



**IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED**

**33<sup>rd</sup>  
ANNUAL REPORT  
2021-22**

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## Bankers

Bank of Baroda	Indian Bank
Bank of India	Indian Overseas Bank
Bank of Maharashtra	Punjab National Bank
ICICI Bank Limited	State Bank of India
IDBI Bank Limited	

## Registrar & Share Transfer Agent :

### KFin Technologies Private Limited

Selenium Building, Tower B, Plot No. 31-32  
Gachibowli, Financial District  
Nanakramguda, Serilingampally, Hyderabad - 500 032  
Telephone No. 040 - 6716 2222  
Fax No. 040 - 2342 0814  
Email ID: einward.ris@karvy.com

## BOARD OF DIRECTORS

Mr. Chandra Shekhar Rajan  
Mr. Dilip Lalchand Bhatia  
Dr. Jagadip Narayan Singh  
Mr. Subrata Kumar Mitra  
Mr. Manish Kumar Agarwal

### Chief Executive Officer

Mr Kazim Raza Khan

### Chief Financial Officer

Mr Naveen Kumar Agrawal

### Company Secretary

Mr. Rajib Kumar Routray \*  
Mr Sistla Srinivasa Kiran

\* With effect from May 29, 2022

## Auditors :

### M. Bhaskara Rao & Co.

Chartered Accountants  
Firm Regn No.: 000459S  
5-D, Fifth Floor, "KAUTILYA"  
6-3-652, Raj Bhavan Quarters Colony,  
Somajiguda, Hyderabad- 500082

## Registered Office :

CIN: L45201TG1988PLC008624

Door No.8-2-120/113, Block B  
1st Floor, Sanali Info Park, Road No.2  
Banjara Hills, Hyderabad - 500 034  
Tel: +91 40 40409333, Fax: +91 40 40409444  
Website: www.ilfsengg.com  
Email : cs@ilfsengg.com

## NOTICE

**NOTICE** is hereby given that the 33rd Annual General Meeting (AGM) of IL&FS Engineering and Construction Company Limited will be held on Thursday, the September 29, 2022 at 11 AM (IST) through Video Conferencing ("VC")/ Other Audio Visual Means (OAVM) to transact the following business:

1. To receive, consider and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and Auditors thereon,
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon

2. Appointment of Statutory Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary resolution:

**RESOLVED** that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M. Bhaskara Rao & Co., Chartered Accountant(s), Firm Registration No. 000459S be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty-eight AGM to be held in the year 2027, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors

3. To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the financial year 2021-22 by passing with or without modification(s), the following resolution as Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of Rs. 4,50,000/- (Rupees Four Lakh Fifty Thousand Only) plus applicable taxes, to M/s. Narasimha Murthy & Co., Cost Accountants (Regn. No. 00042) for conducting cost audit of the Company for the financial year 2021-22, as approved by the Board of Directors of the Company, be and is hereby ratified and confirmed

**RESOLVED FURTHER THAT** the Board of Directors ("Board") be and is hereby authorised to undertake all acts, deeds, things and matters and give all such directions as it may in its absolute discretion deem necessary, proper or expedient to give effect to this resolution.

By Order of the Board of Directors

For IL&FS Engineering and Construction Company Limited

Sd/-

Place: Gurugram  
Date: 09 August, 2022

**Rajib Kumar Routray**  
Company Secretary

**Registered Office:**

IL&FS Engineering and Construction Company Limited  
Door No. 8-2-120 / 113, Block-B,  
1st Floor, Sanali Info Park, Road No. 2,  
Banjara Hills, Hyderabad – 500 034, India  
Website: [www.ilfsengg.com](http://www.ilfsengg.com)  
L45201TG1988PLC008624

## NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and May 5, 2022 (collectively referred to as MCA Circulars) permitted the holding of the Annual General Meeting (AGM) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [yrvifcs@gmail.com](mailto:yrvifcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. The Company has fixed Thursday, September 22, 2022 as the Cut-off Date for determining entitlement of members to e-voting at the 33rd AGM of the Company.
5. Book closure for the purpose of 33rd Annual General Meeting will be from September 23, 2022 to September 29, 2022 (both days inclusive)
6. The remote e-voting period commences on Monday, September 26, 2022 (9:00 a.m. IST) and ends on Wednesday, September 28, 2022 (5:00 p.m. IST).
7. **EVEN** of the Company is 121138, Batch No. 1004282
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited (KFintech) for assistance in this regard.
9. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with KFintech in case the shares are held by them in physical form.  
  
We continue to encourage all shareholders to receive electronic copies of the Annual Report and Financial Statements as part of our commitment to reduce our environmental footprint. If you have not already opted to receive an electronic copy of the Annual Report and Financial Statements, please visit [www.ilfsengg.com/Announcements & Notifications](http://www.ilfsengg.com/Announcements%20&%20Notifications).
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to KFintech in case the shares are held by them in physical form.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to KFintech in case the shares are held in physical form.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or KFintech, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. In case of joint holders, a Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
14. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 27, 2022 through email on [cs@ilfsengg.com](mailto:cs@ilfsengg.com). The same will be replied by the Company suitably.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 5, 2022 read with circulars dated May 12, 2020 (collectively referred to as MCA Circulars) Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.ilfsengg.com](http://www.ilfsengg.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>

16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. Instructions for e-voting and joining the AGM are as follows:

