

IL&FS Engineering and Construction Company Limited
CIN: L45201TG1988PLC008624
Standalone Balance Sheet as at March 31, 2023
(All amounts in Rs. Crore except for shares data or as otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	39.12	48.95
Right-of-use-assets	44	2.91	-
Intangible assets	5	-	-
Financial assets			
Investments	6	47.47	43.14
Trade receivables	7	50.03	25.23
Loans	8	10.05	19.31
Other financial assets	9	226.70	231.08
Current tax assets, net	13	20.31	25.26
Other non-current assets	12	718.85	641.83
		1,115.44	1,034.79
Current assets			
Inventories	11	10.36	21.74
Financial assets			
Trade receivables	7	74.83	75.81
Cash and cash equivalents	10	147.32	103.95
Bank balances other than cash and cash equivalents	10	183.59	227.77
Other financial assets	9	17.54	13.95
Current tax assets, net	13	41.38	43.14
Other current assets	12	233.63	392.91
		708.65	879.27
Total assets		1,824.09	1,914.07
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	131.12	131.12
Other equity	15	(3,233.40)	(3,109.01)
Total equity		(3,102.28)	(2,977.89)
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	44	2.56	-
Long-term borrowings	16	-	-
Trade payables	18	-	-
Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
Total outstanding dues of Creditors otherthan Micro Enterprises and Small Enterprises		338.04	217.03
Other financial liabilities	19	50.00	40.58
Provisions	20	41.66	18.34
		432.25	275.96
Current liabilities			
Financial liabilities			
Lease liability	44	0.35	-
Short-term borrowings	17	2,668.54	2,668.83
Trade payables	18	-	-
Total outstanding dues of Micro Enterprises and Small Enterprises		6.22	6.04
Total outstanding dues of Creditors otherthan Micro Enterprises and Small Enterprises		625.00	734.45
Other financial liabilities	19	958.90	976.15
Provisions	20	36.39	47.21
Other current liabilities	21	198.71	183.31
		4,494.12	4,616.01
Total equity and liabilities		1,824.09	1,914.07

Summary of significant accounting policies

3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

for M Bhaskara Rao & Co.
Firm registration number: 000459S
Chartered Accountants

For and on behalf of the board of directors of
IL&FS Engineering and Construction Company Limited

M.V. Ramana Murthy
Partner
Membership No: 206439

Manish Kumar Agarwal
Director
DIN: 02885603

Nand Kishore
Director
DIN: 08267502

Place: Gurugram
Date: May 25, 2023

Kazim Raza Khan
Chief Executive Officer

Naveen Kumar Agrawal
Chief Financial Officer

Rajib Kumar Routray
Company Secretary

IL&FS Engineering and Construction Company Limited
CIN: L45201TG1988PLC008624
Standalone Statement of profit and loss for the year ended March 31, 2023
(All amounts in Rs. Crore except for shares data or as otherwise stated)

	Notes	For the year ended	
		March 31, 2023	March 31, 2022
Income			
Revenue from operations	22	177.10	307.64
Other income	23	38.55	71.04
Total revenue		215.65	378.68
Expenses			
Cost of materials consumed	24	40.48	100.35
Subcontract expense		82.20	97.63
Employee benefits expense	25	36.46	43.63
Finance costs	26	23.07	46.00
Depreciation and amortization expense	27	10.18	13.55
Other expenses	28(a)	36.60	73.22
Expected credit loss and other provisions	28(b)	105.53	211.21
Total expenses		334.53	585.60
Loss Before Exceptional Items and Tax		(118.88)	(206.92)
Exceptional Items (Net)	54	5.12	179.43
Loss before tax		(124.00)	(386.35)
Tax expense	13		
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		(124.00)	(386.35)
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss			
Remeasurements of the net defined benefit liability/asset	35	(0.39)	(0.17)
Other comprehensive income, net of tax		(0.39)	(0.17)
Total comprehensive income for the year		(124.39)	(386.52)
Earnings per equity share [Nominal value of share Rs. 10 (March 31, 2022 : Rs. 10)]	29		
Basic and diluted		(9.46)	(29.46)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

for M Bhaskara Rao & Co.
Firm registration number: 000459S
Chartered Accountants

For and on behalf of the board of directors of
IL&FS Engineering and Construction Company Limited

M.V. Ramana Murthy
Partner
Membership No: 206439

Manish Kumar Agarwal
Director
DIN: 02885603

Nand Kishore
Director
DIN: 08267502

Place: Gurugram
Date: May 25, 2023

Kazim Raza Khan
Chief Executive Officer

Naveen Kumar Agrawal
Chief Financial Officer

Rajib Kumar Routray
Company Secretary

IL&FS Engineering and Construction Company Limited
CIN: L45201TG1988PLC008624
Standalone Cash flow statement for the year ended March 31, 2023
(All amounts in Rs. Crore except for shares data or as otherwise stated)

	For the year ended	
	March 31, 2023	March 31, 2022
A. Cash flow from operating activities		
Loss before tax	(124.00)	(386.35)
Adjustment: Non cash adjustments to reconcile loss before tax to net cash flows		
Reversal for estimated future loss on projects	(5.76)	(74.29)
Depreciation and amortization expense	10.18	13.55
Provision for advances, trade receivables, other assets, future loss and impairment of property, plant and equipment	55.81	211.21
Provision/liabilities no longer required written back	(16.40)	(51.30)
Exceptional Item	5.12	179.43
Interest income from financial assets carried at amortised cost	(4.39)	(3.72)
Interest expense from financial liabilities carried at amortised cost	0.23	0.01
Interest expense	18.85	45.99
Interest income	(14.88)	(10.15)
Operating before working capital changes	(75.24)	(75.61)
Movement in working capital adjustments		
(Increase) / decrease in inventories	11.38	15.98
(Increase) / decrease in trade receivables	(23.81)	111.68
(Increase) / decrease in loans	9.26	0.00
(Increase) / decrease in other financial assets	(55.03)	22.27
(Increase) / decrease in other non financial assets	77.14	(9.18)
Increase / (decrease) in provision	17.87	(14.75)
Increase / (decrease) in trade payables	28.14	61.13
Increase / (decrease) in other financial liabilities	(4.03)	(228.32)
Increase / (decrease) in other liabilities	15.40	(58.90)
Cash generated from operating activities	1.07	(175.70)
Tax expense (net)	6.72	273.51
Net cash from operating activities (A)	7.78	97.81
B. Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	-	-
(Deposit) / proceeds from bank deposits (having original maturity of more than three months)	39.85	(33.93)
Sale Proceeds from Fixed Assets	-	9.57
Interest received	14.88	10.15
Net cash (used in) / flow from investing activities (B)	54.73	(14.21)
C. Cash flow from financing activities		
Proceeds/Repayment from short-term borrowings (net)	(0.29)	(0.32)
Interest paid/BG commission	(18.85)	(46.28)
Net cash flow used in financing activities (C)	(19.14)	(46.60)
Net increase in cash and cash equivalents (A + B + C)	43.37	37.01
Cash and cash equivalents at the beginning of the year	103.95	66.94
Cash and cash equivalents at the end of the year (Refer below for break-up)	147.32	103.95
Components of Cash and cash equivalents		
	As at	As at
	March 31, 2023	March 31, 2022
Cash on hand	0.04	0.05
With banks - in current accounts	147.28	103.90
Total Cash and cash equivalents (as per Ind AS 7)	147.32	103.95

Summary of significant accounting policies (Refer note 3)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

for M Bhaskara Rao & Co.

Firm registration number: 000459S

Chartered Accountants

For and on behalf of the board of directors of

IL&FS Engineering and Construction Company Limited

M.V. Ramana Murthy
Partner
Membership No: 206439

Manish Kumar Agarwal
Director
DIN: 02885603

Nand Kishore
Director
DIN: 08267502

Place: Gurugram
Date: May 25, 2023

Kazim Raza Khan
Chief Executive Officer

Naveen Kumar Agrawal
Chief Financial Officer

Rajib Kumar Routray
Company Secretary

IL&FS Engineering and Construction Company Limited
CIN: L45201TG1988PLC008624
Standalone Statement of changes in equity for the years ended March 31, 2023
(All amounts in Rs. Crore except for share data or as otherwise stated)

A. Equity share capital

	Notes	Number of shares	Amount
Balance as at March 31, 2021		13,11,21,078	131.12
Changes in equity share capital during year	14		
Balance as at March 31, 2022		13,11,21,078	131.12
Changes in equity share capital during year	14		
Balance as at March 31, 2023		13,11,21,078	131.12

B. Other equity

	Reserves and Surplus		Items of Other Comprehensive Income (OCI)	Total
	Securities premium account	Retained earnings	Other items of OCI	
Balance as at March 31, 2021	282.28	(3,007.90)	3.13	(2,722.49)
Loss for the year	-	(386.35)	-	(386.35)
Remeasurement of the net defined benefit liability / assets, net of tax effect	-	-	(0.17)	(0.17)
Other Adjustments				-
Balance as at March 31, 2022	282.28	(3,394.25)	2.96	(3,109.01)
Loss for the year	-	(124.00)	-	(124.00)
Remeasurement of the net defined benefit liability / assets, net of tax effect	-	-	(0.39)	(0.39)
Balance as at March 31, 2023	282.28	(3,518.25)	2.57	(3,233.40)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

for M Bhaskara Rao & Co.
Firm registration number: 000459S
Chartered Accountants

For and on behalf of the board of directors of
IL&FS Engineering and Construction Company Limited

M.V. Ramana Murthy
Partner
Membership No: 206439

Manish Kumar Agarwal
Director
DIN: 02885603

Nand Kishore
Director
DIN: 08267502

Place: Gurugram
Date: May 25, 2023

Kazim Raza Khan
Chief Executive Officer

Naveen Kumar Agrawal
Chief Financial Officer

Rajib Kumar Routray
Company Secretary

IL&FS Engineering and Construction Company Limited**CIN: L45201TG1988PLC008624****Notes to standalone financial statements for the year ended March 31, 2023**

(All amounts in Rs. Crore except for share data or as otherwise stated)

1. Corporate information:

IL&FS Engineering and Construction Company Limited ("IECCL" or "the Company") is a public company domiciled in India. The Company is primarily engaged in the business of erection / construction of roads, irrigation projects, buildings, oil & gas infrastructure, railway infrastructure, power plants, power transmission & distribution lines including rural electrification and development of ports. The equity shares of the Company are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

2. Basis for preparation of financial statements:**A. Statement of compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the 'Act'), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors at its meeting held on May 25, 2023.

Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest crores, unless otherwise indicated.

C. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

- Note 35 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 13, 20 and 31 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life and depreciation of property, plant and equipment
- Note 5 - useful life and amortisation of intangible assets.
- Note 6 to 9 - impairment of financial assets.
- Note 3(a), 22, 34, and 12 - Revenue recognition, cost to complete, profit margin
- Note 44 - Leases - Estimating the incremental borrowing rate

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 12 and 22 – The Company uses the percentage-of-completion method (POCM) in accounting for its long term construction contracts. Use of POCM requires the Company to estimate the contract revenue and total cost to complete a contract. Changes in the factors underlying the estimation of the contract revenue and total contract cost could affect the amount of revenue recognized.
- Note 13 – Deferred tax assets are recognized for unused unabsorbed depreciation to the extent it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- Note 44 - Determining the lease term of contracts with renewal, estimating incremental borrowing rate and termination options – Company as lessee
- Note 7, 8, 9 and 12 – Determining the amount of expected credit loss on financial assets (including trade receivables, loans and Contract assets).

E. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in most advantageous market for the asset or liability

The Principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

IL&FS Engineering and Construction Company Limited

CIN: L45201TG1988PLC008624

Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

A fair value measurement of non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financials statement are categories within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level inputs that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level inputs that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Significant accounting policies

(a) Revenue Recognition

Revenue from construction contracts

Contract Revenue is recognised under 'percentage-of-completion method'. Use of the 'percentage-of-completion method' requires the Company to measure the efforts or costs expended to date to the satisfaction of a performance obligation as a proportion of the total expected efforts or costs to be expended to the satisfaction of that performance obligation over the time. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

Further, the Company uses significant judgements while determining the transaction price allocated to performance obligation using the expected cost plus margin approach.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and are capable of being reliably measured.

Revenue from design and consultancy services

Revenue from the design and consultancy services is recognized as and when services are rendered in accordance with the terms of the agreement with the customers.

Revenue from hire charges

Revenue from hire charges is accounted for in accordance with the terms of agreement with the customers.

Interest

Interest income is accrued on a time basis, by reference to the principal amount using the effective interest rate applicable.

Dividend

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

(b) Property, plant and equipment:

(i) Property, plant and equipment and capital work in progress are carried at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment.

(iii) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

IL&FS Engineering and Construction Company Limited**CIN: L45201TG1988PLC008624****Notes to standalone financial statements for the year ended March 31, 2023**

(All amounts in Rs. Crore except for share data or as otherwise stated)

(iv) Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

(v) The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

(vi) Assets retired from active use and held for disposal are stated at their estimated net realizable values or net book values, whichever is lower.

(vii) Assets acquired under finance lease are depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower.

(viii) Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(ix) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(x) Capital work in progress includes the cost of property, plant and equipments that are not ready for their intended use at the balance sheet date.

Depreciation on property, plant and equipment

(i) Depreciation on property, plant and equipment other than those mentioned in S.no.(ii) below, is calculated on straight-line basis using the rates arrived at, based on useful lives estimated by the management which coincides with rates prescribed under Schedule II of the Companies Act, 2013.

