

29th May, 2023

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: Intimation of Statement of Impact to Consolidated Financial Results for
the Q4 and Financial Year ended 31st March, 2023

Dear Sir/Madam

In compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed extracts of Audited Consolidated Financial Results with Statement of Impact for the Q4 and Financial Year ended 31st March, 2023.

The exchange may please note, the same has already been separately uploaded on NEAPs portal within 30 minutes of conclusion of Board Meeting on 25th May, 2023 separately.

We request you to take this intimation on your record.

Thanking you

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

Rajib Kumar Routray
Company Secretary & Compliance Officer

Encl. as above



Independent Auditor's Report

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

Report on the Audit of Consolidated Financial Results

Qualified Opinion

We have audited the accompanying Consolidated Financial Results of **IL&FS Engineering and Construction Company Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries (collectively referred to as 'the Group') and its joint ventures for the quarter and year ended March 31, 2023 ("the Statement"), attached herewith, being submitted by the Holding 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").

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 Consolidated Financial Results:

a. include the financial results of the following entities:

Subsidiaries

- Maytas Vasista Varadhi Limited
- Maytas Metro Limited
- Angeerasa Green Fields Private Limited
- Ekadanta Green Fields Private Limited
- Saptaswara Agro Farms Private Limited
- Maytas Infra Assets Limited

Joint Ventures

- Maytas NCC JV
- NCC – Maytas – ZVS (JV)

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; 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 and other comprehensive loss and other financial information of the Group for the quarter and year ended March 31, 2023.

Basis for Qualified Opinion

We draw attention to following notes to Consolidated Financial Results:

The Consolidated Financial Results do not include the financial results and other financial information of an overseas entity "Maytas Infra Saudi Arabia Company" for the reasons stated in Note 10. We are unable to comment on impact on the financial results for the year, carrying values of assets / liabilities and retained earnings of the Group, had the subsidiary's financial results and other financial information been consolidated.



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 Holding 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.

Material uncertainty related to going Concern:

1. Attention is invited to Note 5 regarding continued losses, erosion of networth as at the year end and significant reduction in the Holding 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 Holding 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 Holding 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 prepared these financial results statements on a going concern basis considering status of process initiated by the Board and Interim Orders of NCLAT.

Our opinion is not modified in respect of this matter.

Emphasis of Matter:

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

2. 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'), and some of its subsidiaries (including the Company). The consolidated financial results of the Company for the year ended March 31, 2023 do not include adjustments, if any, that may arise on account of the ongoing investigations by the investigating agencies, Regulatory Authorities.
3. Note 6 relating to non-recognition of interest expense on borrowings availed by the Company, pursuant to the Interim Order and the Judgement passed by NCLAT specifying October 15, 2018 as cut-off date for initiation of resolution process, of Rs.437.41 Crores (excluding penal/other interest and charges) for the year ended March 31, 2023. Aggregate amount of interest expense not so recognized as at March 31, 2023 is Rs. 1722.21 Crores approximately).
4. Note 8 regarding non-receipt of confirmation of balances as at March 31, 2023 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 results statements, are not determinable at this juncture for the reasons stated in respective notes.

Our opinion is not modified in respect of above matters.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Results

These quarter and year ended annual financial results have been prepared on the basis of the consolidated annual financial statements.



The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the 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 respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

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 on whether the Company has adequate internal financial controls with reference to 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 appropriateness of this assumption. 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 consolidated 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 of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities Exchange Board of India under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- a. The Consolidated Financial Results also include the Group's share of net profit of Rs 3 Lakhs for the year ended March 31, 2023, as considered in the consolidated financial results statements, in respect of two joint ventures, whose financial statements have not been audited by us. Our opinion on the Consolidated Financial Results Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid joint ventures and our report, in so far as it relates to the aforesaid joint ventures, is based solely on the said Consolidated Financial Results Statements prepared by the management.

Our opinion on the Statement is not modified in respect of the above matters.

- b. The Financial Results include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the financial year ended 31 March 2023 and the published unaudited year to date figures up to the 31 December 2022, which were subject to limited review by us.

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



M.V. Ramana Murthy

M.V. Ramana Murthy
Partner

Membership No.206439

UDIN: 23206439BGSWVJ5194

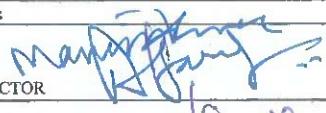
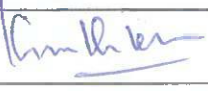

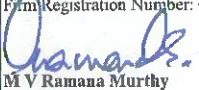

Hyderabad, May 25, 2023

ANNEXURE I

Consolidated Financial Results

Statement on Impact of Audit Qualifications for the Financial year ended March 31, 2023
(Sec Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016)

Rs. in Lakhs

S. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
1	Turnover / Total Income	21,568	21,568
2	Total Expenditure	33,966	33,966
3	Net Profit / (Loss)	(12,398)	(12,398)
4	Earnings Per Share	(9.46)	(9.46)
5	Total Assets	1,82,621	1,82,621
6	Total Liabilities	4,93,276	4,93,276
7	Net Worth	(3,10,655)	(3,10,655)
8	Any Other financial item(s) (as felt appropriate by the management)	Refer EOM's given in the Audit Report	
II. Audit Qualification (each audit qualification separately):			
A.	<p>a. Details of Audit Qualification : The Consolidated Financial Results do not include the financial results and other financial information of an overseas entity "Maytas Infra Saudi Arabia Company" for the reasons stated in Note 10. We are unable to comment on impact on the financial results for the year, carrying values of assets/ liabilities and retained earnings of the Group, had the subsidiary's financial results and other financial information been consolidated.</p>		
	<p>b. Type of Audit Qualification : Qualified Opinion</p>		
	<p>c. Frequency of qualification : First time reported in the year ended March 31, 2019.</p>		
	<p>d. For Audit Qualification(s) Where the impact is quantified by the auditor, Management's Views: Not applicable</p>		
	<p>e. For Audit Qualification(s) Where the impact is not quantified by the auditor:</p>		
	<p>(i) Management's estimation on the impact of audit qualification: Investment in subsidiary has been fully provided for. There were no operations for more than 3 years. Financial information will not have significant impact on the consolidated results.</p>		
	<p>(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable</p>		
	<p>(iii) Auditors' Comments on e(i) or e(ii) above: Nil</p>		
III. Signatories:			
1.	 DIRECTOR		
2.	 Chief Executive Officer		
3.	 Chief Financial Officer		
Statutory Auditors:			
<p>for M. Bhaskara Rao & Co., Chartered Accountants Firm Registration Number: 000459S</p>  M V Ramana Murthy Partner Membership No: 206439			
			
<p>Place: Gurugram Date: May 25, 2023</p>			