**A. Voting through electronic means**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means,

as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.ilfsengg.com](http://www.ilfsengg.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021 and May 05, 2022.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on September 26, 2022 at 9 A.M. and ends on September 28, 2022 at 5P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 22, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September, 22 2022.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1 Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
	2 If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> . Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>
	3 Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	4 Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience <b>NSDL Mobile App is available on</b>  App Store   
Individual Shareholders holding securities in demat mode with CDSL	1 Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi
	2 After successful login of Easi/ Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
	3 If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
	4 Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **yvavifcs@gmail.com** with a copy marked to **evoting@nsdl.co.in**
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Swapneel Puppala @ [SwapneelLP@nsdl.co.in](mailto:SwapneelLP@nsdl.co.in) / **evoting@nsdl.co.in**

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to ([cs@ilfsengg.com](mailto:cs@ilfsengg.com)).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to ([cs@ilfsengg.com](mailto:cs@ilfsengg.com)). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see

link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id:cs@ilfsengg.com). The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at rajib\_routray@ilfsengg.com from September 21,2022(9:00 a.m.IST) to September 24, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM

By Order of the Board of Directors

Place: Gurugram  
Date: August 09, 2022

Sd/-  
**Rajib Kumar Routray**  
Company Secretary

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

**Item No.2:** This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Companies Act, 2013 ("the Act").

In terms of the provisions of Section 139(1) of the Act, M Bhaskara Rao & Co (MBRC), Chartered Accountants (Firm Registration Number 000459S), were appointed as Statutory Auditors of the Company, whose term of office will come to an end by the conclusion of 33rd Annual General Meeting of the Company. Hence your directors proposed for re-appointment for the 2nd term.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conducting audit, independence, etc., the Board of Directors of the Company have based on the recommendation of the Audit Committee, at its meeting held on May 29, 2022, proposed the re-appointment of MBRC, Firm Registration Number 000459S, as the Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of 33rd AGM till the conclusion of thirty-eight AGM of the Company to be held in the year 2027, at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

M. Bhaskara Rao & Co. have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act. MBRC was set up in 1961 and is a partnership of 11 partners and employs over 150 people in various capacities and competencies to deliver services consistent with the vision and mission statement of MBRC. MBRC operates through three offices – its head office is located in Hyderabad and branches are in Vishakhapatnam and Kakinada. In the course of its professional practice for over six decades, MBRC serves some of the largest Public Sector Enterprises, Nationalized Banks, Regulatory Authorities and large and medium scale private sector enterprises.

The Board recommends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 2 of the Notice.

**Item No. 3:** In accordance with the provisions of Section 148 of the Act and the Companies (Audit and Auditors) Rules, 2014 ("the Rules") the Company is required to appoint a cost auditor to audit the cost records of the Company, for products "Roads & Other Infrastructure Projects". On the recommendation of the Audit Committee, the Board of Directors had approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants (Firm Registration No. 000042), as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2021-22, at a remuneration of Rs.4,50,000 (Rupees Four Lakh Fifty Thousand only) plus applicable taxes and out of pocket expenses at actuals, for traveling and boarding/ lodging.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor for FY 21-22, approved by the Board of Directors is required to be ratified/confirmed by the members of the Company. None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No.3 of the Notice for your approval.

By Order of the Board of Directors

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

Place: Gurugram  
Date: August 09, 2022

Sd/-  
**Rajib Kumar Routray**  
Company Secretary

**Registered Office:**  
**IL&FS Engineering and Construction Company Limited**  
Door No. 8-2-120 / 113, Block-B,  
1st Floor, Sanali Info Park, Road No. 2,  
Banjara Hills, Hyderabad – 500 034, India  
Website: [www.ilfsengg.com](http://www.ilfsengg.com)  
L45201TG1988PLC008624

# BOARDS' REPORT

## The Members

### IL&FS Engineering and Construction Company Limited (IECCL)

Your Directors take pleasure in presenting the 33rd Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2022

#### (I) STANDALONE FINANCIAL RESULTS :

The Financial performance highlights of the Company are as under:

#### Financial Results:

(Rs. in Crore)

Particulars	FY 2022	FY 2021
Revenue from Operations	307.64	332.74
Other Income	71.04	45.02
<b>Total Income</b>	<b>378.68</b>	<b>377.76</b>
Profit/(Loss) before Interest, Depreciation, Exceptional Items and Tax	(147.36)	(176.38)
Less Finance Cost	46.00	42.70
Profit/(Loss) before Depreciation, Exceptional Items and Tax	(193.37)	(219.07)
Less: Depreciation and Amortization Expenses	13.55	18.99
<b>Loss before Exceptional Items &amp; Tax</b>	<b>(206.92)</b>	<b>(238.06)</b>
Exceptional Item (Net)	179.43	47.58
<b>Loss Before Tax</b>	<b>(386.35)</b>	<b>(285.64)</b>
Tax expense - Deferred tax	-	-
<b>Loss After Tax</b>	<b>(386.35)</b>	<b>(285.64)</b>
Other comprehensive income/(loss) for the year	(0.17)	0.71
<b>Total Comprehensive Income for the year</b>	<b>(386.52)</b>	<b>(284.93)</b>
<b>Paid up Equity Capital</b>	<b>131.12</b>	<b>131.12</b>
Earnings per share (in Rupees)		
-Basic	(29.46)	(21.78)
-Diluted	(29.46)	(21.78)

#### (II) OPERATIONAL HIGHLIGHTS :

COVID-19 global pandemic induced lockdown had gripped the operations pan-India in Financial Year 2020-21 and continued its impact till mid of first quarter of Financial Year 2022.

During the year ended March 31, 2022, your Company achieved a turnover of Rs. 378.68 crore on standalone basis as against Rs.377.76 crore during the previous year ended March 31, 2021. The Net loss for the year amounted to Rs. (386.35) Crore as against Net Loss of Rs (284.93) Crore during year ended March 31, 2021. The turnover is solely attributable to revenues generated from existing projects. The Company has completed three projects in Financial Year 2021-22. The Company continues defaulting on existing loans to lenders including on borrowings from promoter group entities.

