

25<sup>th</sup> 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: Outcome of the Board Meeting**

Dear Sir/ Madam,

The Board of Directors of the Company at its meeting held today i.e. 25<sup>th</sup> May 2023 has considered and approved, *inter-alia*, the Audited Financial Results (Standalone and Consolidated) for the Quarter/ Financial Year ended 31st March 2023.

A copy of the said results (Standalone and Consolidated) along with Audit Reports are enclosed herewith in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The report of the Auditors is with unmodified opinion with respect to Audited Financial Results both Standalone and Consolidated for the Quarter/ FY ended 31st March 2023.

The date of the Annual General Meeting will be intimated in due course.

The meeting of the Board of Directors commenced at 14.00 Hrs. and concluded at 18.20 HRS. This is for your kind information and record, please.

Thanking you,

Yours faithfully,

For IL&FS Engineering and Construction Company Limited

**Rajib Kumar Routray**

Company Secretary & Compliance Officer



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

CIN: 1452011G1988PLC008624

Regd. Office : D No 8-2-120/113, Block B, 1st Floor, Sunil 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 Audited Standalone Financial Results for the quarter and year ended March 31, 2023**

(Rs. In Lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	(Audited) Refer Note 12)	(Unaudited)	(Audited) Refer Note 12)	(Audited)	(Audited)
<b>1. Income</b>					
(a) Revenue from operations	8,437	1,770	9,698	17,710	30,764
(b) Other income	2,326	466	3,211	3,855	7,104
<b>Total Income</b>	<b>10,763</b>	<b>2,236</b>	<b>12,909</b>	<b>21,565</b>	<b>37,868</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	774	1,361	3,137	4,048	10,035
(b) Subcontracting expense	4,346	484	2,288	8,220	9,763
(c) Employee benefits expense	828	937	1,027	3,646	4,363
(d) Finance cost	1,627	47	434	2,307	4,600
(e) Depreciation and amortization	254	240	329	1,018	1,355
(f) Other expenses	1,025	1,081	1,129	3,660	7,322
(g) Expected credit loss and other provisions	9,869	-	15,329	10,553	21,121
<b>Total expenses</b>	<b>18,723</b>	<b>4,151</b>	<b>23,674</b>	<b>33,453</b>	<b>58,560</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>(7,960)</b>	<b>(1,915)</b>	<b>(10,765)</b>	<b>(11,888)</b>	<b>(20,692)</b>
4. Exceptional items (net) (refer note 10)	(24)	536	24,299	512	17,943
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(7,936)</b>	<b>(2,451)</b>	<b>(35,064)</b>	<b>(12,400)</b>	<b>(38,635)</b>
6. Tax (expense) / credit					
-Current Tax	-	-	-	-	-
-Deferred Tax	-	-	-	-	-
<b>7. Net Profit / (loss) after Exceptional Items and tax (5+6)</b>	<b>(7,936)</b>	<b>(2,451)</b>	<b>(35,064)</b>	<b>(12,400)</b>	<b>(38,635)</b>
8. Other Comprehensive Income/(expense)(net of tax)					
a) Remeasurements of the defined benefit plan	(55)	-	(17)	(39)	(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>(7,991)</b>	<b>(2,451)</b>	<b>(35,081)</b>	<b>(12,439)</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
11. Other equity as shown in the audited balance Sheet	-	-	-	(3,23,340)	(3,10,901)
12. Earnings per equity share (of Rs 10/- each) (not annualised):					
a. Basic	(6.05)	(1.87)	(26.74)	(9.46)	(29.47)
b. Diluted	(6.05)	(1.87)	(26.74)	(9.46)	(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 Audited Consolidated Financial Results for the quarter and year ended March 31, 2023

(Rs. in Lakhs, unless otherwise stated)

