

**Registered Office**  
D.No. 8-2-120/113/3  
4th Floor, Sanali Info Park  
Road No 2, Banjara Hills  
Hyderabad - 500033  
Telangana, INDIA

T +91 40 40409333  
F +91 40 40409444  
E info@ilfsengg.com  
W www.ilfsengg.com  
CIN L45201AP1988PLC008624

02<sup>nd</sup> Sept-2021

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

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

Scrip Code: 532907

Symbol: IL&FSENGG

Dear Sir/Madam,

**Sub: Outcome of the Board Meeting held on September 02, 2021.**

With reference to the subject cited, kindly be informed that the Board of Directors at their meeting held on September 02, 2021 commenced at 11:00 AM and adjourned for lunch and concluded at 6:30 PM inter alia discussed and approved the following.

1. Approved the audited standalone and consolidated financial statements for the quarter and financial year ended March 31, 2021. (Appendix -1)
2. Took note of the Statutory Auditors Report forming part of the audited standalone and consolidated financial statements for the quarter and financial year ended March 31, 2021. (Appendix-2)
3. Approved appointment of M/s. T.S.Chadha & Co LLP., as Internal Auditors of the Company for FY 2021-22.
4. Approved appointment of M/s. RPR & Associates, Hyderabad as Secretarial Auditors of the Company for FY 2021-22
5. Declaration pertaining to modified opinion on the statutory auditors' report issued by the statutory auditors. (Appendix-3)
6. To convene the 32<sup>nd</sup> Annual General Meeting of the Members of Company on Tuesday, September 28, 2021 at 2.00 P.M through Video Conferencing (VC)/Other Audio-Visual Means (OAVM).
7. Book closure for the purpose of 32<sup>nd</sup> Annual General Meeting will be from Wednesday, September 22, 2021 to Tuesday, September 28, 2020 (both days inclusive).
8. Approved appointment of Mr. Y Ravi Prasada Reddy, Practicing Company Secretary, as a scrutinizer for conducting e-voting in the ensuring 32<sup>nd</sup> Annual General Meeting.

Request you to take the same on record and oblige.

Thanking you & Yours faithfully

For IL&FS Engineering and Construction Company Limited



*S. Srinivasa Kiran*  
CS. Sista Srinivasa Kiran  
Company Secretary & Compliance Officer

2/9/2021

Encl: a/a



IL&FS Engineering and Construction Company Limited

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Statement of Audited Standalone financial results for the Quarter and year ended March 31, 2021

(Rs. In Lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	(Audited) (Refer note 15)	(Unaudited)	(Audited) (Refer note 15)	(Audited)	(Audited)
<b>1. Income</b>					
(a) Revenue from operations	15,346	7,646	17,698	33,274	56,239
(b) Other income	2,748	437	1,346	4,502	4,550
<b>Total Income</b>	<b>18,094</b>	<b>8,083</b>	<b>19,044</b>	<b>37,776</b>	<b>60,789</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	3,957	2,420	4,584	9,102	14,179
(b) Subcontracting expense	5,523	3,982	5,129	14,070	24,351
(c) Employee benefits expense	1,228	1,169	1,814	4,897	6,681
(d) Finance cost	2,752	631	1,740	4,270	2,611
(e) Depreciation and amortization	478	410	858	1,899	3,219
(f) Other expenses	1,259	788	1,790	3,816	7,479
(g) Expected credit loss and other provisions	21,149	-	2,950	23,528	2,950
<b>Total expenses</b>	<b>36,346</b>	<b>9,400</b>	<b>18,866</b>	<b>61,582</b>	<b>61,470</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>(18,252)</b>	<b>(1,317)</b>	<b>178</b>	<b>(23,806)</b>	<b>(681)</b>
4. Exceptional items (net) (Refer note 14)	-	-	1,519	4,758	39,945
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(18,252)</b>	<b>(1,317)</b>	<b>(1,341)</b>	<b>(28,564)</b>	<b>(40,626)</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>(18,252)</b>	<b>(1,317)</b>	<b>(1,341)</b>	<b>(28,564)</b>	<b>(40,626)</b>
<b>8. Other Comprehensive Income/(expense)(net of tax)</b>					
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	-	-	-	-	-
<b>9. Total comprehensive income for the period (7+8)</b>	<b>(18,181)</b>	<b>(1,317)</b>	<b>(1,341)</b>	<b>(28,493)</b>	<b>(40,626)</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
11. Other equity as shown in the audited balance Sheet	-	-	-	(2,72,249)	(2,43,756)
12. Earnings per equity share (of Rs. 10/- each) (not annualised):					
a. Basic	(13.92)	(1.00)	(1.02)	(21.78)	(30.98)
b. Diluted	(13.92)	(1.00)	(1.02)	(21.78)	(30.98)
See accompanying notes to the Financial Results					