(ii) Depreciation on the following property, plant and equipment is provided on a straight-line basis, at rates that are based on useful lives as estimated by the management, which are different from the general rates prescribed under Schedule II of the Companies, Act 2013,

Category of asset	Estimated useful life
Plant and Machinery	
- construction equipment consisting of shuttering /scaffolding material and equipment given on hire	6 years
- shuttering/scaffolding material at project sites	6 years
Temporary erections – site offices	over the expected life of the respective project
Leasehold improvements	over the period of lease or useful life whichever is lower
Site infrastructure	6 years
Tools and implements	Fully in the year of purchase

(iii) Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

(iv) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(c) Intangible assets:

Software - Computer software license cost is expensed in the year of purchase as there is no expected future economic benefit, except for enterprise wide/project based software license cost which is amortized over the period of license or six years, whichever is lower.

Mining rights – Mining rights are amortized in the proportion of material extracted during a year that bears to total estimated extraction over the contractual period.

(d) Investments:

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as non-current investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition cost is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Investments in subsidiaries, associates and joint ventures:

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, Separate Financial Statements.

IL&FS Engineering and Construction Company Limited

CIN: L45201TG1988PLC008624

Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

(e) Inventories:

Project materials at site are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.

(f) Employee benefits

Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service at the undiscounted amount of the benefits expected to be paid.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

Compensated absences is a long-term employee benefit, and accrued based on an actuarial valuation done as per projected unit credit method as at the balance sheet date, carried out by a qualified independent actuary. Actuarial gains and losses arising during the year are immediately recognised in the statement of profit and loss. Remeasurement of defined benefit plans in respect of post employment are charged to other comprehensive income.

(g) Income taxes:

Income tax comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

(ii) Deferred tax:

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

IL&FS Engineering and Construction Company Limited

CIN: L45201TG1988PLC008624

Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

(h) Foreign currency transactions and translations:

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(i) Leases:

Where the Company is a Lessor

Assets under operating leases are included in property, plant and equipment. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

Where the Company is a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following

- Fixed payments, including in-substance Fixed payment
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value asset

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Borrowing Costs:

Borrowing costs directly attributable to the acquisition or construction of an qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are charged in the year they occur.

(k) Accounting for Joint Ventures:

Accounting for joint ventures undertaken by the Company has been done in accordance with the requirements of Ind AS – 28 “Investments in Associates and Joint Ventures” notified under section 133 of the Companies Act, 2013, and as follows:

Joint Operations:

In respect of joint venture contracts which are executed under work sharing arrangements, the Company's share of revenues, expenses, assets and liabilities are included in the separate financial statements as revenues, expenses, assets and liabilities respectively. In case of certain construction contracts in the irrigation sector, the share of work executed by the Company has been determined on the basis of certification by lead partner.

(l) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and taxes applicable) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue that have changed the number of outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

IL&FS Engineering and Construction Company Limited

CIN: L45201TG1988PLC008624

Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

(m) Impairment:

(i) Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The Company measures loss allowances at an amount equal to lifetime expected credit losses (ECL), except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

Assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Financial instruments:

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

IL&FS Engineering and Construction Company Limited**CIN: L45201TG1988PLC008624****Notes to standalone financial statements for the year ended March 31, 2023**

(All amounts in Rs. Crore except for share data or as otherwise stated)

Financial assets - classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair Value Through Other Comprehensive Income (FVTOCI)
- Fair Value Through Profit & Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in debt instruments is measured at FVTOCI if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At present the Company does not have investment in any debt securities classified as FVTOCI.

On initial recognition of an investment in Equity Instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses for financial assets held by the Company

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.
Financial assets at FVTOCI	These assets are subsequently measured at fair value. Net gains and losses, including any interest are recognised in the OCI
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Presently, all the financial liabilities are measured at amortised cost.

IL&FS Engineering and Construction Company Limited

CIN: L45201TG1988PLC008624

Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains or losses (including impairment gains or losses) or interest.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

(p) Provisions and contingent liabilities:

i. General

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii. Onerous contracts

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

(q) Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank and in hand and short term investments with original maturity of three months or less.

(r) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

IL&FS Engineering and Construction Company Limited

CIN: L45201TG1988PLC008624

Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

(s) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is current when it satisfies any of the following criteria:

- It is expected to be realised or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting year; or
- It is Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting year; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(t) Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Accordingly, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(u) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

IL&FS Engineering and Construction Company Limited
Notes to Standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

4. Property, plant and equipment

	Land	Temporary erections - site offices	Plant, and machinery - construction equipment*	Office equipment	Tools and implements	Data processing equipments	Furniture and fixtures	Vehicles	Total - tangible assets
Cost or deemed cost									
Balance as at March 31, 2021	4.78	45.89	170.82	3.52	2.98	2.48	2.53	3.29	236.28
Additions									
Disposals/adjustment	-	(13.82)	(103.38)	(0.88)	(2.16)	(0.72)	(0.79)	(0.60)	(122.36)
Balance as at March 31, 2022	4.78	32.07	67.44	2.64	0.82	1.76	1.74	2.69	113.92
Additions									
Disposals/adjustment	-								
Balance as at March 31, 2023	4.78	32.07	67.44	2.64	0.82	1.76	1.74	2.69	113.92
Accumulated depreciation									
Balance as at March 31, 2021	-	43.34	108.82	2.99	2.77	2.14	1.85	2.52	164.43
Charge for the year		0.29	12.11	0.21	0.15	0.11	0.18	0.22	13.27
Disposals/adjustment		(13.82)	(93.99)	(0.88)	(2.16)	(0.72)	(0.69)	(0.47)	(112.73)
Balance as at March 31, 2022	-	29.80	26.94	2.32	0.76	1.54	1.33	2.28	64.97
Charge for the year		0.20	9.20	0.03	0.03	0.08	0.11	0.16	9.81
Disposals/adjustment									
Balance as at March 31, 2023	-	29.99	36.15	2.34	0.79	1.62	1.44	2.44	74.78
Carrying amounts (net)									
As at March 31, 2022	4.78	2.27	40.50	0.32	0.06	0.22	0.41	0.41	48.95
As at March 31, 2023	4.78	2.08	31.29	0.30	0.03	0.14	0.30	0.25	39.12

***Plant and machinery - construction equipment:**

Plant and machinery - construction equipment includes shuttering and scaffolding material [Rs. 16.79 (March 31, 2022 : Rs. 16.79)].

Net block value of this shuttering and scaffolding material is Rs. 0.29 (March 31, 2022: Rs. 2.04).

Also refer to note 16 and 17

5. Intangible assets

	Mining rights	Computer software	Total intangible assets
As at March 31, 2021	6.10	1.19	7.29
Additions			
Disposals			
As at March 31, 2022	6.10	1.19	7.29
Additions			
Disposals			
As at March 31, 2023	6.10	1.19	7.29
Accumulated amortization			
As at March 31, 2021	6.10	1.19	7.29
Charge for the year			
Disposal during the year			
As at March 31, 2022	6.10	1.19	7.29
Charge for the year			
Disposal during the year			
As at March 31, 2023	6.10	1.19	7.29
Carrying amounts (net)			
As at March 31, 2022	-	-	-
As at March 31, 2023	-	-	-

6. Non-current Investments

	As at March 31, 2023	As at March 31, 2022
A. At cost less provision other than temporary impairment (Unquoted investments)		
(i) Investment in subsidiaries - equity shares (fully paid-up)		
50,000 (March 31, 2022 : 50,000) of Rs. 10 each in Maytas Infra Assets Limited (at cost less provision Rs. 0.05 (March 31, 2022 : Rs. 0.05))	-	-
50,000 (March 31, 2022 : 50,000) of Rs. 10 each in Maytas Vasishta Varadhi Limited (at cost less provision Rs. 0.05 (March 31, 2022 : Rs. 0.05))	-	-
49,995 (March 31, 2022: 49,995) of Rs. 10 each in Maytas Metro Limited (at cost less provision Rs. 0.05 (March 31, 2022 : Rs. 0.05))	-	-
1,000 (March 31, 2022: 1,000) of Rs. 100 each in Angeerasa Greenfields Private Limited (at cost less provision Rs. 0.01 (March 31, 2022 : Rs. 0.01))	-	-
1,000 (March 31, 2022 : 1,000) of Rs. 100 each in Saptaswara Agro - Farms Private Limited (at cost less provision Rs. 0.01 (March 31, 2022 : Rs. 0.01))	-	-
1,000 (March 31, 2022: 1,000) of Rs. 100 each in Ekadanta Greenfields Private Limited (at cost less provision Rs. 0.01 (March 31, 2022 : Rs. 0.01))	-	-
27,500 (March 31, 2022 : 27,500) of Saudi Riyals 1,000 each in Maytas Infra Saudi Arabia Company, Limited Liability Company (at cost less provision Rs. 33.19 (March 31, 2022: Rs. 33.19) @	-	-
(ii) Investment in fellow subsidiary - equity shares (fully paid-up)		
7,750 (March 31, 2022: 7,750) of Rs. 100 each in Hill County Properties Limited (at cost less provision Rs. 0.08 (March 31, 2022 : Rs. 0.08))	-	-
(iii) Investment in association of persons#		
Maytas NCC JV [net of provision of Rs. 1.18 (March 31, 2022: Rs. 1.18)]	11.83	11.83
NCC – Maytas (JV) Pocharam [net of provision of Rs. 0.92 (March 31, 2022: Rs. 0.92)]	-	-
Maytas – CTR (JV) [net of provision of Rs.3.27 (March 31, 2022 : Rs.3.27)]	-	-
NCC – Maytas – ZVS (JV) [net of provision of Rs. 0.08 (March 31, 2022: Rs. 0.08)]	0.25	0.25
B. At amortised cost (Unquoted investments)		
Investment in other entities		
(a) In preference shares (fully paid-up)		
4,550,000 (March 31, 2022: 4,550,000) Zero coupon convertible preference shares of Rs. 10 each in KVK Power and Infrastructure Private Limited (at cost less provision Rs. 4.55 (March 31, 2022: 4.55))	-	-
2,441,850 (March 31, 2022: 2,441,850) 9% cumulative optionally convertible redeemable preference shares of Rs. 100 each in Bangalore Elevated Tollway Private Limited*	18.86	16.55

IL&FS Engineering and Construction Company Limited
CIN: L45201TG1988PLC008624
Notes to Standalone financial statements for the twelve months ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

(b) In debentures (fully paid-up)

25,370,630 (March 31, 2022: 25,370,630) 0.001% Non-convertible debentures of Rs. 10 each in Bangalore Elevated Tollway Private Limited	16.53	14.51
--	-------	-------

C. At fair value through profit and loss (Unquoted investments)
Investment in other entities
(a) In equity shares (fully paid-up)

4,000,000 (March 31, 2022: 4,000,000) of Rs.10 each in KVK Power and Infrastructure Private Limited (at cost less provision Rs. 4.00 (March 31, 2022: Rs. 4.00))	-	-
--	---	---

2,600 (March 31, 2022: 2,600) of Rs. 10 each in Gulbarga Airport Developers Private Limited (at cost less provision)	-	-
--	---	---

2,600 (March 31, 2022: 2,600) of Rs. 10 each in Shimoga Airport Developers Private Limited (at cost less provision)	-	-
---	---	---

(b) In Pass Through Certificates (refer note 46 and 54)

2,596,675.29 (March 31, 2022: 2,596,675.29) of Rs. 1,000 each in Maytas Investment Trust* (at cost less provision Rs. 259.67 (March 31, 2022: Rs. 259.67))	-	-
--	---	---

	47.47	43.14
--	--------------	--------------

Aggregate amount of provision for diminution in value of investments is Rs. 307.13 (March 31, 2022: Rs. 307.13)

*Pledged in favour of Infrastructure Leasing and Financial Services Limited and IL&FS Financial Services Limited

@ Hypothecated to Infrastructure Leasing and Financial Services Limited

7. Trade receivables (Refer note 55)

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good*	124.85	101.04
Doubtful	261.38	261.05
	386.23	362.09

Less: Allowance

For Expected credit loss and for doubtful debts	(261.38)	(261.05)
---	----------	----------

	(261.38)	(261.05)
--	-----------------	-----------------

Net trade receivables	124.85	101.04
------------------------------	---------------	---------------

Non current trade receivables	50.03	25.23
-------------------------------	-------	-------

Current trade receivables	74.83	75.81
---------------------------	-------	-------

As at March 31, 2023

	Less than 6 Months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables – considered good	6.84	-	34.47	32.10	4.93	78.35
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	1.05	7.04	15.53	14.33	37.95
Disputed Trade receivables - considered good	25.39	1.05	10.13	9.93	-	46.51
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	4.75	41.51	177.16	223.42
Less: Provision for Expected Credit loss and for doubtful debts	-	-	-	-	-	(261.38)
Total						124.85

As at March 31, 2022

	Less than 6 Months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables – considered good	20.73	3.07	23.26	6.45	-	53.52
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	26.70	7.09	2.43	36.21
Disputed Trade receivables - considered good	1.15	6.84	16.69	22.85	-	47.52
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	14.14	78.52	132.17	224.83
Less: Provision for Expected Credit loss and for doubtful debts	-	-	-	-	-	(261.05)
Total						101.04

The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 47.

* Includes receivables from related parties (Refer note 37).