Particulars	Quarter ended		Year ended		
	31-Mar-23 (Audited) (Refer note 12)	31-Dec-22 (Unaudited)	31-Mar-22 (Audited) (Refer note 12)	31-Mar-23 (Audited)	31-Mar-22 (Audited)
<b>1. Income</b>					
(a) Revenue from operations	8,437	1,770	9,698	17,710	30,764
(b) Other income	2,326	466	3,211	3,855	7,104
<b>Total Income</b>	<b>10,763</b>	<b>2,236</b>	<b>12,909</b>	<b>21,565</b>	<b>37,868</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	774	1,361	3,137	4,048	10,035
(b) Subcontracting expense	4,346	484	2,288	8,220	9,763
(c) Employee benefits expense	828	937	1,027	3,646	4,363
(d) Finance cost	1,627	47	434	2,307	4,600
(e) Depreciation and amortization	254	240	329	1,018	1,355
(f) Other expenses	1,026	1,081	1,130	3,661	7,323
(g) Expected credit loss and other provisions	9,869		15,329	10,553	21,121
<b>Total expenses</b>	<b>18,724</b>	<b>4,151</b>	<b>23,675</b>	<b>33,453</b>	<b>58,561</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>(7,961)</b>	<b>(1,915)</b>	<b>(10,766)</b>	<b>(11,889)</b>	<b>(20,692)</b>
4. Exceptional items (net) (refer note 10)	(24)	536	24,299	512	17,943
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(7,938)</b>	<b>(2,451)</b>	<b>(35,065)</b>	<b>(12,401)</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	3	-	22	3	22
<b>8. Net Profit/(loss) after Exceptional Items and tax (5+6+7)</b>	<b>(7,935)</b>	<b>(2,451)</b>	<b>(35,043)</b>	<b>(12,398)</b>	<b>(38,613)</b>
Attributable to:					
Shareholder of the Company	-	-	-	-	-
Non controlling interests	-	-	-	-	-
<b>9. Other Comprehensive Income/(expense)(net of tax)</b>					
Attributable to:					
Items that will be reclassified to profit or loss					
a) Remeasurements of the defined benefit plan	(55)	-	(17)	(39)	(17)
b) Income tax relating to the items that will not be reclassified to profit or loss	-	-	-	-	-
Shareholder of the Company	(55)	-	(17)	(39)	(17)
Non controlling interests	-	-	-	-	-
<b>10. Total comprehensive income for the period (8+9)</b>	<b>(7,989)</b>	<b>(2,451)</b>	<b>(35,060)</b>	<b>(12,437)</b>	<b>(38,630)</b>
Attributable to:					
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>(3,23,767)</b>	<b>(3,11,330)</b>
<b>13. Earnings per equity share (of Rs. 10/- each) (not annualised):</b>					
a. Basic	(6.05)	(1.87)	(26.73)	(9.46)	(29.45)
b. Diluted	(6.05)	(1.87)	(26.73)	(9.46)	(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 March 31, 2023</b> <b>(Rs. In Lakhs, unless otherwise stated)</b>				
Particulars	Standalone as at		Consolidated as at	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	(audited)	(audited)	(audited)	(audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	3,912	4,895	3,912	4,895
(b) Right-of-use-assets	291	-	291	-
(c) Intangible assets	-	-	-	-
(d) Financial Assets				
(i) Investments	4,747	4,314	4,956	4,520
(ii) Trade receivables	5,003	2,523	5,003	2,523
(iii) Loans	1,005	1,931	1,005	1,931
(iv) Others financial assets	22,670	23,108	22,670	23,108
(e) Deferred tax assets (net)	-	-	-	-
(f) Current tax assets (Net)	2,031	2,526	2,031	2,526
(g) Other non-current assets	71,885	64,183	71,885	64,183
	<b>1,11,544</b>	<b>1,03,479</b>	<b>1,11,753</b>	<b>1,03,685</b>
<b>Current assets</b>				
(a) Inventories	1,036	2,174	1,036	2,174
(b) Financial Assets				
(i) Trade receivables	7,483	7,581	7,483	7,581
(ii) Cash and cash equivalents	14,732	10,395	14,735	10,398
(iii) Bank balances other than (ii) above	18,359	22,777	18,359	22,777
(iv) Others financial assets	1,754	1,395	1,754	1,395
(c) Current tax assets (Net)	4,138	4,314	4,138	4,314
(d) Other current assets	23,363	39,291	23,363	39,291
	<b>70,865</b>	<b>87,927</b>	<b>70,868</b>	<b>87,930</b>
<b>Total Assets</b>	<b>1,82,409</b>	<b>1,91,407</b>	<b>1,82,621</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	(3,23,340)	(3,10,901)	(3,23,767)	(3,11,330)
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Lease Liability	256	-	256	-
(ii) Trade payables				
Dues to micro and small enterprises	-	-	-	-
Dues to other than micro and small enterprises	33,804	21,703	33,804	21,703
(iii) Other financial liabilities	5,000	4,058	5,000	4,058
(b) Provisions	4,166	1,834	4,166	1,834
	<b>43,225</b>	<b>27,596</b>	<b>43,225</b>	<b>27,596</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Lease Liability	35	-	35	-
(ii) Borrowings	2,66,854	2,66,883	2,66,854	2,66,883
(iii) Trade payables				
Dues to micro and small enterprises	622	604	622	604
Dues to other than micro and small enterprises	62,501	73,445	63,139	74,083
(iv) Other financial liabilities	95,890	97,615	95,890	97,615
(b) Provisions	3,639	4,721	3,639	4,721
(c) Other current liabilities	19,871	18,331	19,871	18,331
	<b>4,49,412</b>	<b>4,61,600</b>	<b>4,50,050</b>	<b>4,62,237</b>
<b>Total Equity and Liabilities</b>	<b>1,82,409</b>	<b>1,91,407</b>	<b>1,82,621</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 year ended March 31, 2023**