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Statement of Audited Consolidated financial results for the Quarter and year ended March 31, 2021

(Rs. In Lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	(Audited) (Refer note 15)	(Unaudited)	(Audited) (Refer note 15)	(Audited)	(Audited)
<b>1. Income</b>					
(a) Revenue from operations	15,346	7,646	17,698	33,274	56,239
(b) Other income	2,748	437	1,346	4,502	4,550
<b>Total Income</b>	<b>18,094</b>	<b>8,083</b>	<b>19,044</b>	<b>37,776</b>	<b>60,789</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	3,957	2,420	4,584	9,102	14,179
(b) Subcontracting expense	5,523	3,982	5,129	14,070	24,351
(c) Employee benefits expense	1,228	1,169	1,814	4,897	6,681
(d) Finance cost	2,752	631	1,740	4,270	2,611
(e) Depreciation and amortization	478	410	858	1,899	3,219
(f) Other expenses	1,260	788	1,790	3,817	7,479
(g) Expected credit loss and other provisions	21,149	-	2,950	23,528	2,950
<b>Total expenses</b>	<b>36,347</b>	<b>9,400</b>	<b>18,866</b>	<b>61,583</b>	<b>61,470</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>(18,253)</b>	<b>(1,317)</b>	<b>178</b>	<b>(23,807)</b>	<b>(681)</b>
4. Exceptional items (net) (Refer note 14)	-	-	1,519	4,758	39,945
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(18,253)</b>	<b>(1,317)</b>	<b>(1,341)</b>	<b>(28,565)</b>	<b>(40,626)</b>
<b>6. Tax (expense) / credit</b>					
-Current Tax	-	-	-	-	-
-Deferred Tax	-	-	-	-	-
7. Share of profit in joint ventures accounted for using the equity method	63	-	(17)	63	121
<b>8. Net Profit/(loss) after Exceptional Items and tax (5+6+7)</b>	<b>(18,190)</b>	<b>(1,317)</b>	<b>(1,358)</b>	<b>(28,502)</b>	<b>(40,505)</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	71	-	-	71	-
b) Income tax relating to the items that will not be reclassified to profit or loss					
Shareholder of the Company	71	-	-	71	-
Non controlling interests	-	-	-	-	-
<b>10. Total comprehensive income for the period (8+9)</b>	<b>(18,119)</b>	<b>(1,317)</b>	<b>(1,358)</b>	<b>(28,431)</b>	<b>(40,505)</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
<b>12. Other equity as shown in the audited Balance sheet</b>				<b>(2,72,700)</b>	<b>(2,44,269)</b>
<b>13. Earnings per equity share (of Rs. 10/- each) (not annualised):</b>					
a. Basic	(13.87)	(1.00)	(1.04)	(21.74)	(30.89)
b. Diluted	(13.87)	(1.00)	(1.04)	(21.74)	(30.89)
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 Standalone and Consolidated Statement of assets and liabilities as at March 31, 2021 (Rs. In Lakhs, unless otherwise stated)				