8. Loans

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Loans to related parties (Refer note 37)				
Unsecured, considered good	0.02	-	0.01	-
Considered doubtful	192.94	-	192.94	-
	192.97	-	192.95	-
Provision for doubtful advances	(192.94)	-	(192.94)	-
	0.02	-	0.01	-
Loan to other companies				
Secured, considered good	10.03	-	19.30	-
Considered doubtful	54.50	-	45.23	-
	64.53	-	64.53	-
Provision for doubtful advances	(54.50)	-	(45.23)	-
	10.03	-	19.30	-
Inter-corporate deposits* (Refer note 49)				
Considered doubtful	323.78	-	323.78	-
	323.78	-	323.78	-
Provision for doubtful advances	(323.78)	-	(323.78)	-
	-	-	-	-
Total	10.05	-	19.31	-

* includes Inter-corporate deposits to Angeerasa Greenfields Private Limited (a subsidiary of the Company) Rs. 50 (March 31, 2022 : Rs. 50) (Refer note 37).

9. Other financial assets

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Interest accrued on deposits and others				
Considered good	199.56	17.52	199.13	13.93
Considered doubtful	70.68	-	70.68	-
	270.24	17.52	269.81	13.93
Provision for doubtful interest accrued	(70.68)	-	(70.68)	-
	199.56	17.52	199.13	13.93
Claim for performance bank guarantee				
Considered good	1.56	-	1.56	-
Considered doubtful	21.12	-	21.12	-
	22.68	-	22.68	-
Provision for doubtful bank guarantee	(21.12)	-	(21.12)	-
	1.56	-	1.56	-
Other receivables				
Considered good	1.38	0.02	6.19	0.02
Considered doubtful	16.39	-	12.18	-
	17.77	0.02	18.37	0.02
Provision for doubtful other receivables	(16.39)	-	(12.18)	-
	1.38	0.02	6.19	0.02
Non-current bank balances (Refer note 10)	24.20	-	24.20	-
Total	226.70	17.54	231.08	13.95

10. Cash and bank balances

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
Cash on hand	-	0.04	-	0.05
Balances with banks:				
On current accounts	-	147.28	-	103.90
	-	147.32	-	103.95
Other bank balances				
Deposits account due to mature of more than 12 months of reporting date *	0.00	183.59	-	227.77
Margin money deposits **	24.20	-	24.20	-
	24.20	183.59	24.20	227.77
Amount disclosed under non-current financial assets (Refer note 9)	(24.20)	-	(24.20)	-
Total	-	330.91	-	331.72

* Deposits under lien

** Lodged with authorities

11. Inventories (Refer note 3(e) for mode of valuation of inventories)

	As at March 31, 2023	As at March 31, 2022
Project materials	36.50	37.97
Less : Provision	26.13	16.23
Total	10.36	21.74

12. Other assets

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Deposits (others)#				
Unsecured, considered good	1.20	2.13	2.17	2.25
Considered doubtful	22.62	-	19.87	-
	23.82	2.13	22.05	2.25
Provision for doubtful deposits (others)	(22.62)	-	(19.87)	-
	1.20	2.13	2.17	2.25
Advances to vendor (other than capital advances) and prepaid expense				
Unsecured, considered good	18.51	13.32	11.17	42.86
Considered doubtful	167.80	-	146.63	-
	186.31	13.32	157.80	42.86
Provision for doubtful advances	(167.80)	-	(146.63)	-
	18.51	13.32	11.17	42.86
Balances with statutory/government authorities	36.56	88.58	36.56	104.87
Contract assets				
Retention money (Refer note 34 and 55)				
Considered good	285.08	20.27	288.49	90.28
Considered - Doubtful	86.48	-	85.49	-
	371.55	20.27	373.98	90.28
Provision for doubtful	(86.48)	-	(85.49)	-
	285.08	20.27	288.49	90.28
Project work-in-progress (Refer note 34 and 55)				
Considered good	377.50	109.33	303.44	152.65
Considered - Doubtful	585.64	-	575.00	-
	963.14	109.33	878.44	152.65
Provision for doubtful	(585.64)	-	(575.00)	-
	377.50	109.33	303.44	152.65
Total	718.85	233.63	641.83	392.91

#Security deposit (current) for the year includes Rs. 11.63 (March 31, 2022: 11.63) of short-term deposits placed with related parties, same have been fully provided during the earlier years (Refer note 37).

13. Income tax

(a) The following table provides the details of income tax assets and income tax liabilities as of March 31, 2023 and March 31, 2022

	As at March 31, 2023	As at March 31, 2022
Income tax assets (net) - current	41.38	43.14
Income tax assets (net) - non-current	20.31	25.26
Current tax liabilities (net)	-	-
Net income tax asset / (liability) at the end of the year	61.69	68.40

(b) The gross movement in the current income tax asset / (liability) for the year ended March 31, 2023 and March 31, 2022 is as follows:

	For the year ended	
	March 31, 2023	March 31, 2022
Net income tax asset / (liability) at the beginning of the year	68.40	98.92
Income tax paid (net of refund)	(6.72)	(25.42)
Provision for TDS Receivables	-	(5.10)
Net income tax asset / (liability) at the end of the year	61.69	68.40

(c) Reconciliation of effective tax rate

Loss before tax	(124.00)	(386.35)
Tax using the Company's domestic rate (March 31, 2023 : 25.63%)	(31.78)	(99.02)
Tax effect of:		
Current year losses for which no deferred tax assets is recognised	(31.78)	(99.02)
	(31.78)	(99.02)

14. Share capital

	As at	As at
	March 31, 2023	March 31, 2022
Authorized share capital		
350,000,000 (March 31, 2022 : 350,000,000) equity shares of Rs. 10 each	350.00	350.00
35,000,000 (March 31, 2022 : 35,000,000) preference shares of Rs. 100 each	350.00	350.00
Issued, subscribed and paid up		
131,121,078 (March 31, 2022 : 131,121,078) equity shares of Rs. 10 each fully paid-up	131.12	131.12
Total	131.12	131.12

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Equity shares				
At the commencement of the year	13,11,21,078	131.12	13,11,21,078	131.12
Issued during the year	-	-	-	-
At the end of the year	13,11,21,078	131.12	13,11,21,078	131.12

225,000 (March 31, 2022 : 225,000) 6% cumulative redeemable preference shares (CRPS) of Rs. 100 each fully paid-up total face value of Rs. 2.25 (March 31, 2022 : Rs. 2.25) are classified as financial liability (Refer note 16)

3,750,000 (March 31, 2022 : 3,750,000) 6% optionally convertible cumulative redeemable preference shares (OCCRPS) of Rs. 100 each fully paid-up total face value of Rs. 37.50 (March 31, 2022 : Rs. 37.50) are classified as financial liability (Refer note 16)

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distributions are in proportion to the number of equity shares held by the shareholders.

(c) Restrictions attached to equity shares

As per the Master Restructuring Agreement (MRA) entered into by the Company with its bankers, the promoter's shareholding would be retained at a minimum of 26% of issued equity share capital of the Company at any point of time for a maximum period of four years from the effective date i.e. September 27, 2010. Further vide letter dated September 30, 2015, Infrastructure Leasing and Financial Services Limited confirmed that the promoters will not, without the prior written consent of the Bank, dilute its equity holding in the Company below 26% of the paid up equity share capital of the Company.

(d) Terms of preference shares

For rights, preferences and restrictions attached to 6% Cumulative Redeemable Preference Shares (CRPS) and 6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rs. 100 each, classified as financial liability, refer note 16.

Preference shares of both classes carry a preferential right as to dividend over equity shareholders. The Company declares and pays dividends in Indian Rupees. The holder of preference shares are entitled to one vote per share only on resolutions placed before the Company which directly affect their rights attached to the preference shares. In the event of liquidation of the Company during the existence of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

(e) There were no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

IL&FS Engineering and Construction Company Limited
CIN: L45201TG1988PLC008624
Notes to Standalone financial statements for the twelve months ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

(f) List of shareholders holding more than 5% shares in the Company

Equity shares of Rs. 10 each, fully paid

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Percentage holding	Number of shares	Percentage holding
SBG Projects Investments Limited	3,65,38,477	27.87%	3,65,38,477	27.87%
IL&FS Financial Services Limited	2,79,14,641	21.29%	2,79,14,641	21.29%
Infrastructure Leasing and Financial Services Limited	2,74,86,243	20.96%	2,74,86,243	20.96%

6% Cumulative redeemable preference shares (CRPS) of Rs. 100 each, fully paid

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Vistra ITCL(India) Ltd (c/o Maytas Investment Trust)	2,25,000	100.00%	2,25,000	100.00%

6% Optionally convertible cumulative redeemable preference shares (OCCRPS) of Rs. 10 each, fully paid

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Vistra ITCL (India) Ltd (c/o Maytas Investment Trust)	37,50,000	100.00%	37,50,000	100.00%

As per the records of the Company, including its register of shareholders / members, the above shareholding represents legal ownership of the shares.

(g) Details of shares held by promoters

	As at March 31, 2023		As at March 31, 2022		Change in Holding
	Number of shares	Percentage holding	Number of shares	Percentage holding	
IL&FS Financial Services Limited	2,79,14,641	21.29%	2,79,14,641	21.29%	-
Infrastructure Leasing and Financial Services Limited	2,74,86,243	20.96%	2,74,86,243	20.96%	-

15. Other equity

	As at March 31, 2023	As at March 31, 2022
Securities premium account		
Balance at the commencement of the year	282.28	282.28
Closing balance (A)	282.28	282.28
Deficit in the statement of profit and loss		
Balance at the commencement of the year	(3,394.25)	(3,007.90)
Loss from the Statement of profit and loss	(124.00)	(386.35)
Net deficit in the statement of profit and loss (B)	(3,518.25)	(3,394.25)
Other comprehensive income		
Balance at the commencement of the year	2.96	3.13
Remeasurement of the net defined benefit liability / assets, net of tax effect	(0.39)	(0.17)
Closing balance (C)	2.57	2.96
Total closing balance (A+B+C)	(3,233.40)	(3,109.01)

Nature and purpose of other reserves

Securities premium represents the premium received on issue of shares. Premium received is utilised in accordance with the provisions of the Companies Act, 2013.

16. Long-term borrowings

	As at March 31, 2023	As at March 31, 2022
	Current	Current
Term loans (secured) (At amortised cost)		
From banks		
Indian rupee term loans	78.71	78.71
From others (At amortised cost)		
From related party (secured) (Refer note 37)	880.32	880.32
From related party (unsecured) (Refer note 37)	1,015.75	1,015.75
Vehicle loans	0.09	0.09
Unsecured (At amortised cost)		
6% Cumulative redeemable preference shares (Refer Note 50)	2.25	2.25
6% Optionally convertible cumulative redeemable preference shares (Refer Note 50)	37.50	37.50
	2,014.62	2,014.62
Amount disclosed under short term borrowings (Refer note 17)	(2,014.62)	(2,014.62)
Total	-	-

(a) Pursuant to NCLAT Judgement dated March 12, 2020 approving the revised resolution framework and accepting 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 (the cut-off date), with no interest, additional interest, penal charges or other similar charges to accrue after the said cut-off date, the Company is currently not settling liabilities (both principal and interest) existing as on October 15 2018, being the cut-off date to its creditors (including the lenders).

The details regarding terms of borrowings and securities are furnished hereunder based on agreements / documents available with the Company

(b) Indian rupee Term loans from banks to the extent of Rs. 34.71 (March 31, 2022: Rs. 34.71) carries interest @ 11% p.a. The loan is repayable in 20 equal quarterly installments commencing from June 30, 2014. These loans are secured by pari passu first mortgage and charge on the Company's immovable properties both present and future and pari passu first charge by way of hypothecation of all the movable assets including movable equipment, machinery spares, tools, accessories, current assets both present and future except to the extent of assets exclusively hypothecated against vehicle loans/ finance leased assets from others. The company has defaulted in the repayment of principal and interest.

Further, Indian rupee term loans to an extent of Rs. 44.00 (March 31, 2022: Rs. 44.00) carry an interest rate of : 9.85 % to 10.50 % p.a. (March 31, 2022 : 9.85 % to 10.50 % p.a.). These loans are repayable in 4 years as per the schedule given below:

Particulars	%	Due dates
FY 2016-17	15	September 30, 2016, December 31 2016 and March 31, 2017
FY 2017-18	35	Quarterly instalments due on June 30, September 30, December 31 and
FY 2018-19	40	March 31 every year.
FY 2019-20	10	

These loans are secured by pari passu first mortgage and charge on the Company's immovable properties both present and future and pari passu first charge by way of hypothecation of all the movable assets including movable equipment's, machinery spares, tools, accessories, current assets both present and future except to the extent of assets exclusively hypothecated against vehicle loans/ finance leased assets from others. These loans are additionally covered by letter of comfort/undertaking support from Infrastructure Leasing and Financial Services Limited. The Company has defaulted in payment of interest and repayment of principal installment for above term loans.

(c) Vehicle loans from Non-Banking Financial Companies carry interest @ 13.50% to 16.48% p.a. (March 31, 2022 : 13.50% to 16.48% p.a.). These loans are repayable in equated monthly installments over the tenure of 24 months to 60 months from the date of disbursement of loan. Vehicle loans are secured by hypothecation of vehicles purchased out of the loan taken.

(d) Secured loans from Infrastructure Leasing and Financial Services Limited, related party amounting to Rs. 721.31 (March 31, 2022: Rs. 721.31) carry interest @ 12% to 13% p.a. These loans carry an option to reset the interest rate after every 12 months from the date of first disbursement and 12 months thereafter by giving 30 days clear notice to the Company.