(Rs. In Lakhs, unless otherwise stated)

Particulars	Standalone as at		Consolidated as at	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>A. Cash flow from operating activities</b>				
Profit / (Loss) before tax	(12,400)	(38,635)	(12,401)	(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	-	-	(3)	(22)
Reversal for estimated future loss on projects	(576)	(7,429)	(576)	(7,429)
Depreciation and amortization expense	1,018	1,355	1,018	1,355
Provision for advances, trade receivables, other assets, future loss and impairment of property, plant and equipment	5,581	21,121	5,581	21,121
Provision/liabilities no longer required written back	(1,640)	(5,130)	(1,640)	(5,130)
Exceptional Item	512	17,943	512	17,943
Interest income from financial assets carried at amortised cost	(439)	(372)	(439)	(372)
Interest expense from financial liabilities carried at amortised cost	23	1	23	1
Interest expense	1,885	4,599	1,885	4,599
Interest income	(1,488)	(1,015)	(1,488)	(1,015)
<b>Operating profit before working capital changes</b>	<b>(7,524)</b>	<b>(7,561)</b>	<b>(7,528)</b>	<b>(7,584)</b>
<b>Movement in working capital adjustments</b>				
(Increase) / decrease in inventories	1,138	1,598	1,138	1,598
(Increase) / decrease in trade receivables	(2,381)	11,168	(2,381)	11,168
(Increase) / decrease in loans	926	0	926	0
(Increase) / decrease in other financial assets	(5,503)	2,227	(5,503)	2,227
(Increase) / decrease in other non financial assets	7,714	(918)	7,714	(918)
Increase / (decrease) in provision	1,787	(1,475)	1,787	(1,475)
Increase / (decrease) in trade payables	2,814	6,114	2,815	6,110
Increase / (decrease) in other financial liabilities	(403)	(22,832)	(403)	(22,832)
Increase / (decrease) in other liabilities	1,540	(5,890)	1,540	(5,890)
<b>Cash generated from operating activities</b>	<b>107</b>	<b>(17,570)</b>	<b>103</b>	<b>(17,596)</b>
Income tax refunded (net)	672	27,351	672	27,351
<b>Net cash from operating activities (A)</b>	<b>778</b>	<b>9,781</b>	<b>775</b>	<b>9,754</b>
<b>B. Cash flows from investing activities</b>				
Share of Profit in the joint ventures received	-	-	3	22
(Deposit) / proceeds from bank deposits (having original maturity of more than three months)	3,985	(3,393)	3,985	(3,393)
Sale Proceeds from Fixed Assets	-	957	-	962
Interest received	1,488	1,015	1,488	1,015
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>5,473</b>	<b>(1,421)</b>	<b>5,476</b>	<b>(1,393)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds/Repayment from short-term borrowings (net)	(29)	(32)	(29)	(32)
Interest paid/BG commission	(1,885)	(4,628)	(1,885)	(4,628)
<b>Net cash flow used in financing activities (C)</b>	<b>(1,914)</b>	<b>(4,660)</b>	<b>(1,914)</b>	<b>(4,660)</b>
Net increase in cash and cash equivalents (A + B + C)	4,337	3,701	4,337	3,701
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>14,732</b>	<b>10,395</b>	<b>14,735</b>	<b>10,398</b>
<b>Components of Cash and cash equivalents</b>				
Cash on hand	4	5	7	8
With banks - on current accounts	14,728	10,390	14,728	10,390
<b>Total Cash and cash equivalents (as per Ind AS 7)</b>	<b>14,732</b>	<b>10,395</b>	<b>14,735</b>	<b>10,398</b>