Particulars	Standalone as at		Consolidated as at	
	31-Mar-21 (audited)	31-Mar-20 (audited)	31-Mar-21 (audited)	31-Mar-20 (audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	7,185	8,822	7,185	8,822
(b) Right-of-use-assets	28	94	28	94
(d) Other Intangible assets	-	1	-	1
(e) Financial Assets				
(i) Investments	3,942	3,607	4,126	3,728
(ii) Trade receivables	2,733	1,349	2,733	1,349
(iii) Loans	2,007	2,651	2,007	2,651
(iv) Others financial assets	25,518	28,152	25,518	28,152
(f) Deferred tax assets (net)	24,299	24,299	24,299	24,299
(g) Current tax assets (Net)	6,775	8,041	6,775	8,041
(h) Other non-current assets	74,146	72,551	74,146	72,551
	<b>1,46,632</b>	<b>1,49,566</b>	<b>1,46,816</b>	<b>1,49,687</b>
<b>Current assets</b>				
(a) Inventories	3,772	5,222	3,772	5,222
(b) Financial Assets				
(i) Trade receivables	13,409	20,639	13,409	20,639
(ii) Cash and cash equivalents	6,694	6,693	6,697	6,696
(iii) Bank balances other than (ii) above	19,384	19,384	19,384	19,384
(iv) Loans	1,786	1,107	1,786	1,107
(v) Others financial assets	1,212	1,516	1,212	1,516
(c) Current tax assets (Net)	3,117	3,117	3,117	3,117
(d) Other current assets	47,669	79,446	47,669	79,446
	<b>97,043</b>	<b>1,37,124</b>	<b>97,046</b>	<b>1,37,127</b>
<b>Total Assets</b>	<b>2,43,675</b>	<b>2,86,691</b>	<b>2,43,862</b>	<b>2,86,815</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	13,112	13,112	13,112	13,112
(b) Other Equity	(2,72,249)	(2,43,756)	(2,72,700)	(2,44,269)
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Lease Liability	-	29	-	29
(iii) Trade payables				
Dues to micro and small enterprises	-	-	-	-
Dues to other than micro and small enterprises	16,379	20,707	16,379	20,707
(iv) Other financial liabilities	5,616	5,543	5,616	5,543
(b) Provisions	9,949	3,954	9,949	3,954
	<b>31,944</b>	<b>30,233</b>	<b>31,944</b>	<b>30,233</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Lease Liability	29	57	29	57
(ii) Borrowings	65,453	65,669	65,453	65,669
(iii) Trade payables				
Dues to micro and small enterprises	691	576	-	-
Dues to other than micro and small enterprises	72,573	75,567	73,901	76,780
(iv) Other financial liabilities	3,02,408	3,09,360	3,02,408	3,09,360
(b) Provisions	5,493	7,374	5,493	7,374
(c) Other current liabilities	24,221	28,498	24,221	28,499
	<b>4,70,868</b>	<b>4,87,101</b>	<b>4,71,505</b>	<b>4,87,738</b>
<b>Total Equity and Liabilities</b>	<b>2,43,675</b>	<b>2,86,691</b>	<b>2,43,862</b>	<b>2,86,815</b>