Out of the above, loan to the extent of Rs. 334.79 (March 31, 2022 Rs. 334.79) is repayable in three annual installments of 30%, 30% and 40% after 60 months from the date of first disbursement and is secured by way of pari passu pledge of investments in preference shares of Bangalore Elevated Tollway Private Limited, sharing of charge with IL&FS Financial Services Limited on a pari passu basis on the equity shares of Gautami Power Limited and Pass Through Certificates issued by Maytas Investment Trust with IL&FS Financial Services Limited and negative lien on sub-ordinate loan given to Bangalore Elevated Tollway Private Limited. Out of the above, loan of Rs. 153.07 (March 31, 2022 : Rs. 153.07) is additionally secured by second charge on Inter-Corporate Deposits given to Hill County Properties Limited (HCPL) along with accumulated interest thereon and second charge on loans given to and equipment hire charges receivable from Terra Infra Limited along with accumulated interest thereon.

Loan to the extent of Rs. 266.00 (March 31, 2022 : 266.00) is repayable in three annual installments of 30%, 30% and 40% after 36 months from the date of first disbursement and secured by second charge on Inter Corporate Deposits of Rs. 343.78 provided by the Company. Of these, loan of Rs. 196.00 (March 31, 2022 : 196.00) is additionally secured by way of second charge on net receivables from a road project to the extent of Rs. 40.00.

Loan to the extent of Rs. 40.00 (March 31, 2022 : Rs. 40.00) is repayable in three annual installments of 30%, 30% and 40% after 36 months from the date of first disbursement and secured by way of hypothecation on second charge basis of the Loans and Advances (including interest accrued) provided by the Company to Cyberabad Expressway Limited & Pondicherry Tindivanam Tollway Limited and investment in Maytas Infra Saudi Arabia Company (Limited Liability Company).

Loan to the extent of Rs. 80.52 (March 31, 2022 : Rs. 80.52) is repayable in three annual installments of 30%, 30% and 40% after 36 months from the date of first disbursement and secured by way of second charge on current assets of the Company. Out of the above, loan to the extent of Rs. 38.50 (March 31, 2022 : Rs. 38.50) is additionally secured by way of second charge on fixed assets of the Company. The Company has defaulted in payment of interest and repayment of principal installment for above loans.

(e) Secured loans from IL&FS Financial Services Limited, related party amounting to Rs. 128.40 (March 31, 2022 : Rs. 128.40) the terms of which are as follows:

(i) Loan to the extent of Rs. 80.40 (March 31, 2022 : Rs. 80.40) carries interest @ 13% p.a. compounded on an annual basis and also carries an option to reset the interest rate after every 12 months from the date of first disbursement and every 12 months thereafter by giving 30 days clear notice to the Company. Loan is repayable in three annual installments of 30%, 30% and 40% after 36 months from the date of first disbursement.

(ii) Loan to the extent of Rs. 48.00 (March 31, 2022 : Rs. 48.00) carries interest @ 13% p.a. linked to variation in IFIN benchmark rate of 16% p.a. and is repayable at the end of 36 months from the date of first disbursement.

Loan of Rs. 80.40 (March 31, 2022 : Rs. 80.40) is secured by way of pari passu pledge of investments in preference shares of Bangalore Elevated Tollway Private Limited, sharing of charge with Infrastructure Leasing and Financial Services Limited on a pari passu basis on the equity shares of Gautami Power Limited and Pass Through Certificates issued by Maytas Investment Trust and negative lien on sub-ordinate loan given to Bangalore Elevated Tollway Private Limited. Further, Rs. 48.00 carries same security for which charge is yet to be created (refer Note 55(iii)). The Company has defaulted in payment of interest and repayment of principal installment for above loans.

(f) Secured Loan from IL&FS Airports Limited (w.e.f June 19, 2018 assigned from Bhopal e-Governance Limited), related party of Rs. 30.60 (March 31, 2022 : Rs. 30.60) carries interest @ IFIN benchmark rate (16% p.a. currently) + 0.25% p.a. This loan is repayable at the end of 36 months from the date of first disbursement and is secured by Second Pari Passu charge by hypothecation of the present and future current assets of the borrower (including but not limited to book debts, operating cash flows, receivables, loans and advances, deposits, investments, commission and revenues of whatsoever nature and whenever arising), created from the proceeds of facility and providing a cover of 1.0 x at all times during the facility. During the earlier years, as per the Assignment and Novation Agreement dated June 19, 2018, loans from Bhopal e-Governance Limited has been has unconditionally and irrevocably transferred, assigned and conveyed to IL&FS Airports Limited with all the right, title and interest together with all its security interest in the above loan facility. The Company has defaulted in payment of principal and interest.

(g) Unsecured loan from Infrastructure Leasing and Financial Services Limited, related party of Rs. 933.75 (March 31, 2022 : Rs. 933.75) carries interest @ 12% p.a. which is payable quarterly in arrears. Loan is to be repaid at the end of 24 months from the date of first disbursement. The Company has defaulted in payment of interest and repayment of principal installment for above loans.

(h) Unsecured loan from Rohtas Bio Energy Limited, related party of Rs. 62.00 (March 31, 2022 : Rs. 62.00) carries interest at prevailing IFIN Benchmarking rate which is currently 16% p.a. which is payable quarterly in arrears. Loan is to be repaid at the end of 24 months from the date of first disbursement. The Company has defaulted in payment of principal and interest.

(i) Unsecured loan from RIDCOR Infra Projects Limited of Rs. 20.00 (March 31, 2022 : Rs. 20.00) carries interest ranging from @ 16% p.a. which is payable quarterly in arrears and the interest rate, as stated above, will be linked to IFIN Benchmark rate (IBMR) which is currently at 16% p.a., i.e., at prevailing IBMR, and would vary to the extent of variation in IBMR. Loan is to be repaid at the end of 24 months from the date of first disbursement. The Company has defaulted in payment of principal and interest.

(k) Terms of 6% cumulative redeemable preference shares

On December 06, 2010, the Company had allotted 5,749,500 6% CRPS of Rs. 100 each fully paid as per the terms of MRA entered with Bankers. CRPS carry cumulative dividend of 6% p.a. The Company had further allotted 236,280 CRPS of Rs. 100 each as fully paid bonus shares to the holders of initial CRPS in the ratio of 1:24.33 (i.e. one fully paid CRPS of Rs. 100 each for every 24.33 CRPS held) on September 29, 2011. The aforesaid CRPS were redeemed on the due date i.e., March 31, 2015.

The Company had also allotted 1,500,000 CRPS to the holders of OCCRPS on September 29, 2011 as fully paid bonus shares in the ratio of 1:16.67 i.e. (one fully paid CRPS of Rs. 100 each for every 16.67 OCCRPS held). The redemption schedule of these bonus CRPS is - 30% on September 30, 2012; 15% each on September 30, 2013 and September 30, 2015; 20% each on September 30, 2014 and September 30, 2016. The 30% bonus CRPS (450,000 CRPS of Rs. 100 each) which were due for redemption on September 30, 2012 were purchased by IL&FS Trust Company Limited (ITCL), being the Trustee of Maytas Investment Trust (MIT), on September 29, 2012. The Company had extended the redemption period of these preference shares by a period of 3 years with an early redemption right with the Company before the extended period of 3 years by giving 30 days notice period to the shareholders. These shares have been redeemed on September 30, 2015. The 15% Bonus CRPS (225,000 CRPS of Rs. 100 each) which were due for redemption on September 30, 2013 were purchased by ITCL being the Trustee of MIT, on September 30, 2013. The Company has extended the redemption period of these preference shares by a period of 6 years with an early redemption right with the Company before the extended period of 6 years by giving 30 days notice period to the shareholders. The 20% Bonus CRPS (300,000 CRPS of Rs. 100 each) which were due for redemption on September 30, 2014 were redeemed by the Company on March 23, 2015, as per the terms of the issue, as amended. The 15% bonus CRPS (225,000 CRPS of Rs.100 each) which were due for redemption on September 30, 2015, have been redeemed on due date. The 20% bonus CRPS (300,000 CRPS of RS. 100 each) which were due for redemption on September 30, 2016 were redeemed by the Company on March 28, 2017, within the extended period for redemption granted by CRPS holders. The Company has defaulted in the redemption of these CRPS to the extent of 225,000 CRPS of Rs. 100 each which were due for redemption on September 30, 2019 (refer Note 50).

(l) Terms of 6% optionally convertible cumulative redeemable preference shares

On March 31, 2011, the Company had allotted 25,000,000 OCCRPS of Rs. 100 each fully paid as per the terms of MRA entered with bankers. OCCRPS carry cumulative dividend of 6%. Out of total 25,000,000 OCCRPS of Rs. 100 each, 30% i.e. 7,500,000 OCCRPS of Rs. 100 each have been converted into 12,417,218 equity shares on September 30, 2012, as per the terms of MRA. There is no further conversion option attached to these OCCRPS. The balance 17,500,000 OCCRPS of Rs. 100 each shall be redeemed at par in four tranches from September 30, 2013 to September 30, 2016. The schedule of redemption is as below:

Date of redemption	Number of shares to be redeemed	Amount to be redeemed
30-Sep-13 *	37,50,000	37.50
30-Sep-14 #	50,00,000	50.00
30-Sep-15 ^	37,50,000	37.50
30-Sep-16 @	50,00,000	50.00
Total	1,75,00,000	175.00

* The OCCRPS which were due for redemption on September 30, 2013 were purchased by IL&FS Trust Company Limited (ITCL), being the Trustee of Maytas Investment Trust, on September 30, 2013. The Company has extended the redemption period of these preference shares by a period of 6 years with an early redemption right with the Company before the extended period of 6 years by giving 30 days notice period to the shareholders. The Company has defaulted in the redemption of these OCCRPS to the extent of 3,750,000 OCCRPS of Rs. 100 each which were due for redemption on September 30, 2019 (refer Note 50)

The OCCRPS were redeemed on March 23, 2015, as per the terms of the issue, as amended.

^ The OCCRPS were redeemed on due date, as per the terms of the issue.

@ The OCCRPS were redeemed on March 28, 2017, within the extended period for redemption granted by OCCRPS holders.

The Company's exposure to liquidity risks related to borrowings is disclosed in Note 47.

Details of default in repayment of borrowings from Banks as on March 31, 2023 and March 31, 2022 are given below:

Particulars	March 31, 2023		March 31, 2022	
	Amount of Default	Period of Default (No of days)	Amount of Default	Period of Default (No of days)
ICICI Bank	10.25	1642	10.25	1277
	11.85	1550	11.85	1185
	11.85	1461	11.85	1096
	6.90	1371	6.90	1006
State Bank of India	6.45	1461	6.45	1096
	2.78	1371	2.78	1006
Bank of Maharashtra	1.67	1642	1.67	1277
	1.67	1550	1.67	1185
	1.67	1461	1.67	1096
	0.95	1371	0.95	1006
IDBI Bank	1.49	1642	1.49	1277
	1.73	1550	1.73	1185
	1.73	1461	1.73	1096
Bank of India	0.39	1550	0.39	1185
	0.39	1461	0.39	1096
Punjab National Bank	0.80	1642	0.80	1277
	0.80	1550	0.80	1185
	0.80	1461	0.80	1096
Bank of Baroda	0.54	1642	0.54	1277
	1.03	1550	1.03	1185
	1.03	1461	1.03	1096
	0.59	1371	0.59	1006
Indian Overseas Bank	0.12	1550	0.12	1185
	1.09	1461	1.09	1096
Indian Bank	2.84	1642	2.84	1277
	2.84	1550	2.84	1185
	2.84	1461	2.84	1096
	1.62	1096	1.62	731

Details of Interest Defaults to Banks as at March 31, 2023 and March 31, 2022 are as follows:

Particulars	March 31, 2023		March 31, 2022	
	Amount of Default (Rs. Crores)	Period of Default (No of days)	Amount of Default (Rs. Crores)	Period of Default (No of days)
ICICI Bank	5.45		5.45	
State Bank of India	7.96		7.96	
Bank of Maharashtra	1.74		1.74	
Bank of India	0.83	Due date for interest is on various dates on monthly basis.	0.83	Due date for interest is on various dates on monthly basis.
IDBI Bank	1.66		1.66	
Punjab National Bank	3.12		3.12	
Bank of Baroda	1.98		1.98	
Indian Overseas Bank	2.41		2.41	
Indian Bank	4.20		4.20	

IL&FS Engineering and Construction Company Limited
CIN: L45201TG1988PLC008624
Notes to Standalone financial statements for the twelve months ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

Details of default in repayment of borrowings from Financial Institutions (Promoter Group entities) as on March 31, 2023 and March 31, 2022 are given below:

Particulars	March 31, 2023		March 31, 2022	
	Amount of Default	Period of Default (No of days)	Amount of Default	Period of Default (No of days)
	(Rs. Crores)		(Rs. Crores)	
	39.70	1644	39.70	1279
	30.00	1617	30.00	1252
	84.00	1499	84.00	1134
	181.80	1357	181.80	992
	20.10	1351	20.10	986
	16.50	1351	16.50	986
	40.00	1375	40.00	1010
	64.10	1280	64.10	915
	7.00	1219	7.00	854
Infrastructure Leasing & Financial Services Ltd	35.00	1190	35.00	825
	50.00	1135	50.00	770
	40.00	1134	40.00	769
	237.90	1130	237.90	765
	45.00	1098	45.00	733
	112.00	1036	112.00	671
	239.80	996	239.80	631
	38.50	985	38.50	620
	40.00	971	40.00	606
	215.00	953	215.00	588
	118.67	927	118.67	562
IL&FS Financial Services Limited	80.40	1655	80.40	1290
	48.00	1108	48.00	743
	25.00	1514	25.00	1149
IL&FS Transportation Networks Limited	3.00	1492	3.00	1127
	5.00	1487	5.00	1122
	45.00	1092	45.00	727
Tierra Enviro Limited	4.40	1767	4.40	1402
	35.00	1824	35.00	1459
IL&FS Cluster Development Initiative Limited	15.00	1461	15.00	1096
Sabarmati Capital One Limited	4.60	1676	4.60	1311
	7.00	1672	7.00	1307
IL&FS Airport Ltd	30.60	1189	30.60	824
	7.00	1376	7.00	1011
Rohtas Bio Energy Limited	62.00	1283	62.00	918
Ridcor	20.00	1096	20.00	731