The Non-fund liability stands reduced by Rs138.45. Crore in Financial Year 2021-22 from Rs 93 Crore in Financial Year 2020-21.

#### (III) DIVIDEND :

Due to accumulated losses of the Company coupled with a tough situation arising out of present state of affairs, your Directors express their inability to recommend any dividend for the year on Preference as well as on Equity Shares.

#### (IV) RESERVES :

No amount is recommended for transfer to Reserves of the Company for financial year ended March 31, 2022.

#### (V) STATE OF AFFAIRS OF THE COMPANY :

During the year under review, your Company has not bagged any orders. The Company already had orders worth Rs.880.30 crore (approx.) at the beginning of the year. Out of the total orders in hand, the un executed order value stands at Rs. 425 crore (approx.) at the end of the financial year. The detailed position on the order book and financial performance of the Company has been provided under Management Discussions & Analysis Report

Your Company is part of the Infrastructure Leasing and Financial Services Limited ("IL&FS") group. The Board of Directors of IL&FS has been reconstituted pursuant to the orders passed by the National Company Law Tribunal, Mumbai Bench ("NCLT") in Company Petition No. 3638 of 2018 filed by the Union of India, acting through the Ministry of Corporate Affairs under Sections 241 and 242 of the Companies Act, 2013, as amended ("Companies Act") on the grounds of mismanagement of public funds by the erstwhile board of IL&FS and the affairs of IL&FS being conducted in a manner prejudicial to the public interest.

Further, Hon'ble 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 by way of which the NCLAT, after taking into consideration the nature of the case, larger public interest and economy of the nation and interest of IL&FS and its group companies (including IECCL) has stayed certain coercive and precipitate actions against IL&FS and its group companies including IECCL. IL&FS and its group companies are currently undergoing resolution process under the aegis of NCLAT and NCLT.

As part of the ongoing resolution for your Company, IL&FS had identified the sale of its stake in IECCL to a new promoter to take over the management control and revive the Company as a means for resolution. To this effect, a public process was initiated inviting Expression of Interests from interested parties by way of Advertisement in the newspapers. Even after two attempts, no binding bid from EOI applicants was received and hence the process was called off. Thereafter, IL&FS permitted for launching Swiss Challenge Process, in view of fresh interest received for the resolution of the Company. In January 2022, a bid was received from an unincorporated Consortium which will be subjected to challenge through counter bid under a Swiss Challenge method. The successful bid would then be taken to the Committee of Creditors for their approval. If accepted, the bid would then be placed for approvals from Justice D.K. Jain (Retd.) followed by approval of Hon'ble NCLT.

The developments at the IL&FS Group have had negative impact on IECCL and its brand equity. These developments severely impacted the ongoing projects and order book and pending the Resolution process, no new bidding for projects have been undertaken.

Your Company is having an overseas Subsidiary, Maytas Infra Saudi Arabia (MISA), which has ceased to be in operation as per the records of the Company. An application to the Reserve Bank of India seeking approval for writing off its investment held in MISA has been made by the Company. Once the approval is in place, steps for writing off the investment, followed by closure of MISA in Saudi Arabia would be initiated.

The future Business outlook of the Company is solely dependent on the approval of the Resolution Plan by all the stakeholders.

#### (VI) SHARE CAPITAL :

During the year under review, there was no change in the share capital of the Company

##### Shares held by Directors:

None of the Directors of the Company holds any Shares or convertible instruments of the Company.

#### (VII) DEPOSITS :

During the year under review, your Company had not accepted any deposit from public under Chapter V of the Companies Act, 2013

#### (VIII) DIRECTORS:

During Financial Year 2021-22, no new Directors were appointed. As per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of top 2000 listed Companies (wef. April 01, 2020) shall comprise of not less than six directors. The Board of Directors as on March 31, 2022, comprise the following five directors;

S. No.	Name of the Director	Date of Appointment
1.	Mr. Chandra Shekhar Rajan	October 25, 2018
2.	Mr. Dilip Lalchand Bhatia	December 24, 2018
3.	Mr. Manish Kumar Agarwal	January 15, 2021
4.	Dr. Jagadip Narayan Singh	January 15, 2021
5.	Mr. Subrata Kumar Mitra	January 15, 2021

As per Section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act, 2013, the Company is required to appoint a woman director. Hon'ble NCLT vide order dated April 26, 2019 has, inter alia, granted dispensation for complying with the said requirement by virtue of powers vested in them under Section 242(2(4) of the Companies Act, 2013. This was granted for resolution of financial problems, issues in the public interest in all group entities of IL&FS by the newly constituted Board of Directors, nominated by Union of India.

None of the Directors of the Company are inter-se related to each other.

Necessary declaration from Dr. Jagadip Narayan Singh and Mr. Subrata Kumar Mitra Independent Directors have been obtained under the provisions of the Companies Act, 2013.

The entire Board of Directors are non-retiring, in view of occupation of office by Directors, nominated by IL&FS and Independent Directors.

## Non-Executive Directors:

The Non-Executive Directors are paid sitting fee for attending the Board and meetings of various committees.

Except as mentioned above, no other payments were made by the Company to Non-Executive Directors and the Company does not have any pecuniary relationship or transactions with the Non-Executive Directors. The details of amount paid to the Directors of the Company towards Sitting Fee are mentioned in the Form MGT-9 annexed to this Report as well as the Corporate Governance Section of this Annual Report.