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**Statement of Standalone and Consolidated Cash flow Statement for the year ended March 31, 2021**

(Rs. In Lakhs, unless otherwise stated)

Particulars	Standalone as at		Consolidated as at	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
<b>A. Cash flow from operating activities</b>				
Profit/(Loss) before tax	(28,564)	(40,626)	(28,565)	(40,626)
Adjustment: Non cash adjustments to reconcile profit before tax to net cash flows				
Company's share of profit from integrated joint ventures	-	-	(63)	(121)
Liabilities no longer required written back	-	(418)	-	(418)
Reversal for estimated future loss on projects	(699)	(1,129)	(699)	(1,129)
Depreciation and amortization expense	2,148	3,181	2,148	3,181
Stocks written-off	-	1,439	-	1,439
Expected credit loss provisions on trade receivable and contract assets	-	2,950	-	2,950
Provision for advances, trade receivables, other assets, future loss and impairment of property, plant and equipment	20,264	-	20,264	-
Bad debts recovered	(366)	-	(366)	-
Covid 19 Impact -Provision for additional cost	4,758	-	4,758	-
Impairment provision of Inter Corporate Assets	-	32,378	-	32,378
Loans and Other assets provision/ written off	-	5,854	-	5,854
Interest income from financial assets carried at amortised cost	(334)	(316)	(334)	(316)
Interest expense from financial liabilities carried at amortised cost	7	7	7	7
Interest expense	4,263	2,611	4,263	2,611
Interest income	(1,328)	(3,621)	(1,328)	(3,621)
Operating profit before working capital changes	149	2,310	85	2,189
Movement in working capital adjustments				
(Increase) / decrease in inventories	1,450	2,319	1,450	2,319
(Increase) / decrease in trade receivables	1,454	486	1,454	486
(Increase) / decrease in loans	(35)	(404)	(35)	(404)
(Increase) / decrease in other financial assets	2,932	7,596	2,932	8,242
(Increase) / decrease in other non financial assets	30,182	2,022	30,182	2,022
Increase / (decrease) in provision	(15,381)	(15)	(15,381)	(15)
Increase / (decrease) in trade payables	(7,208)	4,827	(7,207)	4,828
Increase / (decrease) in other financial liabilities	(6,970)	1,376	(6,970)	729
Increase / (decrease) in other liabilities	(4,277)	0.10	(4,277)	0.10
Cash (used in) / flow from operating activities	2,296	20,517	2,233	20,396
Income tax (refund) / paid (net)	1,266	1,221	1,266	1,221
<b>Net cash (used in) / flow from operating activities (A)</b>	<b>3,562</b>	<b>21,738</b>	<b>3,499</b>	<b>21,617</b>
<b>B. Cash flows from investing activities</b>				
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	(444)	100	(444)	100
Share of Profit in the joint ventures received	-	-	63	121
Proceeds from JV	-	2,535	-	2,535
(Deposit) / proceeds from bank deposits (having original maturity of more than three months)	-	(18,000)	-	(18,000)
Interest received	1,328	3,621	1,328	3,621
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>884</b>	<b>(11,744)</b>	<b>946</b>	<b>(11,623)</b>
<b>Cash flow from financing activities</b>				
Proceeds/Repayment from long-term borrowings (net)	-	(832)	-	(832)
Proceeds/Repayment from short-term borrowings (net)	(181)	(1,407)	(181)	(1,407)
Interest paid	(4,263)	(2,611)	(4,263)	(2,611)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(4,444)</b>	<b>(4,850)</b>	<b>(4,444)</b>	<b>(4,850)</b>
Net increase (decrease) in cash and cash equivalents (A + B + C)	1	5,144	1	5,144
Cash and cash equivalents at the beginning of the period	6,693	1,549	6,696	1,552
<b>Cash and cash equivalents at the end of the period (Refer below for break-up)</b>	<b>6,694</b>	<b>6,693</b>	<b>6,697</b>	<b>6,696</b>
<b>Components of Cash and cash equivalents</b>				
Cash on hand	8	11	8	11
With banks - on current accounts	6,686	6,682	6,689	6,685
<b>Total cash and cash equivalents</b>	<b>6,694</b>	<b>6,693</b>	<b>6,697</b>	<b>6,696</b>



Notes to the audited consolidated and standalone financial results for the quarter and year ended March 31, 2021:

- (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 September 02, 2021.
- (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. Company and the present management are cooperating with the respective authorities and submitting the information as sought from time to time.

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

- (5) Going Concern:  
The Company has accumulated loss of Rs. 3,00,790 Lakhs as at March 31, 2021 (Year ended March 31, 2020 Rs 2,72,225 Lakhs). The Company has incurred loss Rs. 28,564 Lakhs of during the year ended March 31, 2021. Company's net worth has been fully eroded and the current liabilities exceed its current assets as at the balance sheet date by Rs. 3,73,825 Lakhs (March 31, 2020: Rs. 3,49,977 Lakhs). A major portion of the existing projects being executed by the Company are nearing completion / or approaching their end of term, which is likely to result in significant reduction in the Company's operating revenue thereafter. During the current and earlier years, the Company has defaulted on various loans to the lenders of the Company, including borrowings from promoter group entities.

As indicated in Note No. 4 above, the Reconstituted Board of Directors of IL&FS filed various status reports to National Company Law Tribunal (NCLT) and in one of such reports, all the group entities of IL&FS have been categorized into Green/Amber/Red entities and the Company was categorized under the Group "Red" implying that the Company is unable to meet its contractual, statutory and debt obligations. The Company is currently not settling payments existing prior to the date of reconstitution of Board of Directors of IL&FS to its Financial Creditors and the Operational Creditors.

Adverse developments in promoter group entities impacted the operations of the company



and also resulted in cancellation/ termination/suspension/foreclosure of certain contracts with customers. The accompanying consolidated and standalone financial results statements has been prepared on going concern basis based on cumulative impact of certain steps taken by the Reconstituted Board. Based on this, the business can be predicted to be operative for the following 12 months and there is no threat of liquidation or closure.