Details of Interest Defaults to Financial Institutions (Promoter Group entities) as on March 31, 2023 and March 31, 2022 are given below:

Particulars	March 31, 2023		March 31, 2022	
	Amount of Default	Period of Default	Amount of Default	Period of Default
	(Rs. Crores)	(No of days)	(Rs. Crores)	(No of days)
Infrastructure Leasing & Financial Services Ltd	343.93		343.93	
IL&FS Financial Services Limited	76.60		76.60	
IL&FS Transportation Networks Limited	5.85		5.85	
Tierra Enviro Limited	2.99	Due date for interest is on various dates on monthly basis.	2.99	Due date for interest is on various dates on monthly basis.
IL&FS Cluster Development Initiative Limited	1.17		1.17	
Sabarmati Capital One Limited	0.88		0.88	
IL&FS Airports Ltd	2.67		2.67	
Rohtas Bio Energy Limited	4.42		4.42	
RIDCOR Infra Projects Limited	1.56		1.56	

17. Short-term borrowings

	As at March 31, 2023	As at March 31, 2022
Current maturities of long-term borrowings (refer note 16)	2,014.62	2,014.62
Cash credit facilities from banks (secured)	502.92	503.21
Loans related party (unsecured) (Refer note 37)	151.00	151.00
Total	2,668.54	2,668.83

(a) Cash credit from banks are repayable on demand and carries interest @ 9% p.a. to 13.80% p.a. (March 31, 2022: 9% p.a. to 13.80% p.a.). These loans are secured by pari passu first mortgage and charge on the Company's immovable properties both present and future and pari passu first charge by way of hypothecation of all the movable assets including movable equipment's, machinery spares, tools, accessories, current assets both present and future, except to the extent of assets exclusively hypothecated against vehicle loans/ finance leased assets from others.

Loans aggregating to Rs. 253.37 (March 31, 2022 : Rs. 253.68) have additionally been secured by personal guarantee given by the Ex-Vice Chairman of the Company, Mr. B Teja Raju.

Loans aggregating to Rs. 249.84 (March 31, 2022 : Rs. 249.84) additionally carry letter of comfort/support undertaking from Infrastructure Leasing and Financial Services Limited.

(b) Unsecured loan from related parties Rs. 151.00 (March 31, 2022 : Rs. 151.00) carries interest ranging from @ 15.50% p.a. to 16.50% p.a. (March 31, 2022: @ 15.50% p.a. to 16.50% p.a) which is payable quarterly in arrears. Loan is to be repaid at the end of 12 months from the date of first disbursement.

Details of default in repayment of borrowings from Banks (Cash Credit Accounts) as on March 31, 2023 and March 31, 2022 are given below:

Particulars	March 31, 2023		March 31, 2022	
	Amount of Default (Rs. Crores)	Period of Default (No of days)	Amount of Default (Rs. Crores)	Period of Default (No of days)
Indian Bank	63.44		63.44	
Bank of India	19.29		19.29	
Bank of Maharashtra	23.09		23.09	
ICICI	69.62	1627 days from	69.62	1262 days from
IDBI	20.22	October 16th,	20.22	October 16th,
Indian Overseas Bank	33.37	2018 to March	33.37	2018 to March
Punjab National Bank	54.10	31st, 2023	54.10	31st, 2022
State Bank of India	183.27		183.27	
Bank of Baroda	36.80		36.80	

The Company's' exposure to liquidity risks related to borrowings is disclosed in Note 47.

18. Trade payables

	As at March 31, 2023	As at March 31, 2022
Trade payables		
Dues to micro and small enterprises	6.22	6.04
Dues to other than micro and small enterprises	963.04	951.49
Total	969.26	957.53
Non-current [includes retention money payable of Rs. 152.25 (March 31, 2022: Rs.166.50)]	338.04	217.03
Current [includes retention money payable of Rs. 95.36 (March 31, 2022: Rs. 91.62)]	631.22	740.49

The Company's exposure to liquidity risks related to trade payables is disclosed in note 47.

Trade payables Ageing Schedule**As at March 31, 2023**

	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	6.22	6.22
Total outstanding dues of creditors other than micro enterprises and small enterprises	76.15	82.15	52.31	467.13	677.74
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	4.83	14.10	19.59	246.79	285.31
Total	80.98	96.25	71.89	720.15	969.26

As at March 31, 2022

	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	6.25	6.25
Total outstanding dues of creditors other than micro enterprises and small enterprises	71.01	92.28	212.39	314.46	690.14
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	3.27	5.07	30.05	222.75	261.14
Total	74.28	97.35	242.44	543.45	957.52

19. Other financial liabilities

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Interest accrued and due on borrowings, mobilisation advance and delayed payment of statutory dues	-	572.04	-	573.90
Liability component of financial instruments (refer note 50)	-	15.79	-	15.79
Contract liabilities - mobilization advance (refer note 34 and 55)	50.00	371.07	40.58	386.46
Total	50.00	958.90	40.58	976.15

The Company's exposure to liquidity risks related to above financial liabilities is disclosed in note 47.

20. Provisions

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Provisions for employee benefits				
Gratuity (Refer note 35)	-	-	3.87	-
Compensated absences	-	1.99	-	5.45
Total provisions for employee benefits (A)	-	1.99	3.87	5.45
Other provisions				
Provision for estimated future loss on projects	41.66	33.24	14.47	40.60
Provision for liquidated damages	-	1.16	-	1.16
Total other provisions (B)	41.66	34.40	14.47	41.76
Total provisions (A+B)	41.66	36.39	18.34	47.21

Movements in other provisions

	Estimated future loss on	Liquidated damages	Total
Balance as at April 1, 2021	132.24	13.76	146.00
Provisions made during the year			
Provisions utilised during the year	(77.17)	(12.60)	(89.77)
Balance as at March 31, 2022	55.07	1.16	56.23
Balance as at April 1, 2022	55.07	1.16	56.23
Provisions made during the year	49.72	-	49.72
Provisions utilised during the year	(29.89)	-	(29.89)
Balance as at March 31, 2023	74.90	1.16	76.06

A. Provision for Estimated future loss on projects

The projects in progress as at March 31, 2023 have been evaluated for future loss, if any, based on estimates relating to cost-to complete the same. Based on such evaluation, the Company has provided for estimated future losses to an extent of Rs. 74.90 (March 31, 2022: Rs. 55.07).

B. Provision for Liquidated damages

Liquidated damages are levied as per the terms of the contract for delayed execution of works or delayed achievement of agreed milestones. For all projects in progress, the management has estimated the probability of levy of liquidated damages, if any, based on completion date as per the contract, extension of time granted by the customer, etc.

21. Other liabilities

	As at March 31, 2023	As at March 31, 2022
	Current	Current
Contract liabilities - Advance from customers (Refer note 55)	14.46	14.83
Contract liabilities - Advance billing from customers (Refer note 55)	28.75	11.39
Statutory dues (net of input tax credit on Goods and Services tax)	149.58	153.04
Interest payable to micro and small enterprises (Refer note 36)	5.92	4.05
	198.71	183.31

IL&FS Engineering and Construction Company Limited
CIN: L45201TG1988PLC008624
Notes to Standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

	For the year ended	
	March 31, 2023	March 31, 2022
22. Revenue from contracts with customers		
Revenue from contracts	171.34	233.35
Revenue from equipment hiring services	-	-
Other operating revenue		
Reversal of provision for estimated future loss on projects (net) (Refer note 20)	5.76	74.29
	177.10	307.64
	For the year ended	
	March 31, 2023	March 31, 2022
23. Other income		
Interest income on		
Bank deposits	11.77	7.02
Inter corporate deposits and others	3.11	3.13
Income tax refunds	0.62	3.32
Interest income from financial assets carried at amortised cost	4.39	3.72
Provision no longer required written back	12.89	48.71
Liabilities no longer required written back	3.51	2.59
Other non-operating income	2.25	2.55
	38.55	71.04
	For the year ended	
	March 31, 2023	March 31, 2022
24. Cost of materials consumed		
Opening stock	21.74	37.67
Add: Purchases during the year	39.00	84.42
	60.74	122.09
Less: Stocks written-off	9.90	-
	50.84	122.09
Less: Closing stock	10.36	21.74
	40.48	100.35
	For the year ended	
	March 31, 2023	March 31, 2022
25. Employee benefits expenses		
Salaries, wages and bonus	33.84	40.62
Contribution to provident fund and other funds (Refer note 35)	1.36	1.52
Gratuity (Refer note 35)	0.06	0.27
Compensated absences	0.37	0.23
Staff welfare expenses	0.83	0.99
	36.46	43.63
	For the year ended	
	March 31, 2023	March 31, 2022
26. Finance costs		
Interest expense		
Interest on Mob Advance/Others	18.85	40.91
Interest on lease liabilities (note 44)	0.23	-
Interest cost from financial liabilities carried at amortised cost	-	0.01
Bank charges (including BG commission)	3.99	5.09
	23.07	46.00
	For the year ended	
	March 31, 2023	March 31, 2022
27. Depreciation and amortization expense		
Depreciation expense	9.82	13.26
Depreciation on Right of use assets (Refer note 44)	0.36	0.29
	10.18	13.55

	For the year ended	
	March 31, 2023	March 31, 2022
28(a). Other expenses		
Rent (Refer note 44)	4.76	4.77
Rates and taxes	0.72	3.32
Office maintenance	2.11	2.21
Communication expenses	0.34	0.36
Printing and stationery	0.15	0.18
Legal and professional charges	5.74	7.50
Sitting fees	0.11	0.05
Travelling and conveyance	1.70	1.66
Business promotion	0.26	0.15
Auditor's remuneration (Refer note 42)	0.50	0.59
Loss on sale/discard/write off of fixed assets (net)	-	2.84
Site expenses	3.47	12.57
Hire charges	13.58	31.42
Freight and transportation	0.14	0.46
Insurance	2.35	3.56
Power and fuel	0.31	0.45
Repairs		
Plant and machinery	0.14	0.74
Buildings	0.01	-
Others	0.21	0.29
Miscellaneous expenses	-	0.10
	36.60	73.22
	For the year ended	
	March 31, 2023	March 31, 2022
28(b). Expected credit loss and other provisions		
Provision for advances, trade receivables, other assets, Contract assets and impairment of fixed assets	55.81	170.42
Provision for future loss (net) (Refer note 20)	49.72	40.79
Expected credit loss for trade receivables and contract assets	-	-
	105.53	211.21

IL&FS Engineering and Construction Company Limited

CIN: L45201TG1988PLC008624

Notes to Standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

29. Earnings per share

The following reflects the profit/loss and share data used in the basic and diluted EPS computation :

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Loss after tax attributable to equity shareholders	(124.00)	(386.35)
Shares		
Total number of shares outstanding at the commencement of the year	13,11,21,078	13,11,21,078
Add: Shares issued during the year	-	-
Total number of shares outstanding at the end of the year	13,11,21,078	13,11,21,078
Weighted average number of equity shares considered for calculation of basic and diluted earnings per share	13,11,21,078	13,11,21,078
Nominal value of equity shares	10	10
Basic and diluted earnings per share	(9.46)	(29.46)

30. Going Concern

The Company has accumulated loss of Rs.3,518.25 as at March 31, 2023 (as at March 31, 2022: Rs. 3,394.25). The Company has incurred loss of Rs. 124.39 year ended March 31, 2023 (Loss for the year ended March 31, 2022 Rs.386.52). The Company's net worth is fully eroded and the current liabilities exceed its current assets by Rs.3,785.47 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.

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. Financial statements for the year have been prepared on a going concern basis considering the status of the resolution process and steps taken by the Reconstituted Board.

31. Contingent liability**(a) Contingent liabilities on account of pending litigations**

S. No.	Particulars	As at	As at
		March 31, 2023	March 31, 2022
(i)	Claims against the Company not acknowledged as debts (interest, if any, not ascertainable after date of order)	9.40	12.11
(ii)	Direct taxes under dispute *	39.49	39.49
(iii)	Indirect taxes under dispute **#	242.58	185.59

*Income tax demand mainly comprises of demand from the Income Tax authorities upon completion of their assessment upto the financial year 2017-18. The tax demands are mainly on account of classification of waiver of interest and principal amount of loan as revenue receipt which has been considered as capital receipt by the Company, disallowance of expenditure incurred towards extra works/Labour cost on projects, disallowance of expenditure on which TDS is not deducted or short deducted, etc.

**The demands raised by the Sales Tax authorities and Central Excise and Service Tax authorities are mainly towards enhancement of taxable turnover due to certain disallowances, change in classification of services provided by the Company, interpretation of the provisions of the Acts etc.

#Excludes Rs. 6.52 (March 31, 2022: Rs. 6.52) where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. All these cases are under litigation and are pending with various authorities, and the expected timing of resulting outflow of economic benefits cannot be specified.

(iv) As fully explained in Note 30 and 31(v), adverse developments within the promoter group entities have significantly impacted the Company's operations. As a result, certain contracts with customers have been cancelled, terminated, suspended, or are under discussions for foreclosure, leading to disputes and litigation. The management of the Company is actively engaged in discussions with the customers to seek settlements and reconciliations regarding these disputes. Diligent efforts are being made to achieve amicable resolutions and settlements with the involved parties. The adjustments, if any, arising from these terminated contracts is contingent upon the completion of settlements and reconciliations by the customers and cannot be determined at this stage.