## (IX) MANAGERIAL REMUNERATION POLICY :

In terms of the provisions of Section 178 of the Companies Act, 2013 read with Rules made thereunder and Regulation 19 of Listing Regulations, the Board of Directors of the Company had framed Managerial Remuneration Policy which includes the criteria for determining qualifications, positive attributes, independence of directors and other matters as specified under Section 178(3) of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Listing Regulations. The policy is available on the website of the Company at <http://www.ilfsengg.com/html/policies.php>

## (X) KEY MANAGERIAL PERSONNEL :

There was no change in Key Managerial Personnel during the year under review. However, on the date of this report, the Board of Directors had considered and approved the appointment of Mr. Rajib Kumar Routray, a senior compliance professional as Company Secretary & Compliance Officer in the capacity of Key Managerial Personnel with effect from midnight on 29th May, 2022.

Thus, in terms of the provisions of Section 203 of the Companies Act, 2013, Mr.Kazim Raza Khan, Chief Executive Officer, Mr. Naveen Kumar Agrawal, Chief Financial Officer and Mr.Rajib Kumar Routray, Company Secretary are the Key Managerial Personnel of the Company.

## (XI) DIRECTORS RESPONSIBILITY STATEMENT :

In terms of Section 134 (5) of the Companies Act, 2013, the Board of Directors wish to state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis, however IL&FS and its group companies are currently undergoing resolution process under the aegis of the NCLAT and NCLT which may impact the going concern status of the Company;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2022.

Pursuance to provision of Section 134(5)(f) of the Companies Act, 2013 read with Secretarial Standards of ICSI, the Directors have devised proper systems to ensure compliance with the provisions of all applicable secretarial standards and that such systems are adequate and operating effectively.

## (XII) DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

<b>(A)</b>	<b>CONSERVATION OF ENERGY</b>	
<b>(i)</b>	The steps taken or impact on conservation of energy;	The conservation of energy in all the possible areas is undertaken by the Company as an important means of achieving cost reduction. Savings in electricity, fuel and power consumption receive due attention of the management on a continuous basis.
<b>(ii)</b>	The steps taken by the Company for utilizing alternate sources of energy;	NIL
<b>(iii)</b>	The capital investment on energy conservation equipment;	NIL
<b>(B)</b>	<b>TECHNOLOGY ABSORPTION</b>	<b>NIL</b>

(i)	the efforts made towards technology absorption;	Timely completion of the projects as well as meeting the budgetary requirements are the two critical areas where different techniques help to a great extent. Many innovative techniques have been developed and put to effective use in the past and the efforts to develop new techniques continue unabated.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	NIL
	a) the details of technology imported;	
	b) the year of import;	
	c) whether the technology been fully absorbed	
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	NA
(iv)	The expenditure incurred on Research and Development	Nil
(C)	<b>FOREIGN EXCHANGE</b>	
	Foreign Exchange earned in terms of actual inflows during the year	Nil
	Foreign Exchange Outgo during the year in terms of actual outflows	Nil

### (XIII) BOARD AND ITS COMMITTEES :

#### (a) Board of Directors :

During the year under review, the Board of Directors of the Company met 5 (Five) times through video conferencing/audio visual means on May 20, 2021, September 02, 2021, November 15, 2021, January 25, 2022 and on February 14, 2022. All other details are mentioned in the Corporate Governance Report section of this Report.

#### (b) Audit Committee :

The Audit Committee of the Board of Directors of the Company currently consists of three Members with majority Independent Directors. During the year under review, there were no changes in the composition of the Committee. The dates of meetings of Audit Committee held during Financial Year 2021-22, attendance of Members in the Meetings and other details are mentioned in the Corporate Governance Report section of this Report.

During the year under review, all the recommendations of the Audit Committee were accepted by the Board of Directors. Further, the Committee comprises Non-Executive Director and Independent Directors, all of whom have the ability to read and understand the Financial Statements.

#### (c) Corporate Social Responsibility Committee :

The Board of Directors of the Company constituted Corporate Social Responsibility (CSR) Committee on March 18, 2014 and the last re-constitution was on January 15, 2021. The policy on CSR is available on the website of the Company at [http://www.ilfsengg.com/html/policies/CSR\\_Policy.pdf](http://www.ilfsengg.com/html/policies/CSR_Policy.pdf).

For details relating to composition of CSR Committee and other details, the Members are requested to refer to the Corporate Governance Report, which forms part of this Annual Report.

As per Section 135(5) of the Companies Act, 2013, the Company was required to spend two percent of the average net profits calculated on the basis of preceding three financial years. However, no CSR activities have been undertaken during the year due to consecutive losses in the preceding three financial years. The details of CSR policy and other details as per Rule 9 of Companies (Corporate Social Responsibility) Rules, 2014 are enclosed as Annexure1 to this Report

#### (d) Other Committees :

The details with respect to composition, number of Meetings and such other information of Nomination and Remuneration Committee, Stakeholders Relationship Committee and other Committees are mentioned in the Corporate Governance section of this Report.

#### **(XIV) RISK MANAGEMENT:**

The Board of Directors in its Meeting held on February 11, 2015 formulated a Risk Management Policy consisting of various elements of risk and mitigation measures.