**Notes to the Audited Consolidated and Standalone Financial Results for the Quarter and Year ended March 31, 2023:**

- (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 May 25, 2023.
- (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:

Consequent to adverse developments at Infrastructure Leasing and Financial Services Limited ("IL&FS") and IL&FS group level, as stated in earlier years, various regulatory authorities and investigative agencies have initiated their proceedings and 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 by an independent firm was initiated for select entities including the Company. The forensic auditors submitted their final report relating to the Company in 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, Serious Fraud Investigation Office (SFIO), etc. Based on the said report, SFIO and Enforcement Directorate sought additional information from the Company which the Company has submitted from time to time. The adjustments, if any, arising out these investigations would be known upon completion of investigation process by respective authorities / agencies and hence, are not determinable at this stage.

- (5) **Going Concern:**  
The Company has accumulated loss of Rs. 351,825 Lakhs as at March 31, 2023 (as at March 31, 2022: Rs. 339,425 Lakhs). The Company has incurred loss of Rs.12,400 Lakhs for the year ended March 31, 2023 (Loss for the year ended March 31, 2022 Rs.38,635 Lakhs). The Company's net worth is fully eroded and the current liabilities exceed its current assets by Rs.378,547 Lakhs 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 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 National Company Law Appellate Tribunal ("NCLAT") by way of its order on October 15, 2018 ("Interim Order") in the Company Appeal (AT) 346 of 2018, after taking into



consideration the nature of the case, stayed certain coercive and precipitate actions against IL&FS and its group companies including the Company. The NCLAT vide its Judgement dated March 12, 2020 accepted the resolution process and revised resolution framework, including October 15, 2018 as date of initiation of resolution process of IL&FS Group entities, (including the Company) and crystallization of claims as of that date i.e. cut-off date with no interest, additional interest, penal charges or other similar charges to accrue after the said cut-off date. Accordingly, the Company is currently not settling liabilities existing prior to October 15 2018, being the cutoff date 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 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 accepted by the Hon'ble 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 had been received from an unincorporated Consortium which was subjected to challenge through counter bid under a Swiss Challenge method. The successful bid has been put up to the Committee of Creditors for their approval. If accepted, the bid would then be placed for approvals from Justice D.K. Jain (Retd.) and then NCLT.

The ability of the Company to continue as going concern is solely dependent on positive outcome of resolution process initiated by the Reconstituted Board which would restructure the debt and resume normal operations. The above financial results have been prepared on a going concern basis considering the status of the resolution process and steps taken by the Reconstituted Board.

(6) Interest Expense:

As detailed in Note 4 and 5 above, NCLT/NCLAT vide its Judgement dated March 12, 2020 accepted the revised resolution framework process including October 15, 2018 as date of initiation of resolution process of IL&FS Group entities (including the Company) and crystallization of claims as of that date i.e. cut-off date with no interest, additional interest, penal charges or other similar charges to accrue after the said cut-off date.

Pursuant to the above, the Company has not recognized interest expense, which would have otherwise been accrued and recognized in its financial results in accordance with the applicable Accounting Standards, aggregating to Rs. 4,37,41 lakhs approximately (excluding penal interest etc.) for the year ended March 31, 2023 respectively. Aggregate amount of interest expense not recognized as at March 31, 2023 is Rs. 1,72,221 Lakhs approximately (excluding penal interest etc.)