(v) Investigations etc by the Regulatory / Investigative Agencies:

Consequent to adverse developments at Infrastructure Leasing and Financial Services Limited ("IL&FS") and IL&FS group level, the Central Government has reconstituted Board of directors 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.

IL&FS Engineering and Construction Company Limited**CIN: L45201TG1988PLC008624****Notes to Standalone financial statements for the year ended March 31, 2023**

(All amounts in Rs. Crore except for share data or as otherwise stated)

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.

(b) Other contingent liabilities

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Guarantees issued by bankers and financial institution (excluding performance obligations)	180.09	211.87
(ii)	Guarantees issued by bankers and financial institutions on behalf of the Consolidating entities towards performance obligations	385.39	427.57
(iii)	Corporate guarantees (including guarantees towards performance obligations of the Company)	644.86	633.48
(iv)	Liquidated damages	11.03	1.16

32. Commitments:**(a) Capital Commitments:**

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. Nil (March 31, 2022: Nil).

(b) Other Commitments:

i. The Company has made a commitment to make additional investment of Rs. 49.64 (March 31, 2022: Rs. 49.64) in Maytas Infra Saudi Arabia Company Limited Liability Company. Based on the latest available management certified financial statements of the aforesaid subsidiary as on March 31, 2018, the net worth of the subsidiary is fully eroded and the Company may have potential obligation to share further liabilities of the said subsidiary, which is not determinable at this stage.

The Group 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. As at the year end the company is not in receipt of any communication from subsidiary to infuse the funds. In view of the adverse developments ad cesseion of operations in overseas subsidiary, the company has made an application to Reserve Bank of India (RBI) seeking approval for write off of investment in subsidiary. Upon approval by RBI, the company would initiate closure of subsidiaries operations in Saudi Arabia.

ii. Under a sponsors' support agreement, the Company (a co-sponsor) has obligation to the lenders' of a Special Purpose Vehicle (SPV), whose 26.10% Equity is held by Maytas 'Investment Trust (MIT), until financial year ending 2027-28, to meet shortfall in Debt service coverage ratio of the SPV on a term loan of Rs. 279.83 (March 31, 2022: Rs. 279.83)

33. Segment reporting :

The Company's operations fall into a single business segment "Construction and Infrastructure Development" and in accordance with Ind AS 108 - Operating Segments, segment information with respect to geographical segment has been given in the consolidated financial statements of the Company, therefore no separate disclosure on segment information is given in these financial statements.

34. Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"**(a) Disaggregation of revenue:**

The Company recognises revenue from contracts with customers which includes Government and Non-Government customers, for construction / project activities over a period of time. During the year substantial part of the Company's business has been carried out in India.

(b) Contract balances**(i) Opening and closing balances of contract balances**

	March 31, 2023	March 31, 2022
Trade receivables	124.85	101.04
Contract assets - Project Work in progress	486.83	456.09
Contract assets - Retention money	305.35	378.77
Provision for estimated future losses on projects and liquidated damages	76.06	56.23
Contract liabilities	464.28	453.26

The credit period towards trade receivables generally ranges between 30 to 180 days. Further the customer retains certain amounts as per the contractual terms which usually fall due on the completion of defect liability period (DLP) of contract. These retentions are made to protect the customer from the Company failing to adequately complete all or some of its obligations under the contract.

Contract assets are initially recognised for revenue earned from transfer of goods and services but not billed to customer because the work completed has to meet technical requirements as well as various milestones as set out in the contract with customers. Upon fulfilling the said requirements and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received advance payments from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the consideration received. Contract liabilities include advances received from customers towards mobilisation of resources, purchase of materials, etc. and advance billing.

Impairment losses recognised on contract assets and trade receivables have been disclosed in note 7

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to Rs. 5.33

(c) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss for the current year. There is no significant revenue recognised in the current year from performance obligations satisfied in previous periods.

(d) Performance obligation

The transaction price allocated to the remaining performance obligations is Rs. 729.36, which will be recognised as revenue over the respective project durations. Generally the project duration of contracts with customers is be 2 to 5 years.

35. Retirement benefits

(a) Disclosures related to defined contribution plan:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund and Employees' State Insurance contribution (ESI), which are defined contribution plans. The contribution are charged to the Statement of profit and loss as they accrue.

(b) Disclosures related to defined benefit plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at the balance sheet date.

I. Reconciliation of net defined benefit asset/ (liability)

	For the year ended	
	March 31, 2023	March 31, 2022
(i) Reconciliation of present value of defined benefit obligation		
Opening defined benefit obligation	3.74	3.08
Current service cost	0.47	0.49
Interest cost on benefit obligation	0.23	0.21
Benefits paid	(0.96)	(0.20)
Actuarial (gain)/loss on obligation	0.39	0.17
Closing defined benefit obligation	3.86	3.74
(ii) Reconciliation of present value of plan asset:		
Opening fair value of plan assets	3.97	2.93
Expected return on plan assets	0.28	0.20
Actuarial (gain)/loss on plan assets	(0.06)	-
Contributions by employer	0.51	1.21
Benefits paid	(0.73)	(0.37)
Closing fair value of plan assets	3.96	3.97
(iii) Reconciliation of net defined benefit asset/(liability):		
Present value of defined benefit obligation	(3.86)	(3.74)
Fair value of plan assets	3.96	3.97
Additional Provision*		(4.11)
Plan (Liability) / Plan Asset	0.10	(3.87)
*Additional Provision made by the management during earlier year, reversed in current year.		
II. Expenses recognised in the statement of profit and loss under employee benefit expense		
Current service cost	0.47	0.49
Interest cost on benefit obligation	0.23	0.21
Expected return on plan assets	(0.28)	(0.20)
Net benefit expense	0.42	0.49
III. Remeasurements recognised in statement of other comprehensive income		
Net actuarial (gain)/ loss recognized in the year	0.39	0.17
Profit/ (Loss) recognised in statement of other comprehensive income	0.39	0.17

IV. Amount recognised in the balance sheet:

	As at	As at
	March 31, 2023	March 31, 2022
Defined benefit obligation	3.86	3.74
Fair value of plan assets	(3.96)	(3.97)
Additional Provision*	-	4.11
Closing liability/ (Asset)	(0.10)	3.87

*Additional Provision made by the management during earlier year, reversed in current year.

V. Experience adjustment

	For the year ended				
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
On plan liabilities loss	3.86	3.74	3.08	3.28	3.61
On plan assets (gain) / loss	3.96	3.97	2.93	2.63	0.42
Surplus / (deficit)	0.10	0.23	(0.14)	(0.65)	(3.19)
Experience gain on obligation	-	-	-	-	-

VI. The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Insurance fund		
(%) of total plan assets	100%	100%

IL&FS Engineering and Construction Company Limited

CIN: L45201TG1988PLC008624

Notes to Standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

VII. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.30%	6.96%
Increase in compensation cost	5.00%	5.00%
Attrition rate	18.00%	7.00%
Estimated rate of return on plan assets	7.00%	6.80%
Retirement age (in years)	60	60
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Notes :

- (i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.
- (ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets and Company's policy for plan asset management.
- (iii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VIII. A quantitative sensitivity analysis for significant assumption is as shown below:

	Sensitivity level	(increase)/ decrease in defined benefit obligation	
		As at March 31, 2023	As at March 31, 2022
Discount rate	1% increase 1% decrease	3.74 3.99	3.38 3.78
Salary escalation rate	1% increase 1% decrease	4.01 3.72	3.77 3.39

36. Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

Sl. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
	Principal amount due to micro and small enterprises	6.22	6.04
	Interest due on above	5.92	4.05
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.		-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	5.92	4.05
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.

37. Related party disclosures:**I. Names of related parties and relationship with the Company (as per the Ind AS 24 – "Related Party Disclosures"):****A Subsidiaries**

- Maytas Infra Assets Limited
- Maytas Vasishtha Varadhi Limited
- Maytas Metro Limited
- Angeerasa Greenfields Private limited
- Saptaswara Agro - Farms Private Limited
- Ekadanta Greenfields Private Limited
- Maytas Infra Saudi Arabia Company (Limited Liability Company), Saudi Arabia

B Holding Company

- Infrastructure Leasing & Financial Services Limited \$

C Joint ventures (JV)

- NCC – Maytas (JV)
- NEC – NCC – Maytas (JV)
- Maytas – NCC (JV)
- NCC – Maytas (JV) (Singapore Class Township)
- Maytas – CTR (JV)
- NCC – Maytas – ZVS (JV)
- ITNL - IECCL JV

IL&FS Engineering and Construction Company Limited

CIN: L45201TG1988PLC008624

Notes to Standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

D Investing party in respect of which the reporting enterprise is an associate

1 SBG Projects Investments Limited

E One entity is an Associate or fellow subsidiaries of Infrastructure Leasing & Financial Services Limited (Holding Company) or Joint Venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member) (with whom the Company has either transactions during the year or balance outstanding at the end of the year) or Enterprises where key management personnel and their relatives exercise significant influence (where transaction has taken place)

1 IL&FS Transportation Networks India Limited
2 Rohtas Bio Energy Limited
3 Bhopal E-Governance Limited
4 Tierra Enviro Limited
5 IL&FS Cluster Development Initiative Limited
6 Sabarmati Capital One Limited
7 IL&FS Township & Urban Assets Limited
8 Skill Training Assessment Management Partners Limited
9 Elsamex Maintenance Services Limited
10 RIDCOR Infra Projects Limited
11 IL&FS Airports Limited
12 IL&FS Securities Services Limited
13 Hill County Properties Limited \$
14 IL&FS Financial Services Ltd \$

F Key management personnel

1 Mr. Manish Kumar Agrawal, Director
2 Mr. Dilip Lalchand Bhatia, Director
3 Mr. Nand Kishore, Director (w.e.f October 10, 2022)
4 Mr. Jagadip Narayan Singh, Director
5 Mr. Subrata Kumar Atindra Mitra, Director
6 Mr. Kazim Raza Khan, Chief Executive officer
7 Mr. Naveen Kumar Agrawal, Chief Financial Officer
8 Mr. Rajib Kumar Routray, Company Secretary (w.e.f May 29, 2022)
9 Mr. Srinivasa Kiran Sistla, Company Secretary (till May 29, 2022)
10 Mr. Chandra Shekhar Rajan, Director (till October 3, 2022)
11 Mr. Sushil Dudeja, Company Secretary (till January 31, 2019) ("the erstwhile")
12 Dr. S N Mukherjee, Chief Financial Officer (till December 31, 2018) ("the erstwhile")

\$ Changes in the status of related party is made based on the changes to group structure by the Infrastructure Leasing & Financial Services Limited Pursuant Rules 8(5) of the Companies (Accounts) Rules 2014 and as per published financial statement of Infrastructure Leasing & Financial Services Limited for the year ending March 31, 2019.

II. Transactions with related parties during the year#:**A Subsidiaries**

1	Maytas Infra Assets Limited		
	Expenses incurred on behalf of the party	0.00	0.00
2	Maytas Vasishta Varadhi Limited		
	Expenses incurred on behalf of the party	0.00	0.00
3	Maytas Metro Limited		
	Expenses incurred on behalf of the party	0.00	0.00
4	Angeerasa Greenfields Private Limited		
	Expenses incurred on behalf of the party	0.00	0.00
5	Saptaswara Agro - Farms Private Limited		
	Expenses incurred on behalf of the party	0.00	0.00
6	Ekadanta Greenfields Private Limited		
	Expenses incurred on behalf of the party	0.00	0.00

B Holding Company

1	Infrastructure Leasing & Financial Services Limited		
	Rent expense	-	(0.23)
	Expenditure incurred on behalf of Company	(0.00)	(0.00)

C One entity is an Associate or fellow subsidiaries of Infrastructure Leasing & Financial Services Limited (Holding Company) or Joint Venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member) (with whom the Company has either transactions during the year or balance outstanding at the end of the year).

