred in Note no 4 and 5 above and in terms of the resolution framework process approved by NCLAT, no liabilities, including interest, additional interest, default interest, indemnity claims or other similar charges are to be accrued on liability existing as on the cut-off date. The Company in Compliance with resolution framework as approved by NCLAT has neither paid or recognized interest, aggregating to Rs. 21,521 Lakhs approximately (excluding penal interest etc.) for the quarter and six months ended September 30, 2022

Interest so far not recognized payable as at September 30, 2022 aggregates to Rs. 150,001 Lakhs approximately (excluding penal interest etc.)

(7) In respect of a road project, consequent to arbitration proceedings, the Company has been awarded a favorable Order by the Arbitration Tribunal for an amount of Rs. 70331 Lakhs. The contractee has preferred an appeal against the said award in Hon'ble High Court of Delhi. The carrying values of assets and liabilities relating to the project was Rs.25,263 Lakhs [net] which comprises of interest receivable, trade receivable, retention money, mobilization advance and interest payable on said advance. Considering the favorable Order as at the date of reporting, the said amount of Rs.25,263 Lakhs is considered good for recovery.

(8) Confirmation of Balances:

a) As at September 30, 2022, fund-based borrowings outstanding aggregates to Rs 262,901 Lakhs. These include borrowings from group entities, aggregating to Rs 204,707 Lakhs. The Company neither serviced principal amounts and /or interest payments, wherever applicable. Further, Borrowings to the extent of Rs.19,439 Lakhs were not confirmed by respective lenders. Adjustments to principal and interest, if any, will be recognized in the year of final settlement.

b) The Company has not received confirmation of balances for trade receivables from customers and from parties to whom advances have been made by the Company for supply of services/goods and trade payables. Further, these balances are subject to reconciliation with respective parties. 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.

(9) 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 Vistra 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 redemption of these OCCRPS. Further, the Company has also defaulted in payment of dividend payable Rs 1,579 Lakhs.

(10) The Consolidated financial results do not include the results of operations and other financial information related to one subsidiary viz Maytas Infra Saudi Arabia (MISA) since the subsidiary

has ceased its operation for a period exceeding 3 years and the financial information is not available.

- (11) Statutory Auditors of the Company have issued qualified audit reports on standalone financial statement as at March 31, 2022 in respect of matter stated in paragraph 6 above and in respect of matters stated in Paragraphs 6 and 10 above in case of consolidated financial statement as at and for the year ended on March 31, 2022. These matters have been continued to be reported in their limited review reports for the quarter and six months ended September 30, 2022 and drawn emphasis of matter with respect to matters stated in paragraphs 4,5 and 8 above in both standalone and consolidated financial results statements.
- (12) 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

**Sd/-**

**Manish Kumar Agarwal**

Director

DIN: 02885603

Place: Gurgaon

Date: November 08 , 2022

**Sd/-**

**Subrata Kumar Atindra**

**Mitra**

**Independent Director &**

**Chairman-Audit**

**Committee**

DIN: 00029961

Place: Gurgaon

Date: November 08, 2022

**Sd/-**

**Rajib Kumar Routray**

Company Secretary

Place: Gurgaon

Date : November 08 2022

**Sd/-**

**Kazim Raza Khan**

Chief Executive Officer

Place: Gurgaon

Date : November 08,2022

**Naveen Kumar Agrawal**

Chief Financial Officer

PlaPlace:

Date : November 08,2022



**Independent Auditor's Review Report**

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, 2022, ('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 08, 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:**

4. We draw attention to Note 6 to financial results relating to non-recognition of interest expense for the quarter amounting to 21,521 Lakhs (excluding penal interest, etc) on the borrowings availed by the Company in terms of the resolution framework process mandated by NCLAT considering the process initiated for resolution.
  - a. Consequently, interest expense and loss for the half year are understated by Rs. 21,521 Lakhs (approximately); and
  - b. Retained earnings (accumulated loss) and interest payable as at September 30, 2022 are understated by Rs. 150,001 Lakhs (approximately).