(7) In respect of a road project, consequent to arbitration proceedings, the JV where Company is a partner has been awarded a favorable Order by the Arbitration Tribunal for an amount of Rs. 70,331 Lakhs (Company's share 62%). 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 March 31, 2023, fund-based borrowings outstanding aggregates to Rs 262,879 Lakhs. These include borrowings from group entities, aggregating to Rs 204707 Lakhs. The Company neither serviced principal amounts and /or interest payments, wherever applicable. Further, Borrowings to the extent of Rs.13239 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 and 2,25,000, 6% cumulative redeemable preference shares (CRPS) of Rs.100 each aggregating to Rs. 225 Lakhs were outstanding as on September 30, 2019. All these OCCRPSS 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 OCCRPSS were due for redemption as on September 30, 2019. The Company defaulted in the redemption of these OCCRPSS. 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 report on consolidated financial results statements as at and for the year ended March 31, 2023 in respect of matter stated in paragraph 10 above and emphasis of matters in respect of matters stated in paragraphs 4, 5,6 and 8 above in the audit reports on standalone and consolidated financial results statements as at and for the year ended March 31, 2023.

(12) The figures for the quarter ended March 31, 2023 and March 31, 2022 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.

(13) 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

  
**Manish Kumar Agarwal**  
Non-Executive Director  
DIN: 02885603

  
**Nand Kishore**  
Non-Executive Director  
DIN: 08267502

Place: Gurugram  
Date: May 25, 2023

  
**Kazim Raza Khan**  
Chief Executive Officer

Place: Gurugram  
Date: May 25, 2023

  
**Naveen Kumar Agrawal**  
Chief Financial Officer

  
**Rajib Kumar Routray**  
Company Secretary

Place: Gurugram  
Date: May 25, 2023



Place: Gurugram  
Date: May 25, 2023

Place: Gurugram  
Date: May 25, 2023



## Independent Auditor's Report

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

### Report on the Audit of the Standalone Financial Results

#### Opinion

1. We have audited the accompanying Standalone Financial Results of **IL&FS Engineering and Construction Company Limited** ("the Company") for the quarter and year ended March 31, 2023 ("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, as amended ("the Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, read with material uncertainty relating to Going Concern Para below, the aforesaid Statement:
  - a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; 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 principles generally accepted in India, of net loss and other comprehensive loss and other financial information of the Company for the quarter and year ended March 31, 2023.

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 opinion.

#### Material uncertainty related to going Concern

3. 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 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 standalone financial results:

4. 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 standalone 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.
5. 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.
6. 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 Standalone Financial Results**

These quarter and year ended standalone 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 and other 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 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 scepticism 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 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 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, 2023 being the balancing figures between the audited figures in respect of the financial year ended March 31, 2023 and the published unaudited year-to-date figures up to 31 December 2022, which were subjected to a limited review by us.

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



M.V. Ramana Murthy  
Partner  
Membership No.206439

UDIN: 23206439BGSWVI7028

Gurugram, May 25, 2023

**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




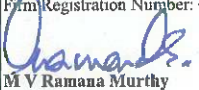

Hyderabad, May 25, 2023

## 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	
<b>II. Audit Qualification (each audit qualification separately):</b>			
A.	<p><b>a. Details of Audit Qualification :</b> 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>b. Type of Audit Qualification :</b> Qualified Opinion</p>		
	<p><b>c. Frequency of qualification :</b> First time reported in the year ended March 31, 2019.</p>		
	<p><b>d. For Audit Qualification(s) Where the impact is quantified by the auditor, Management's Views:</b>  Not applicable</p>		
	<p><b>e. For Audit Qualification(s) Where the impact is not quantified by the auditor:</b></p>		
	<p><b>(i) Management's estimation on the impact of audit qualification:</b> 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><b>(ii) If management is unable to estimate the impact, reasons for the same:</b> Not Applicable</p>		
	<p><b>(iii) Auditors' Comments on e(i) or e(ii) above:</b> Nil</p>		
<b>III. Signatories:</b>			
1.	 DIRECTOR		
2.	 Chief Executive Officer		
3.	 Chief Financial Officer		
<b>Statutory Auditors:</b>			
<p>for M.Bhaskara Rao &amp; Co., Chartered Accountants Firm Registration Number: 000459S</p>  M V Ramana Murthy Partner Membership No: 206439			
			
<p>Place: Gurugram Date: May 25, 2023</p>			