1	IL&FS Transportation Networks Limited		
	Lease rental charges (including interest on late payments)	(5.12)	-
	Other Income	(2.17)	-

IL&FS Engineering and Construction Company Limited
CIN: L45201TG1988PLC008624
Notes to Standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

		For the year ended	
		March 31, 2023	March 31, 2022
D	Key management personnel		
1	Mr. Kazim Raza Khan Remuneration (including perquisites)	(0.98)	(1.04)
2	Mr. Naveen Kumar Agrawal Remuneration	(0.58)	(0.55)
3	Mr. Sistla Srinivasa Kiran Remuneration	(0.02)	(0.15)
4	Mr. Dilip Bhatia Sitting fees	(0.02)	(0.01)
5	Mr. Chandra Shekhar Rajan Sitting fees	(0.01)	(0.01)
6	Mr. Manish Kumar Agrawal Sitting fees	(0.02)	(0.01)
7	Mr. Jagadip Narayan Singh Sitting fees	(0.03)	(0.01)
8	Mr. Subrata Kumar Atindra Mitra Sitting fees	(0.03)	(0.01)
9	Mr. Nand kishore Sitting fees	(0.01)	-
10	Mr. Rajib Kumar Routray Remuneration	(0.35)	-
III	Balances outstanding debit / (credit) @:		
		As at March 31, 2023	As at March 31, 2022
A.	Subsidiaries (gross)		
1	Maytas Infra Assets Limited	14.83	14.83
2	Maytas Vasishta Varadhi Limited	2.89	2.89
3	Maytas Metro Limited	0.10	0.10
4	Angeerasa Greenfields Private Limited	56.45	56.45
5	Saptaswara Agro - Farms Private Limited	0.29	0.29
6	Ekadanta Greenfields Private Limited	0.05	0.05
7	Maytas Infra Saudi Arabia Company	35.72	35.72
#Excluding corporate guarantee of Rs. 225.80 (March 31, 2022: Rs.208.42) given by the Company on behalf of the MISA for loan of Rs 141.39 (March 31, 2022: Rs. 130.51) taken by the subsidiary. Further, Company has a commitment to make additional investment of Rs.49.64 (March 31,2022: Rs. 49.64) in Maytas Infra Saudi Arabia Company Limited Liability Company. The movement in Corporate guarantee and MISA loan balances compared to previous year is purely on account of foreign exchange fluctuation			
B	Holding Company		
1	Infrastructure Leasing & Financial Services Limited*		
	Long-term secured loan	(721.32)	(721.32)
	Long-term unsecured loan	(933.75)	(933.75)
	Short-term deposits	11.63	11.63
	Interest accrued	(343.93)	(343.93)
**Excluding bank guarantee/letter of credits of Rs. 446.45 (March 31, 2022: Rs. 446.45) given on behalf of the Company against which the Company had given corporate guarantees in the nature of counter guarantees to the extent of Rs. 424.69 (March 31, 2022: Rs. 424.69). The Company had also given corporate guarantee of Rs. 125 (March 31, 2022: Rs. 125) for availing Letter of Credit facilities from its bankers.			
Infrastructure Leasing and Financial Services Limited has provided letter of comfort/support undertaking to banks for cash credit facilities from banks aggregating to Rs. 249.84 (March 31, 2022: Rs. 249.84).			
C	Joint ventures		
1	Maytas – NCC (JV)	14.83	14.83
2	NCC – Maytas (JV)	0.03	0.03
3	NCC – Maytas (JV) (Singapore Class Township)	0.92	0.92
4	Maytas – CTR- JV	46.63	46.63
5	NCC – Maytas – ZVS	0.33	0.33

D One entity is an Associate or fellow subsidiaries of Infrastructure Leasing & Financial Services Limited (Holding Company) or Joint Venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member) (with whom the Company has either transactions during the year or balance outstanding at the end of the year).

1 IL&FS Transportation Networks Limited

Short-term unsecured loan	(78.00)	(78.00)
Trade receivables (including retention money)*	-	12.37
Advance from customer*	-	-
Other receivables*	-	6.35
Lease rental payable*	(24.86)	(52.83)
Interest accrued	(5.85)	(5.85)

* Pursuant to reconciliation of balance and preliminary settlement of dues with the group entity, the payable balances and receivable balance were adjusted appropriately and disclosed on net basis.

2 Rohtas Bio Energy Limited

Long-term unsecured loan	(62.00)	(62.00)
Interest accrued	(4.42)	(4.42)

3 IL&FS Airports Limited

Long-term secured loan (Including assigned from Bhopal E- Governance Limited Rs. 30.60)	(37.60)	(37.60)
Interest accrued	(2.67)	(2.67)

4 Tierra Enviro Limited

Short-term unsecured loan	(39.40)	(39.40)
Interest accrued	(2.99)	(2.99)

5 IL&FS Cluster Development Initiative Limited

Short-term unsecured loan	(15.00)	(15.00)
Interest accrued	(1.17)	(1.17)

6 Sabarmati Capital One Limited

Short-term unsecured loan	(11.60)	(11.60)
Interest accrued	(0.88)	(0.88)

7 IL&FS Township & Urban Assets Limited

Operating expenses	(0.05)	(0.05)
--------------------	--------	--------

8 Skill Training Assessment Management Partners Limited

Professional Services	(0.01)	(0.01)
-----------------------	--------	--------

9 Elsamex Maintenance Services Limited ^^

Trade payable *	-	-
Mobilisation advance receivable*	-	-
Other receivables (hire charges)*	-	-

* Pursuant to reconciliation of balance and preliminary settlement of dues with the group entity, the payable balances and receivable balance were adjusted appropriately and disclosed on net basis.

^^ During the previous year, the Company engaged in transactions involving the export of certain plants and machinery to three foreign Joint Ventures of Elsamex Maintenance Services Limited. An amount of Rs.11.63 remains outstanding from these parties in relation to the aforementioned transactions. Considering the adverse financial conditions of the entities and following guidance from the Promoter Group Management, the Company made provisions for these doubtful amounts in earlier year.

10 IL&FS Financial Services Limited

Long-term secured loan	(128.40)	(128.40)
Interest accrued	(76.60)	(76.60)
Other payable	-	-

11 Hill County Properties Limited

Inter corporate deposits (Unsecured)	135.83	135.83
Interest accrued	11.17	11.17
Trade receivables (including retention money)	0.31	0.31
Investment	0.08	0.08

12 RIDCOR Infra Projects Limited

Short term unsecured loan	(20.00)	(20.00)
Interest accrued	(1.56)	(1.56)

IL&FS Engineering and Construction Company Limited
CIN: L45201TG1988PLC008624
Notes to Standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. Crore except for share data or as otherwise stated)

E Key Management Personnel

1	Mr. Sushil Dudeja Remuneration	(0.14)	(0.14)
2	Dr. S N Mukherjee Professional charges	(0.14)	(0.14)

@ Subject to confirmations and reconciliations with group companies. In view of the present ongoing investigations and uncertainties etc., including restructuring proposals envisaged, no provisioning / adjustments were made to these balances. The same will made in the year in which the final settlements take place / restructuring proposals are approved.

IV Provisions against balances outstanding:

		As at March 31, 2023	As at March 31, 2022
A	Subsidiaries		
1	Maytas Infra Assets Limited	(11.62)	(11.62)
2	Maytas Metro Limited	(0.09)	(0.09)
3	Saptaswara Agro- Farms Private Limited	0.28	0.28
4	Maytas Vasishta Varadhi Limited	(2.89)	(2.89)
5	Ekadanta Greenfields Private Limited	(0.04)	(0.04)
6	Angeerasa Greenfields Private Limited	(6.44)	(6.44)
7	Maytas Infra Saudi Arabia Company (Limited Liability Company)	(35.72)	(35.72)
B	Joint Ventures		
1	Maytas - NCC (JV)	(3.00)	(3.00)
2	Maytas - CTR JV	(48.38)	(48.38)
3	NCC – Maytas (JV) (Singapore Class Township)	(0.92)	(0.92)
4	NCC – Maytas (JV)	(0.03)	(0.03)
5	NCC – Maytas – ZVS (JV)	(0.08)	(0.08)
C	One entity is an Associate or fellow subsidiaries of Infrastructure Leasing & Financial Services Limited (Holding Company) or Joint Venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member) (with whom the Company has either transactions during the year or balance outstanding at the end of the year).		
1	Hill County Properties Limited	(147.39)	(147.39)
V	Maximum amount outstanding during the year in respect of loans and advances in the nature of loans given to subsidiaries, joint ventures and associate in which directors are interested		
		As at March 31, 2023	As at March 31, 2022
A	Subsidiaries		
1	Maytas Infra Assets Limited	11.62	11.62
2	Maytas Metro Limited	0.09	0.09
3	Saptaswara Agro- Farms Private Limited	0.28	0.28
4	Maytas Vasishta Varadhi Limited	2.89	2.89
5	Ekadanta Greenfields Private Limited	0.04	0.04
6	Angeerasa Greenfields Private Limited	6.44	6.44
7	Maytas Infra Saudi Arabia Company (Limited Liability Company)	35.72	35.72
B	Joint Ventures		
1	Maytas NCC JV - Irrigation	14.83	14.83
2	NCC Maytas JV - U1	0.03	0.03
3	Maytas - CTR JV	0.92	0.92
4	NCC – Maytas – ZVS (JV)	0.33	0.33
5	NCC – Maytas (JV) (Singapore Class Township)	0.92	0.92
C	One entity is an Associate or fellow subsidiaries of Infrastructure Leasing & Financial Services Limited (Holding Company) or Joint Venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member) (with whom the Company has either transactions during the year or balance outstanding at the end of the year)		
1	Hill County Properties Limited #	147.39	147.39

The repayment schedule is not beyond 7 year.

38. Interest in joint ventures:

Company's financial interest in jointly controlled entities is as follows:

Sl. No.	Name of joint venture	Share	Assets	Liabilities	Income	Expenditure	Tax	Profit/ (loss) after tax
1	Maytas - NCC JV							
	March 31, 2023	50%	31.23	24.13	1.70	1.64	0.02	0.04
	March 31, 2022	50%	30.91	23.95	0.15	0.15	(0.20)	0.19
2	NEC – NCC – Maytas JV							
	March 31, 2023	25%	0.49	0.17	-	-	-	-
	March 31, 2022	25%	0.49	0.17	-	-	-	-
3	NCC – Maytas JV							
	March 31, 2023	50%	0.03	0.03	-	-	-	-
	March 31, 2022	50%	0.03	0.03	-	-	-	-
4	NCC – Maytas JV (Singapore Class Township)							
	March 31, 2023	50%	1.01	0.15	-	-	-	-
	March 31, 2022	50%	1.01	0.15	-	-	-	-
5	Maytas – CTR JV							
	March 31, 2023	70%	35.72	7.35	-	-	-	-
	March 31, 2022	70%	35.72	7.35	-	-	-	-
6	NCC – Maytas – ZVS JV							
	March 31, 2023	39.69%	5.70	5.56	0.00	0.01	-	(0.01)
	March 31, 2022	39.69%	5.71	5.56	0.00	0.00	(0.03)	0.03

a) The above joint ventures do not have any contingent liability and capital commitment as at March 31, 2023 and March 31, 2022 except in Maytas – NCC JV amounting to Rs. 14.47 (March 31, 2022: Rs. 14.47).

39. The Company has the following joint ventures, which are in the nature of jointly controlled operations:

- Maytas KBL (JV)
- Maytas KCCPL Flow more (JV)
- Maytas MEIL KBL (JV)
- Maytas MEIL ABB AAG (JV)
- MEIL Maytas ABB AAG (JV)
- MEIL Maytas KBL (JV)
- MEIL Maytas WIPL (JV)
- MEIL Maytas AAG (JV)
- MEIL – SEW – Maytas – BHEL (JV)
- L&T KBL Maytas (JV)
- Maytas – Rithwik (JV)
- Maytas Sushree (JV)
- Maytas Gayatri (JV)
- IL&FS Engg – Kalindee (JV)
- AMR-Maytas-KBL-WEG (JV)
- ITDC-Maytas (JV)

The Company's share in assets, liabilities, income and expenditure are duly accounted for in the accounts of the Company in accordance with such division of work as per the work sharing arrangements and therefore does not require separate disclosures. The projects under these JVs were executed by the company in earlier years and there were no operations during the current year. Joint venture partners are jointly and severally liable to clients for any claims in these projects.

40. Expenditure and earnings in foreign currency

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Travelling and conveyance	0.00	-
	0.00	-

41. Imported and indigenous materials consumed:

Particulars	For the year ended			
	March 31, 2023		March 31, 2022	
	%	Value	%	Value
Imported	0.00%	-	0.00%	-
Indigenous	100.00%	40.48	100.00%	100.35
Total	100%	40.48	100%	100.35

42. Auditor's remuneration excluding taxes):

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Statutory audit	0.30	0.35
Limited review	0.13	0.15
Tax Audit	0.08	0.09
	0.50	0.59

43. Hedged and un-hedged foreign currency exposure:

The Company has not hedged any of its foreign currency exposures. Particulars of un-hedged foreign currency exposure are detailed below at the exchange rate prevailing at the reporting date:

Particulars	For the year ended			
	As at March 31, 2023		As at March 31, 2022	
	Amount in Foreign currency	Amount in Rs.	Amount in Foreign currency	Amount in Rs.
Advances given				
Trade payables	EURO 0.005	0.42	EURO 0.005	0.42
Trade payables	SGD 0.051	2.83	SGD 0.051	2.83
Security deposit payable	SGD 0.007	0.42	SGD 0.007	0.42
Restatement of the unhedged foreign currency is not made in view of the NCLAT order, refer note 30				

44. Leases:

The Company has entered into a lease agreement for its Head Office at Sanali Info Park(1st Floor) on 01st August 2022, for a period of three years renewable for a period of another 3 years. The Impact on account of implementation of Ind AS 116 on this lease arrangement is summarised as below. The Company also has certain leases of temporary site offices, guest houses and plant and machinery with lease terms of 12 months or less and leases of temporary site offices with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Category of ROU Asset (Office premises)	
	As at	As at
	March 31, 2023	March 31, 2022
Opening Balance	-	0.28
Additions	3.27	-
Depreciation expense	(0.36)	(0.28)
Balance	2.91	-

The aggregate amortisation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liability

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Current lease liabilities	0.35	-
Non-current lease liabilities	2.56	-
Total	2.91	-

The following is the movement in lease liability

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance at Beginning	-	0.29
Additions	3.11	-
Finance cost	0.23	-
Payments of lease liabilities	(0.43)	(0.29)
Balance	2.91	-

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Minimum Lease Payments		
Not later than one year	0.75	-
Later than one year but not later than five years	3.68	-
Later than five years	-	-
	4.43	-

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The effective interest rate for lease liabilities is 12%.

The table below provides details regarding the amounts recognised in profit or loss.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Interest and depreciation on lease liabilities	0.59	0.28
Expenses relating to short-term leases	4.76	4.77

The table below provides details regarding the amounts recognised in the statement of cash flows.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Total cash outflow for leases	(0.43)	(0.29)

45. Capital management

Refer Note No. 30 and 31(v) which states the normal business operation of the Company as they existed under the previous years have ceased and the reconstituted board is undertaking steps for revival and restoration of operation of company. The Company has defaulted in respect of several of its loan obligations.