The Board of Directors of the Company is responsible for overseeing the implementation of the Policy. In the opinion of the Board, the policy on Risk Management addresses the risks associated with the business including identification of elements of risk which may threaten the existence of the Company. The Board of Directors/Audit Committee reviews the risk assessment and mitigation procedures across the entity from time to time. The critical enterprise level risks of the Company and the mitigation measures being taken are provided in the Management Discussion and Analysis Report

#### **(XV) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES :**

As per Section 129 (3) of the Companies Act, 2013 and Regulation 34 of the Listing Regulations, the Consolidated Financial Statements of the Company forms part of this Report. The copies of Audited Financial Statements of the Subsidiaries except Maytas Infra Saudi Arabia Company, a foreign Joint Venture Subsidiary are available on the website of the Company at [www.ilfsengg.com](http://www.ilfsengg.com) and a copy of the same will be provided upon written request to the Company Secretary.

##### **SUBSIDIARY ENTITIES:**

Following are the wholly Subsidiaries of your Company:

1. Angeerasa Greenfields Private Limited
2. Ekadanta Greenfields Private Limited
3. Saptaswara Agro-farms Private Limited
4. Maytas Infra Assets Limited
5. Maytas Metro Limited
6. Maytas Vasishta Varadhi Limited; and
7. Maytas Infra Saudi Arabia Company (Foreign Subsidiary)

##### **INVESTING PARTY IN RESPECT OF WHICH THE REPORTING ENTERPRISE IS AN ASSOCIATE**

1. SBG Projects Investments Limited

##### **Joint Ventures (Association of Persons):**

1. NCC – Maytas (JV)
2. NEC – NCC – Maytas (JV)
3. Maytas – NCC (JV)
4. NCC – Maytas (JV) (Singapore Class Township)
5. Maytas – CTR (JV)
6. NCC – Maytas – ZVS (JV)
7. ITNL - IECCL JV

##### **The Company has the following joint ventures, which are in the nature of joint operations:**

1. Maytas KBL (JV)
2. Maytas KCCPL Flow more (JV)
3. Maytas MEIL KBL (JV)
4. Maytas MEIL ABB AAG (JV)
5. MEIL Maytas ABB AAG (JV)
6. MEIL Maytas KBL (JV)
7. MEIL Maytas WIPL (JV)
8. MEIL Maytas AAG (JV)
9. MEIL – SEW – Maytas – BHEL (JV)
10. L&T KBL Maytas (JV)
11. Maytas – Rithwik (JV)

12. Maytas Sushee (JV)
13. Maytas Gayatri (JV)
14. IL&FS Engg – Kalindee (JV)
15. AMR-Maytas-KBL-WEG (JV)
16. ITDC-Maytas (JV)
17. IL&FS Engg.-GPT (JV)
18. ITNL IECCL (JV)

Further, none of the entities have been associated / disassociated as Joint Ventures of your Company during the year under review.

The performance and financial position of the Subsidiaries, Joint Venture and Associate Companies are enclosed as **Annexure 2** to this Report.

**Note:** Changes in the status of Hill County Properties Limited (HCPL) as associate is made based on the changes to group structure by the Infrastructure Leasing & Financial Services Limited, HCPL is considered as subsidiary of Infrastructure Leasing & Financial Services Limited and was accordingly classified as fellow subsidiary of IECCL in the year 2020 and the same status is continuing in the current year.

**Note:** Changes in the status of IL&FS Financial Services Ltd (IFIN) is made based on changes to the group structure by the Infrastructure Leasing and Financial Services Limited, pursuant to Rule 8(5) of the Companies (Accounts) Rules 2014 and as per published financial statements of IL&FS Financial Services Ltd, IFIN is considered as subsidiary of Infrastructure Leasing & Financial Services Limited and was accordingly classified as fellow subsidiary of IECCL in the year 2020 and the same status is continuing in the current year.

#### **(XVI) HOLDING COMPANY :**

Your Company continues to remain the subsidiary of M/s. Infrastructure Leasing & Financial Services Ltd in terms of the provisions of Section 2 (87) (i) of the Companies Act, 2013 by virtue of Holding Company's control over the composition of Board of Directors of the Company.

#### **(XVII) AUDITORS AND AUDITOR'S REPORT :**

##### **Statutory Auditors:**

M. Bhaskara Rao & Co., Chartered Accountants, (Firm Registration Number 000459S) Statutory Auditor has carried on the statutory audit of the financial statements of the Company for the financial year 2021-22. Your Board has approved the financial statements and noted the following qualified opinion in the Auditor's Report on the Standalone and Consolidated Financial Statements for the Year Ended March 31, 2022:

##### **Standalone Financial Statement**

Reference to note 6 to financial results relating to non-recognition of interest expense for the year amounting to Rs. 422.13 Crore (excluding penal interest, etc) on the borrowings availed by the Company in terms of the resolution framework process approved by NCLAT considering the process initiated for resolution.

- a. Consequently, interest expense and loss for the year are understated by Rs. 422.13 Crore (approximately); and
- b. Retained earnings (accumulated loss) and interest payable as at March 31, 2022 are understated by Rs. 1284.80 Crore (approximately).

##### **Consolidated Financial Statement**

- a. Note 6 relating to non-recognition of interest expense for the year amounting to Rs. 422.13 Crore (excluding penal interest etc.) on the borrowings availed by the Holding Company in terms of the resolution framework process approved by NCLAT considering the process initiated for resolution.
  - i. Consequently, interest expense and loss for the year are understated by Rs. 422.13 Crore (approximately); and
  - ii. Retained earnings (accumulated loss) and Interest Payable as at March 31, 2022 are understated by Rs.1284.80 Crore (approximately).
- b. The Consolidated Financial Results do not include the financial results and other financial information of an overseas joint venture entity "Maytas Infra Saudi Arabia Company" for the reasons stated in Note 11.