Further, the Reconstituted Board is in the process of finalizing a comprehensive approach to manage the current situation including sale of existing equity share holding by IL & FS Group. In this process, the Reconstituted Board, as part of resolution process for the Company, has invited expression of interest for acquiring the equity stake in the Company. Based on the cumulative impact of above stated matters/factors, the management prepared the financial statements on a going concern basis.

- (6) Interest Expense:  
Consequent to the matters referred in note no 4 and 5 above and in terms of the resolution framework process, the proposal made is that liabilities relating to the relevant IL&FS Group Entity, including interest, default interest, indemnity claims and additional charges, whether existing at or relating to a period after the Cut-Off Date (October 15, 2018) should not continue to accrue.  
Ongoing resolution process is in line with the orders issued by Hon'ble National Company Law Tribunal Appellate Tribunal. The Company is in anticipation of obtaining necessary approval for concession/waivers from lenders has neither paid nor recognized interest, aggregating to Rs. 42,817 Lakhs approximately (excluding penal interest etc.) for year ended March 31, 2021.  
Interest so far not recognized as payable as at March 31, 2021 aggregates to Rs 86,267 Lakhs approximately (excluding penal interest etc.).
- (7) Deferred Tax amounting to Rs. 24,299 Lakhs as at March 31, 2021 (Rs. 24,299 Lakhs as at March 31, 2020), recognized by the Company in earlier years. The same is being retained as the Company is in the process of finalizing resolution plan which if approved and implemented is likely to generate enough profits in subsequent years which can set-off deferred tax asset.
- (8) Complaint lodged with the Commissioner of Police (Economic Offence Wing, Hyderabad)  
The management of the Company has directed internal auditor of the Company to carry out a special audit relating to one of the projects being executed by the Company. Based on the report submitted by the internal auditor, the Board of Directors have instructed to lodge a complaint with Economic Offence Wing, Hyderabad for further investigation and to take appropriate actions against the persons involved causing loss if any to the Company.
- (9) Trade receivables and Contract assets (Retention Money and Project work in progress):
- a) Balances under trade receivables, retention money and project work in progress (PWIP) include long pending dues relating to the completed projects, amounting to Rs 5,413 Lakhs, Rs 2,690 Lakhs and Rs 3,362 Lakhs respectively. Management is communicating and discussing with customers for recovery of these monies. Based on the internal assessment, the management is of the view that no further provision is required to be made.
- b) Retention money as at March 31, 2021 Rs. 43,386 Lakhs. As per contractual terms, these retention monies can be receivable by the Company, primarily after completion



of Defective Liability Period (DLP). The Company has not received any claims under defect liability clause and is confident of recovery of the carrying value of the same irrespective of termination/foreclosure/disputes, hence no further provision is required to be made.

- c) PWIP include Rs 25,263 lakhs (including interest receivable, trade receivable and retention money recognized in earlier years thereon and net of mobilization advance and interest payable on mobilization advance) represents amounts receivable from a customer as per the arbitration award in favour of the Company. The customer has referred the matter further to High Court of Delhi.
- d) PWIP also include Rs. 1,500 Lakhs, represents contract assets recognized during the year on certain completed projects as final bills based on the discussion with the respective customers. Management expects to convert these projects working progress to certified revenue and recover the same.

(10) Confirmation of Balances:

As at March 31, 2021, fund-based borrowings availed by the Company aggregates to Rs 2,62,940 Lakhs. These include borrowings from promoter group entities, aggregating to Rs 2,04,707 Lakhs. The Company neither serviced principal amounts and /or interest payments, wherever applicable. Further, borrowings to the extent of Rs. 38,789 Lakhs were not conformed by lenders. Adjustments to principal and interest, if any, will be recognized in the period of final settlement.

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

(11) 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 OCCRP 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 OCCRP were due for redemption as on September 30, 2019. The Company defaulted in the repayment of these OCCRP. Further, the Company has also defaulted in repayment of dividend of Rs 1,579 Lakhs. Dividend payable defaulted in the books as on March 31, 2021, Rs 1,579 Lakhs.

- (12) Management during the year after reviewing the progress of the operations, developments during past three years and after discussions with various customers, vendors and others made a provision of Rs.23,528 lakhs (including Rs.21,149 lakhs during the three months period ended on March 31, 2021), on a prudent and conservative basis, as doubtful. However, the management will perform all necessary actions for recovery of the receivables.