**Material uncertainty related to going Concern:**

5. Attention is invited to Note 5 regarding continued losses, erosion of net worth as at the period end, and significant reduction in the Company's income from operations and other matters detailed 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 not be able 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 considering status of process initiated by the Board and Interim Orders of NCLT/NCLAT.

Our conclusion is not modified in respect of this matter.

**Emphasis of Matter:**

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

6. 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 September 30, 2022 do not include adjustments, if any, that may arise on account of the ongoing investigations by the investigating agencies, Regulatory Authorities and other agencies, 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 investigations.
7. Note 8 regarding non-receipt of confirmation of balances as at September 30, 2022 from some lenders, customers and vendors. In the absence of confirmations, the adjustments, if any, on account of unsettled transactions, to the carrying values of assets and liabilities cannot be ascertained.

The adjustments, if any, arising out of the above matters to the carrying value of assets or to the amounts disclosed in financial statements, cannot be determined at this juncture for the reasons stated in respective notes.

Our conclusion is not modified in respect of above matters.

**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 Para 4 under Basis for Qualified Conclusion, read with Material uncertainty relating to the Going Concern and read with the matters in Paras 6 and 7 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



*M.V. Ramana Murthy*

**M.V. Ramana Murthy**  
Partner

Membership No.206439  
UDIN: 22206439BCOHHM8834

Hyderabad, November 08, 2022

**Independent Auditor's Review Report**

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, 2022 ('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 08, 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.

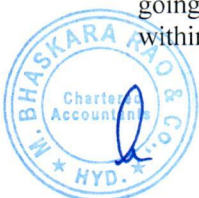
**Basis for Qualified Conclusion:**

We draw attention to:

4. Note 6 to financial results relating to non-recognition of interest expense for the quarter amounting to Rs. 21,521 Lakhs (excluding penal interest, etc) on the borrowings availed by the Company in terms of the resolution framework process mandated by NCLAT considering the process initiated for resolution.
  - a. Consequently, interest expense and loss for the half year are understated by Rs. 21,521 Lakhs (approximately); and
  - b. Retained earnings (accumulated loss) and interest payable as at September 30, 2022 are understated by Rs. 150,001 Lakhs (approximately).
5. Note 10 to financial results 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:**

6. Attention is invited to Note 5 regarding continued losses, erosion of net worth as at the year end, and significant reduction in the Company's income from operations and other matters detailed 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 not be able 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 considering status of process initiated by the Board and Interim Orders of NCLT/NCLAT.

Our conclusion is not modified in respect of this matter.

#### Emphasis of Matter:

We draw attention to the following notes to the consolidated 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 quarter and six months ended September 30, 2022 do not include adjustments, if any, that may arise on account of the ongoing investigations by the investigating agencies, Regulatory Authorities and other agencies, 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 investigations.
- Note 8 regarding non-receipt of confirmation of balances as at September 30, 2022 from some lenders, customers and vendors. In the absence of confirmations, the adjustments, if any, on account of unsettled transactions, to the carrying values of assets and liabilities cannot be ascertained.

The adjustments, if any, arising out of the above matters to the carrying value of assets or to the amounts disclosed in financial statements, cannot be determined at this juncture for the reasons stated in respective notes.

Our conclusion is not modified in respect of the above matters.

#### Other Matters

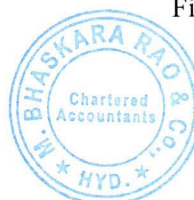
The consolidated financial results also include the Group's share of net loss of Rs Nil Lakhs for the quarter and six months ended September 30, 2022, as considered in the consolidated financial statements, in respect of two joint ventures, based on financial results and information prepared by the management of respective entities. These financial results and information have not been subjected to review by respective auditors.

Our conclusion on the results is not modified in respect of the above matters.

#### 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, read with Material uncertainty relating to the Going Concern and read with the matters in Paras 7 to 8 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



**M.V. Ramana Murthy**  
Partner

Membership No.206439

UDIN: 22206439BCOHKP7383

Hyderabad, November 08, 2022