##### **Explanation to the Qualifications**

Your Board has duly noted the qualifications as the continued ones, reported by the Statutory Auditors in Financial Year 2021-22. The management views that the Company's borrowing will not be subjected to any interest, default interest

etc. as per the resolution framework post cut off date, i.e 15th October, 2018. This the same is in line with the ongoing resolution process vide orders issued by Hon'ble NCLAT.

### **Reappointment of Statutory Auditors**

The tenure of M. Bhaskara & Co., Chartered Accountants, the statutory auditors will expire upon conclusion of the ensuing 33rd AGM of the Company. They being eligible, have offered for reappointment for a fresh term of 5 years. The Audit Committee, followed by the Board of Directors have recommended in support of their re-appointment as statutory auditor of the Company for the next term of 5 years from the conclusion of the ensuing 33rd Annual General Meeting till the conclusion of AGM for Financial Year 2026-27 as per the provisions of Companies Act read with Rules made thereunder.

#### **Brief Profile of M. Bhaskara & Co.**

M. Bhaskara Rao & Co (MBRC), a firm of Chartered Accountants, based in Hyderabad, was set up in 1961 by Mr. M Bhaskara Rao. Presently, MBRC is a partnership of 11 partners and employs over 150 people in various capacities and competencies to deliver services consistent with the vision and mission statement of MBRC. MBRC offers a wide range of professional services, with a strong accent on Audit and Assurance, Risk Assurance, Tax and Compliance and Business Advisory services.

#### **(i) Internal Financial Controls :**

The Company has institutionalized internal control in the form of standard operating procedures with an objective of orderly and efficient conduct of its business, safeguarding the Company's assets, prevention and detection of frauds, accuracy and completeness of accounting records and compliance with applicable statutory requirements. The Company is having Oracle e-Business Suite as Enterprise Resource Planning (ERP) System for recording transactions in an integrated way with complete audit trail.

The Company has also deployed an external firm of Chartered Accountants and the combined Internal Audit team consists of technical auditors (Engineers), Chartered Accountants and Cost Accountants.

#### **(ii) Reappointment of Secretarial Auditors**

In terms of the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s. RPR & Associates, Company Secretaries, Hyderabad to conduct the Secretarial Audit for Financial Year 2021-22. The Secretarial Audit Report for the Financial Year Ended March 31, 2022 is enclosed as Annexure 3 to this report.

The Board of Directors of the Company had in its Meeting held on May 29, 2022, re-appointed RPR & Associates, Company Secretaries as the Secretarial Auditor of the Company for Financial Year 2022-23.

### **(XVIII) CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

It is the endeavor of the Company to enter its contracts/arrangements/ transactions with the related parties in the ordinary course of business and on arm's length basis. In terms of the provisions of Section 188 of the Companies Act, 2013 read with Rules made thereunder, all transactions with Related Parties were in ordinary course of business and on arm's length basis. Accordingly, details of related party transactions as per section 188 of Companies Act, 2013 in Form AOC-2 is not required. All contracts / arrangements / transactions entered by the Company are pre-existing legacy contracts / were in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations.

The Related Party Transactions(RPT) of the Company are transacted as per the Company's RPT Policy. The Policy is consistent with the latest changes brought about by SEBI. All Related Party Transactions are pre-approved by the Audit Committee irrespective of their nature and dynamics of transactions. The Related Party Transaction Policy is available on the website of the Company at [www.ilfsengg.com](http://www.ilfsengg.com)

### **(XIX) EMPLOYEES STOCK OPTION SCHEME :**

The Company's Employee Stock Option Scheme 2018 (ESOP Scheme 2018) had not been implemented as on date and hence no Certificate from the Statutory Auditors of the Company is required to be obtained for the Financial Year 2022 as required by the SEBI Guidelines and the resolution passed by the Members.

The disclosure as required under SEBI (Share Based Employee Benefits) Regulations, 2014 relating to ESOP 2018 scheme of the Company is available on the website of the Company at [www.ilfsengg.com](http://www.ilfsengg.com).

### **(XX) MANAGEMENT DISCUSSION AND ANALYSIS :**

A separate section titled "Management Discussion and Analysis" consisting of details as required under Regulation 34 read with Schedule V of the Listing Regulations form part of this Annual Report

### **(XXI) CORPORATE GOVERNANCE :**

A separate section titled "Report on Corporate Governance" including a certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Listing Regulations is enclosed to the Report on Corporate Governance and forms part of this Annual Report

Further, a declaration signed by the Chief Executive Officer affirming the compliance with Code of Conduct for Board of Directors and Senior Management Personnel is also enclosed to the Report on Corporate Governance

## **(XXII) DISCLOSURES :**

### **(a) Extract of Annual Return :**

The extract of Annual Return as per Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure 4** to this Report

### **(b) Vigil Mechanism :**

In terms of the provisions of the Section 177 of the Companies Act, 2013 and Listing Regulations, the Company had established a Vigil Mechanism through its Whistle Blower Policy for directors and employees to report concerns about unethical behavior, actual/suspected frauds and violation of Company's Code of Conduct. Please refer to the Corporate Governance section of the Annual Report for further details

### **(c) Policy on Prevention of Sexual Harassment :**

In terms of the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company had formulated and implemented a policy for Prevention of Sexual Harassment of Women at workplace. The Company from time to time conducts workshops or awareness programs against sexual harassment at workplace

The Company had also constituted an Internal Committee comprising of employees of the Company and an Independent NGO representative. The scope of the Internal Committee encompasses all incidents / occurrences of sexual harassment which take place at the workplace and where either of the party (aggrieved / accused) is an employee of the Company. During the year under review, the Company has not received any complaints under the policy

Further, the Company has many systems, processes and policies to ensure professional ethics and harmonious working environment. The Company follows Zero Tolerance towards Corruption and unethical conduct. These are ensured through Whistle Blower Policy, Sexual Harassment Policy and Redressal Guidelines. There are no Sexual Harassment cases reported during the Financial Year: 2021-22.