- (13) The Company has not consolidated one subsidiary "Maytas Infra Saudi Arabia Company" in current year and previous year as the said subsidiary has ceased its operations for a period in excess of three years.





- (14) 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 company has made an internal assessment of impact of Covid-19 pandemic on company's operation and made a provision of Rs. 4,758 Lakhs during the year ended March 31,2021. This has been shown as an exceptional item in the statement of profit and loss for the said period.
- (15) Statutory Auditors of the Company have qualified in their audit reports on standalone financial results statements with regards to matters stated in paragraphs 6, 7 and in their audit reports on consolidated financial results statements with regards to matters stated in paragraphs 6,7 and 13 above and drawn emphasis of matter with respect to matters stated in paragraphs 4,5,8,9and 10 above in both standalone and consolidated financial results statement.
- (16) The figures for the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to third quarter of respective financial year. Also, the figures up to the end of the third quarter were only reviewed and were not subjected to audit.
- (17) 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

CHANDRA  
SHEKHAR RAJAN  
Chandra Shekar Rajan  
Director  
DIN: 00126063

Dilip Lalchand Bhatia  
Dilip Lalchand Bhatia  
Director  
DIN: 01825694

Place:  
Date: September 02, 2021

KHAN  
KAZIM RAZA  
Kazim Raza Khan  
Chief Executive Officer

Place:  
Date: September 02, 2021

NAVEEN KUMAR  
AGRAWAL  
Naveen Kumar Agrawal  
Chief Financial Officer

SISTLA SRINIVASA  
KIRAN  
Sistla Srinivasa Kiran  
Company Secretary

Place:  
Date: September 02, 2021

Place:  
Date: September 02, 2021

Place:  
Date: September 02, 2021



Independent Auditors' Report on Financial Results of IL&FS Engineering and Construction  
Company Limited for the quarter and year ended March 31, 2021

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

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

Qualified Opinion

1. We have audited the accompanying standalone annual financial results of IL&FS Engineering and Construction Company Limited ("the Company") for the year ended 31 March 2021 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects, if any, for the matters described in Basis for Qualified Opinion section and read with material uncertainty relating to Going Concern Para below, these standalone annual financial results:
  - a. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
  - b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards, and other accounting principle generally accepted in India, of Net loss (including total comprehensive loss) and other financial information of the Company for the quarter and year ended March 31, 2021.

Basis for Qualified Opinion

We draw attention to notes to financial statements:

3. Note 6 relating to non-recognition of interest expense for the period amounting to Rs. 42,817 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. 42,817 Lakhs approximately and
  - b. Retained earnings (accumulated loss) and Interest payable as at March 31, 2021 is understated by Rs. 86,267 Lakhs.
4. 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 March 31, 2021 represents amounts recognised by the Company in earlier years. Considering the material uncertainty related to going concern that exists in the Company, the threshold of reasonable certainty for recognising the deferred tax assets as per Ind AS 12- Income Taxes has not been met. Consequently, deferred tax assets are overstated and loss for the period and retained earnings (accumulated loss) are understated by Rs. 24,299 Lakhs.



**Material uncertainty related to going Concern:**

5. 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 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 year ended March 31, 2021 do not include adjustments, if any, that may arise on account of the ongoing investigations by the investigating and other agencies and Regulatory Authorities, as the management, at this juncture, do not foresee any adjustments to be made in these financial results of the Company as a result of any such investigations.
7. Note 9 (a) regarding long pending trade receivables, retention money and contract assets (Project work in progress) from the completed projects, amounting to Rs 5,413 Lakhs, Rs 2,690 Lakhs and Rs 3,362 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.
8. Note 10 regarding absence of confirmation of balances as at March 31, 2021 by certain lenders, customers and vendors.
9. Note 8 regarding complaint lodged by the management with Economic Offences Wing, Hyderabad in connection with certain alleged irregularities etc as reported in special audit report issued by internal auditor of the company.

Amounts stated in Note 6, 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 5 to 9.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.