The capital structure of the company consist of Net Debt of Rs. 2,521.22 (March 31 2022: Rs. 2,564.88) and total equity of Rs. (3,102.28) (March 31, 2022: Rs. (2,977.89))

As the networth of the group is negative, the net debt to total equity ratio has not been disclosed.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Interest bearing loans and borrowings	2,668.54	2,668.83
Less: cash and cash equivalents	(147.32)	(103.95)
Adjusted net debt	2,521.22	2,564.88

46. In the earlier years, pursuant to the Debt Restructuring Programme, the Company had settled an irrevocable trust, namely, Maytas Investment Trust (Trust). The objective of the Trust was to dispose certain underlying investments held and settle the liability towards the Pass Through Certificate (PTC), wherein the Company was also a contributory. Value of Investment in the PTC issued to the Company was Rs. 259.67. Further, the Company has receivables from the investee entities in the form of loans and advances and investments aggregating to Rs. 101.20.

Based on the valuation reports furnished by external valuers, during the earlier year, the Company has recognised an impairment of Rs. 259.67 towards diminution in the value of PTC. During the earlier year, due to certain developments that occurred in the said ultimate investee entity, the Company had recognised an impairment towards diminution in the value of loans and advances including interest.

47. Financial instruments- fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2023, including their levels in the fair value hierarchy.

Particulars	Carrying Amount					Fair Value			Total
	Note	FVTPL	FVOCI	Amortised cost	Total carrying Amount	Level 1- Quoted price in active markets	Level 2- Significant observable inputs	Level 3- Significant unobservable inputs	
Investments (Note I)	6	-	-	47.47	47.47	-	-	-	-
Loans	8	-	-	10.05	10.05	-	-	-	-
Trade receivables	7	-	-	124.85	124.85	-	-	-	-
Cash and cash equivalents	10	-	-	147.32	147.32	-	-	-	-
Other bank balances	10	-	-	207.79	207.79	-	-	-	-
Other financial assets	9	-	-	220.04	220.04	-	-	-	-
Total financial assets		-	-	757.53	757.53	-	-	-	-
Borrowings	16 and 17	-	-	2,668.54	2,668.54	-	-	-	-
Trade payable	18	-	-	969.26	969.26	-	-	-	-
Other financial liabilities	19	-	-	1,008.90	1,008.90	-	-	-	-
Total financial liabilities		-	-	4,646.71	4,646.71	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2022, including their levels in the fair value hierarchy.

Particulars	Carrying Amount					Fair Value			Total
	Note	FVTPL	FVOCI	Amortised cost	Total carrying Amount	Level 1- Quoted price in active markets	Level 2- Significant observable inputs	Level 3- Significant unobservable inputs	
Investments (Note I)	6	-	-	43.14	43.14	-	-	-	-
Loans	8	-	-	19.31	19.31	-	-	-	-
Trade receivables	7	-	-	101.04	101.04	-	-	-	-
Cash and cash equivalents	10	-	-	103.95	103.95	-	-	-	-
Other bank balances	10	-	-	251.97	251.97	-	-	-	-
Other financial assets	9	-	-	220.83	220.83	-	-	-	-
Total financial assets		-	-	740.24	740.24	-	-	-	-
Borrowings	16 and 17	-	-	2,668.83	2,668.83	-	-	-	-
Trade payable	18	-	-	957.53	957.53	-	-	-	-
Other financial liabilities	19	-	-	1,016.73	1,016.73	-	-	-	-
Total financial liabilities		-	-	4,643.09	4,643.09	-	-	-	-

Note I: Investments in associate and joint venture have been accounted at historical cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above. Investments in unquoted equity shares of entities other than associates and joint ventures have been designated as FVTPL.

B. Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

(ii) Levels 1, 2 and 3

Level 1 : It includes Investment in equity shares that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial risk management objective

Refer Note No. 30 and 31(v) which states the normal business operation of the company as they existed under the previous years have ceased and the reconstituted board is undertaking steps for revival and restoration of operation of company. Accordingly, the company is in process of setting up mechanism to address risk including market risk, credit risk, liquidity risk, interest rate risk

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company is exposed to the credit risk from company's receivables from customers, contract assets (Unbilled revenue) and loans and advances given.

Due to development outline in note no. 31(v) the receivable, contract asset and loans given by the company had been substantially impaired/written off in previous years.

Liquidity risk

During the current year and previous year, the company has defaulted in its interest and principal obligations. Accordingly in terms of loan agreements, all long term liabilities on account of interest and principal is classified as current liabilities.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities including estimated interest payments as at March 31, 2023:

Particulars	Carrying amount	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Accounts payable and acceptances	969.26	631.22	338.04	-	969.26
Borrowings and interest thereon	3,240.59	3,240.59	-	-	3,240.59
Other financial liabilities	436.86	436.86	-	-	436.86
Total	4,646.71	4,308.67	338.04	-	4,646.71

The below table provides details of financial assets as at March 31, 2023:

Particulars	Carrying amount
Trade receivables	124.85
Loans	10.05
Other financial assets	244.24
Total	379.15

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2022:

Particulars	Carrying amount	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Accounts payable and acceptances	957.53	740.50	217.03	-	957.53
Borrowings and interest thereon	3,242.74	3,242.74	-	-	3,242.74
Other financial liabilities	442.83	442.83	-	-	442.83
Total	4,643.09	4,426.06	217.03	-	4,643.09

The below table provides details of financial assets as at March 31, 2022:

Particulars	Carrying amount
Trade receivables	101.04
Loans	19.31
Other financial assets	245.03
Total	365.37

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of liquidity and other market changes.

• Interest rate risk

The company is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. Due to the matters discussed in Note 52, the company has not accrued interest expense post October, 2018. Accordingly, interest rate sensitivity analysis is not disclosed.

The Company's exposure to interest rates on financial instruments is detailed below:

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Cash and bank balances	147.32	103.95
Total interest rate dependent financial assets	147.32	103.95
Financial liabilities		
Borrowings	2,668.54	2,668.83
Other financial liabilities	993.11	1,000.94
Total interest rate dependent financial liabilities	3,661.66	3,669.78

The amounts included above for interest rate dependent financial assets are fixed interest bearing financial assets.

• Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company's presentation currency is the Indian Rupees. The Company's exposure to foreign currency arises in part when the Company holds financial assets and liabilities denominated in a currency different from the functional currency of the entity.

48. 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. 703.31 (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.252.63 [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.252.63 is considered good for recovery.

49. Inter-Corporate Deposits:

Prior to April 1, 2009, the erstwhile promoters had given certain Inter Corporate Deposits (ICDs) to various companies aggregating to Rs. 343.78. Of the foregoing, documentary evidences had been established that, for an amount of Rs 323.78, the then Satyam Computer Services Limited (SCSL) was the ultimate beneficiary and for which a claim together with compensation receivable had been lodged by the Company. During the earlier years, SCSL had merged into Tech Mahindra Limited (TML) pursuant to a Scheme of Arrangement u/s.391-394 of the Companies Act, 1956. As provided in the Scheme and as per the Judgment of Hon'ble High Court of Andhra Pradesh on the said Scheme, the aforesaid amount in books of SCSL was transferred to TML. The Company, through its subsidiaries, preferred an Appeal before the Division Bench of Hon'ble High Court of Andhra Pradesh against the single judge's Order approving the merger scheme of SCSL which is pending as on date. TML, in its Audited Financial Statement for the year ended March 31, 2023 continued to disclose as "Suspense Account (Net) Rs. 1,230.40" as disclosed by SCSL earlier. Management is of the opinion that the claim made by the Company on SCSL is included in the aforesaid amount disclosed by TML in its Audited Financial Statements. The Company is confident of recovering the said ICDs together with compensation due thereon from SCSL/TML. Further, based on internal evaluation and legal opinion, documentary evidences available with the Company and in view of the observations of the Special Court in its verdict dated April 9, 2015 on the criminal case filed by the Central Bureau of Investigation, confirming that an amount of Rs. 1,425 was transferred to SCSL through the intermediary companies, out of which an amount of Rs. 1,230.40 continues to subsist with SCSL. During the earlier year, the Company had recognised a impairment of Rs. 323.78 towards diminution in the value of these ICD considering the uncertainty in recovering the ICDs in future. The Company has filed a case against the Tech-Mahindra and Ors. for recovery of ICD amounts vide Commercial Suit No. 181/2022 before the Hon'ble High Court of Bombay and the summons were served. Matter is yet to listed for response from other sides.

50. 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. 37.50 and 2,25,000, 6% cumulative redeemable preference shares (CRPS) of Rs.100 each aggregating to Rs. 2.25 were outstanding as on September 30, 2019. All these OCCRPS were purchased by ILFS Trust Company Limited (ITCL), now Vistra ITCL India Limited, being the trustee of Maytas Investment Trust. As per various agreements/extensions, all these OCCRPS were due for redemption as on September 30, 2019. The Company defaulted in the redemption of these OCCRPS. Further, the Company has also defaulted in payment of dividend payable Rs 15.79.

51. Confirmation of Balances:

As at March 31, 2023, fund-based borrowings outstanding aggregates to Rs 2628.79. These include borrowings from group entities, aggregating to Rs 2047.07. The Company neither serviced principal amounts and/or interest payments, wherever applicable. Further, Borrowings to the extent of Rs.132.39 were not confirmed by respective lenders. Adjustments to principal and interest, if any, will be recognized in the year of final settlement.

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.

52. Interest Expense:

As detailed in note no 30 and 31(v), 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. aggregating to Rs. 437.41 approximately (excluding penal interest etc.) for the year ended March 31, 2023. Aggregate amount of interest expense not recognized as at March 31, 2023 is Rs. 1722.21 approximately (excluding penal interest etc.).

53. Other Statutory Information

- (i) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) The Company does not have any transactions with companies struck off any section 248 of Companies Act 2013 or Section 560 of Companies Act 1956.
- (iii) Apart from the pending charge creations as disclosed under note 16 (e)(ii), the Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period. The Company is in the process of filing the requisite forms with ROC for the registration of said charge.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (viii) The Company has not been declared as a willful defaulter by any bank or financial institution or other lender.
- (ix) As a result of the events described in Note 31(v), the Company defaulted in the payment of its dues to its lenders. Consequently, all the facilities availed by the Company have been classified as NPA and the sanctioned limits have been recalled by the Lenders. Due to these events, the necessary compliances related to availment of credit facilities are being done on case to case basis.

54. Exceptional item

Particulars	As at March 31, 2023	As at March 31, 2022
Covid 19 Impact - Reversal of additional provision	(24.13)	-
Interest reversal for GST and TDS on unpaid Pre October 2018 liabilities	-	(63.56)
Deferred tax assets, net written off	-	242.99
Provision made terminated projects	19.35	-
Provision for the diminution in value of inventories	9.90	-
	5.12	179.43

55. Due to adverse developments within the IL&FS group during the financial year 2018-2019, the Company's operations have been significantly impacted since that time. Consequently, certain contracts with customers have been terminated or under discussions for an amicable foreclosure. The Company is actively engaged in regular and comprehensive review of all its assets and liabilities specially associated with the terminated and under foreclosure projects. These reviews are being conducted to assess the net exposure resulting from each terminated or under foreclosure contract. As a result, necessary provisions have been made in the books based on the net exposure in these contracts. As of March 31, 2023, the amount receivable and payables from such terminated or under foreclosure contracts are reflected in the Company's financial statements as follows: Trade receivable (Note 7), Contract assets (Note 12) and Contract liabilities (Note 19 and 21) include amounts of Rs. 57.88, Rs. 182.19 and Rs. 291.31 respectively.

56. Key Ratio

Ratio	Nmuerator	Denominator	31-Mar-23	31-Mar-22	% Change	Reason for Variance
Current ratio	Current Assets	Current Liabilities	0.16	0.19	-17.22%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	*	*	*	
Debt Service Coverage ratio	Earnings for debt service=Net profit after taxes+Non-cash operating Expenses	Debt service = Interest & Lease Payments + Principal Repayments	#	#	#	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	*	*	*	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.52	3.38	-25.40%	On account of Sale of Inventory during the previous year
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	1.57	2.34	-33.11%	On account of decrease on operation
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.04	0.09	-55.55%	On account of decrease on operation
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(0.05)	(0.08)	-43.17%	On account of decrease on operation
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	(0.70)	(1.26)	44.25%	On account of decrease on operation
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	*	*	*	
Return on Investment	Interest (Finance Income)	Investment	-	-	-	

As explained in the note no. 52, no interest has been accrued on the debts accordingly, debt service ratio is not disclosed.

*Note - As the networth of the Company is negative, the net debt to total equity ratio, return on capital employed and return on equity have not been disclosed.

57. Figures for the previous year have been regrouped/reclassified to confirm to the figures of the current year.

58. All amounts less than Rs. 0.01 have been disclosed as Rs. 0.00.

As per our report of even date

for M Bhaskara Rao & Co.
Firm registration number: 000459S
Chartered Accountants

For and on behalf of the board of directors of
IL&FS Engineering and Construction Company Limited

M.V. Ramana Murthy
Partner
Membership No: 206439

Manish Kumar Agarwal
Director
DIN: 02885603

Nand Kishore
Director
DIN: 08267502

Place: Hyderabad
Date: May 25, 2023

Kazim Raza Khan
Chief Executive Officer

Naveen Kumar Agrawal
Chief Financial Officer

Rajib Kumar Routray
Company Secretary

Confidential
fateam@rkassociates.org
2023-06-09 05:44:08 +0000