### **(d) Particulars of Loans, Guarantees or Investments under Section 186 :**

Your Company is into the business of providing Infrastructure Facilities. Accordingly, the provisions of Section 186 pertaining to Loan or Guarantee to other corporates are exempted. All information regarding Loans, Guarantees and Investments are mentioned in the notes to financial statements for Financial Year 2022 which are self-explanatory

### **(e) Particulars of employees and related disclosures :**

The disclosures relating ratio of remuneration of each directors to the median employee's remuneration and other details as per Section 197 (12) of the Companies Act, 2013 read with Rule 5(1), (2) and (3) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure 5** to this Report.

Having regard to the provisions of the second proviso to Section 136(1) read with Section 197(12) of the Act and as prevalent, the Annual Report excluding the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out is open for inspection at the Registered office of your Company. Any member interested in obtaining copy of the same may write to Company Secretary.

### **(f) Material changes and comments, if any, affecting the financial position of the Company :**

Due to the latest developments in the IL&FS Group and the Company, the debt burden has increased in a manner that is not commensurate with the size of its operations and there has been severe stress in terms of cash flows.

### **(g) Reporting of Fraud :**

No cases found as per the Auditors Report issued for the Financial Year 2021-22.

### **(h) Investigations etc. by Regulatory/Investigative Agencies:**

Subsequent to adverse developments at group level of Infrastructure Leasing and Financial Services Limited ("IL&FS"), as stated in earlier years, various regulatory and investigatory authorities are seeking information from the company as part of their investigations since 2018-19 onwards. The Company and the present management are cooperating with the respective authorities and submitting the information as sought from time to time.

Further, as per the directions of the reconstituted Board of IL&FS, forensic audit also was initiated for select entities including this Company. The forensic auditors had submitted their final reports during May 2021 detailing certain potential anomalies in the financial statements and operations of the Company. The report is hosted on the Company's websites and also filed with stock exchanges, submitted to SFIO etc. Based on the said report, SFIO

had sought additional information from the Company and also requested all the previous and present statutory auditors of the Company for submission of their respective audit working files.

**(i) Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company :**

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, larger public interest and economy of the nation and interest of IL&FS and its group companies (including your Company) has stayed certain coercive and precipitated actions against IL&FS and its group companies including your Company.

IL&FS and its group companies are currently undergoing resolution process under the aegis of the NCLAT and NCLT which may impact the going concern status of the Company.

No new significant and material orders have been passed by Regulators or Courts or Tribunals impacting the going concern status of the Company.

While IL&FS is in the process of divestment of its equity stake through Swiss Challenge Method in a transparent manner, the nominated Board of Directors of Union of India in IL&FS and its group Companies (including your Company) have taken steps for completion of ongoing projects and provision of necessary services during Defect Liability Period in the face of various challenges, as per the terms of contractual obligations with Company’s valued Project Owners.

Details in respect of adequacy of internal financial controls :

The details of internal financial controls and their adequacy is given in Management Discussion and Analysis Report.

**(j) Business Responsibility Report :**

Since your company doesn't fall under the top 500 companies by market capitalization for the financial year ended March 31, 2022, the requirement of Business Responsibility Reporting not applicable to your Company.

**(k) Forensic Audit:**

The promoter's of the Company viz. Infrastructure Leasing and Financial Services Limited (IL&FS) had ordered for a Forensic Audit to be conducted on the affairs of the Company on by M/s. Grant Thornton Bharat LLP, Mumbai in the year 2019. The Company has received a detailed Forensic Audit Report and the same was submitted to various stakeholders and investigating agencies and further made available to investors through Stock Exchange on 20th May-2021.

**(l) Publication of Creditors List by Claims Management Agency M/s. Grant Thornton Bharat LLP, appointed by the reconstituted Board of IL&FS:**

The Claims Management Agency M/s. Grant Thornton Bharat LLP, had crystalized the fourth list of Operational Creditors & Financial Creditors and the process for balance creditors is going on.

**(m) Performance evaluation of the board, committees and directors**

The purpose and intent of Board evaluation is in essence linked to extension or continuation of the term of the Directors appointed by the Members of the Company, based on the process of evaluation carried out by the Independent Directors and the Board. You are aware that on October 1, 2018, Union of India (“UOI”) (acting through the Ministry of Corporate Affairs) had filed a petition with Hon’ble NCLT seeking immediate suspension of the Board of Directors of IL&FS and appointment of a new Board of Directors, amongst others, on the grounds of mismanagement and compromise in corporate governance norms and risk management by the erstwhile Board of IL&FS and that the affairs of the Company being conducted in a manner prejudicial to the public interest. Pursuant to the above developments, the New Board of IL&FS also initiated reconstitution of the Board of Directors of the Group companies including your Company and nominated 3 Directors on the Board of your Company.

The New Board members appointed by the NCLT are akin to Independent Directors and not Independent Directors. Further, the requirement of appointing Independent Directors and Woman Director has been dispensed by NCLT order dated April 26, 2019 for IL&FS and the group companies.

In view thereof, the Board has not followed the process of performance evaluation of the Board, Committees and the Directors during the Financial Year 2021-22.

**(XXIII) ACKNOWLEDGMENTS:**

Your Directors place on record their gratitude to the Bankers, Media, Financial Institutions, various agencies of the State and the Central Government Authorities, Clients, Consultants, Suppliers, Sub-Contractors, Members and the Employees for their valuable support and co-operation and look forward to continued enriched relationships in the years to come.