**Management's and Board of Directors Responsibilities for the Standalone Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net loss (including total comprehensive loss) and other financial information in accordance with applicable Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulation 33 of the Listing Regulations. The Board of Directors are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if



such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matters

The standalone annual financial results include the results for the quarter ended March 31, 2021 and March 31, 2020 being the balancing figures between the audited figures in respect of the financial year ended March 31, 2021 and March 31, 2020 and the published unaudited year-to-date figures up to December 31, 2020 and December 31, 2019, which were subjected to a limited review by us. As required under listing regulations

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



*V K Muralidhar*

V K Muralidhar  
Partner  
Membership No.201570

Hyderabad,  
September 02, 2021

UDIN: 21201570AAAAFP7615

Independent Auditors' Report on Consolidated Financial Results of IL&FS Engineering and  
Construction Company Limited for the quarter and year ended March 31, 2021

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

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

Qualified Opinion

1. We have audited the accompanying annual consolidated financial results of IL&FS Engineering and Construction Company Limited ('the Holding Company') and its subsidiaries (collectively referred to as 'the Group') for the year ended March 31, 2021 ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects, if any, for the matters described in Basis for Qualified Opinion section and read with material uncertainty relating to Going Concern Para below, these annual consolidated financial results:
  - a. include the annual financial results of the following entities:
    - Maytas Infra Assets Limited
    - Maytas Vasista Varadhi Limited
    - Maytas Metro limited
    - Angeerasa Green Fields
    - Ekadanta Green Fields
    - Saptaswara Agro Farms
    - Maytas NCC JV
    - NCC-Maytas (JV)
    - Maytas – CTR (JV)
    - NCC – Maytas – ZVS (JV)
  - b. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
  - c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards, and other accounting principle generally accepted in India, of Net loss (including total comprehensive loss) and other financial information of the Company for the quarter and year ended March 31, 2021.

Basis for Qualified Opinion

We draw attention to notes to financial statements:



3. Note 6 relating to non-recognition of interest expense for the period amounting to Rs. 42,817 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. 42,817 Lakhs approximately and
  - b. Retained earnings (accumulated loss) and Interest payable as at March 31,2021 is understated by Rs. 86,267 Lakhs.
4. Note 7: Deferred tax assets classified as a part of Non-current assets and forming part of Consolidated annual Financial results amounting to Rs. 24,299 lakhs as at March 31, 2021 represents amounts recognised by the Company in earlier years. Considering the material uncertainty related to going concern that exists in the Company, the threshold of reasonable certainty for recognising the deferred tax assets as per Ind AS 12- Income Taxes has not been met. Consequently, deferred tax assets are overstated and loss for the period and retained earnings (accumulated loss) are understated by Rs. 24,299 lakhs.
5. The Group has not consolidated one overseas subsidiary. We were informed that the said overseas subsidiary has ceased its operations for a period in excess of three years.

**Material uncertainty related to going Concern:**

6. 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 plan, which is not wholly within the control of the Company.

The Management of the Company has accordingly 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 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 year ended March 31,2021 do not include adjustments, if any, that may arise on account of the ongoing investigations by the investigating and other agencies and Regulatory Authorities, as the management, at this juncture, do not foresee any adjustments to be made in these financial results of the Company as a result of any such investigations.



8. Note 9(a) regarding long pending trade receivables, retention money and contract assets (Project work in progress) from the completed projects, amounting to Rs 5,413 Lakhs, Rs 2,690 Lakhs and Rs 3,362 Lakhs respectively. For the reasons stated in the relevant notes to the accompanying standalone financial results. Management, based on internal assessment, is of the opinion that the amounts carrying value of these balances are fully recoverable.
9. Note 10 regarding absence of confirmation of balances as at March 31, 2021 by certain lenders, customers and vendors.
10. Note 8 regarding complaint lodged by the management with Economic Offences Wing, Hyderabad in connection with certain alleged irregularities etc as reported in special audit report issued by internal auditor of the company.

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

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Management's Responsibilities for the Consolidated Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.





In preparing the consolidated financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matters

- a. The Consolidated Financial Results do not include the financial statements of an overseas entity "Maytas Infra Saudi Arabia Company" for the reasons stated in Note 13
- b. The consolidated annual financial results include the results for the quarter ended March 31, 2021 and March 31, 2020 being the balancing figures between the audited figures in respect of the financial year ended March 31, 2021 and March 31, 2020 and the published unaudited year-to-date figures up to December 31, 2020 and December 31, 2019, which were subjected to a limited review by us. As required under listing regulations

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



*V K Muralidhar*

V K Muralidhar  
Partner  
Membership No.201570

Hyderabad,  
September 02, 2021

UDIN: 21201570AAAAFQ3945

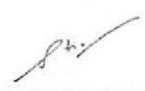


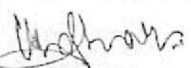
## ANNEXURE I

**Statement on Impact of Audit Qualifications for the Financial year ended March 31, 2021**  
(See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016)

Rs. in Crores

S. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
I.	1 Turnover / Total Income	377.76	377.76
	2 Total Expenditure	663.40	1,769.06
	3 Net Profit / (Loss)	(285.64)	(1,391.30)
	4 Earnings Per Share	(21.78)	(106.09)
	5 Total Assets	2,436.75	2,193.76
	6 Total Liabilities	5,028.12	5,890.79
	7 Net Worth	(2,591.37)	(3,697.03)
	8 Any Other financial item(s)(as felt appropriate by the management)	Refer EOM's given in the Audit Report	
II.	<b>Audit Qualification (each audit qualification separately):</b>		
A.	<p><b>a. Details of Audit Qualification :</b> Deferred tax assets classified as a part of Non-current assets and forming part of Standalone Financial results amounting to Rs.242.99 Crores as at March 31, 2021 represents amounts recognised by the Company in earlier years. Considering the material uncertainty related to going concern that exists in the Company, the threshold of reasonable certainty for recognising the deferred tax assets as per Ind AS 12- Income Taxes has not been met. Consequently, deferred tax assets are overstated and loss for the period and retained earnings (accumulated loss) are understated by Rs.242.99 Crores.</p>		
	<b>b. Type of Audit Qualification : Qualified Opinion</b>		
	<b>c. Frequency of qualification : First time reported in the year ended March 31, 2019.</b>		
	<b>d. For Audit Qualification(s) Where the impact is quantified by the auditor, Management's Views:</b>  Note 8 relating to deferred tax asset amounting to Rs. 242.99 Crores as at March 31, 2021, recognised by the Company in earlier years. The same is being retained as the Company is in the process of finalising resolution plan which if approved and implemented is likely to generate enough profits in subsequent years which can be set off against deferred tax asset		
	<b>e. For Audit Qualification(s) Where the impact is not quantified by the auditor:</b>		
	<b>(i) Management's estimation on the impact of audit qualification:</b> Not Applicable		
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b> Not Applicable		
	<b>(iii) Auditors' Comments on e(i) or e(ii) above:</b> Nil		
B.	<p><b>a. Details of Audit Qualification :</b> Note 7 relating to non-recognition of interest expense for the year amounting to Rs.428.17 Crores (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. Consequently, interest expense and loss for the year are understated by Rs.428.17 Crores and retained earnings (accumulated loss) and interest payable is understated by Rs.862.67 Crores.</p>		
	<b>b. Type of Audit Qualification : Qualified Opinion</b>		
	<b>c. Frequency of qualification : First time reported in the year ended March 31, 2019.</b>		



	<p><b>d. For Audit Qualification(s) Where the impact is quantified by the auditor, Management's Views:</b></p> <p>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&amp;FS group and also restricted certain coercive actions by the creditors of the IL&amp;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.</p> <p>In terms of the Resolution Framework Reports, the proposal made is that liabilities relating to the relevant IL&amp;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.</p> <p>Further, since a Resolution Plan in line with the above orders, is in process, the Company has neither paid nor recognized as interest payable.</p>
	<p><b>e. For Audit Qualification(s) Where the impact is not quantified by the auditor:</b></p> <p>(i) Management's estimation on the impact of audit qualification:</p> <p>Not Applicable</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>Not Applicable</p>
	<p>(iii) Auditors' Comments on e(i) or e(ii) above:</p> <p>Nil</p>
III.	<p><b>Signatories:</b></p>
1.	<p>DIRECTOR </p>
2.	<p>Chief Executive Officer <b>KHAN KAZIM RAZA</b> </p>
3.	<p>Chief Financial Officer <b>NAVEEN KUMAR AGRAWAL</b> </p>
	<p><b>Statutory Auditors:</b></p> <p>for M.Bhaskara Rao &amp; Co., Chartered Accountants ICAI Firm Registration Number: 000459S</p> <p> <b>V K Muralidhar</b> Partner Membership No: 201570</p> <p>Place: Hyderabad Date: September 02, 2021</p> 