By order of the Board of Directors  
For **IL&FS Engineering and Construction Company Ltd**

Sd/-  
**Chandra Shekhar Rajan**  
Chairman  
DIN 00126063

Sd/-  
**Manish Kumar Agarwal**  
Director  
DIN: 02885603

Place: Hyderabad  
Date: 29th May, 2022

**ANNEXURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :

The CSR Policy of the Company is available on the website of the Company i.e. at <http://www.ilfsengg.com/html/policies.php>.

2. The Composition of CSR Committee w.e.f. January 15, 2021:

- I. Dr. Jagadip Narayan Singh – Chairman
- II. Mr. Dilip Lalchand Bhatia – Member
- III. Mr. Manish Kumar Agarwal – Member

3. Average Net Profit of the Company for last three financial years:-

(Rs in Crore)

Particulars	FY 2018-19 Audited	FY 2019-20 Audited	FY 2020-21 Audited
Profit/(Loss) before tax	(2026.01)	(406.26)	(285.64)
Less: Dividend Income	0	0	0
Less: Any profit arising from overseas branch	0	0	0
Total	(2026.01)	(406.26)	(285.64)
Average profit/(Loss) for three years	(2026.01 + 406.26 + 285.64)/3		(905.97)
On this basis CSR expenditure works out = Nil			

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

Since the Average Net Profit of the Company is negative, the prescribed CSR expenditure is nil

5. Details of CSR spent during the financial year:

- a. Total Amount to be spent for the financial year - Nil
- b. Amount unspent, if any– Not Applicable

6. In case the Company has failed to spend the 2% of the average net profit in the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report. Since the Average Net Profit of the Company was negative, the Company was not required to spend any amount on CSR activities.

7. Responsibility Statement : The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company

Sd/-  
Member  
CSR Committee

Sd/-  
Member  
CSR Committee

## FORM AOC – 1

## PART - A: SUBSIDIARIES INFORMATION

S. No.	Particulars	Details						
		Angeerasa Greenfields Private Limited	Ekadanta Greenfields Private Limited	Saptaswara Agro-Farms Private Limited	Maytas Infra Assets Limited	Maytas Metro Limited	Maytas Vasishtha Varadhi Limited	Maytas Infra Saudi Arabia (MISA) ##
1	Name of Subsidiary							
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	28/02/2011	28/02/2011	28/02/2011	12/02/2008	09/09/2008	30/04/2008	11/07/2011
3	Date of acquiring subsidiary	28/02/2011	28/02/2011	28/02/2011	12/02/2008	09/09/2008	30/04/2008	11/07/2011
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees (in Cr)						
5	Capital	0.01	0.01	0.01	0.05	0.05	0.05	60.35
6	Reserves & Surplus	(50.05)	(18.64)	(20.30)	(14.87)	(75.26)	(3.04)	(346.41)
7	Total Assets	-	-	-	0.02	-	0.00	8.84
8	Total Liabilities	50.04	18.63	20.29	14.84	75.21	2.99	8.84
9	Investments	-	-	-	-	-	-	0.00
10	Turnover	-	-	-	-	-	-	0.00
11	Profit before taxation	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(9.25)
12	Provision for taxation	-	-	-	-	-	-	-
13	Profit after taxation	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(9.25)
14	Proposed Dividend	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	100%	100%	55%

## MISA is a foreign subsidiary and its Local currency is SAR. Exchange rate as on March 31, 2022: Rs. 20.234/SAR 1

## PART - B: ASSOCIATES AND JOINT VENTURES

S. No.	Name of Associates/Joint Ventures	NCC-Maytas (JV)							NCC-Maytas-ZVS (JV)		
		NCC-Maytas (JV)	NEC-NCC-Maytas (JV)	Maytas-NC-C (JV)	NCC-Maytas (Singapore Class Township)	Maytas-CTR (JV)	NCC-Maytas-ZVS (JV)	(Rs in Crore)			
1	Latest Audited Balance Sheet Date	April 1, 2021 to March 31, 2022									
2	Date of acquiring Associates and Joint Ventures	23/01/2002	04/11/2004	09/07/2004	14/02/2003	01/09/2007	10/05/2007				
3	Shares of Associate/Joint Ventures held by the Company on the year end										
	No.	NA	NA	NA	NA	NA	NA				
	Amount of Investment in Associates/Joint Venture (Carrying value)	-	-	13.74	-	-	-				
	Extent of Holding %	50.00%	25.00%	50.00%	50.00%	70.00%	39.69%				
4	Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture				
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA				
6	Networth attributable to Shareholding as per latest audited Balance Sheet	-	-	6.96	0.86	28.37	0.14				
7	Profit/Loss for the year	-	-	0.38	-	-	0.00				
	i. Considered in Consolidation	-	-	0.19	-	-	-				
	ii. Not Considered in Consolidation	-	-	-	-	-	-				

## Form No. MR-3

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended March 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
M/s. IL&FS Engineering and Construction Company Limited  
Door No: 8-2-120/113, Block B, 1st Floor,  
Sanali Info Park, Road No. 2, Banjara Hills,  
Hyderabad – 500 034.

We have conducted the secretarial audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. IL&FS Engineering and Construction Company Limited (hereinafter referred as the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the “Financial Year” ended March 31, 2022 (i.e. from April 1, 2021 to March 31, 2022) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2022 according to the provisions of:

- A. The Companies Act, 2013 (the “Act”) and the rules made thereunder;
- B. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- C. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- D. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

We observed that the Annual Return on Foreign Liabilities and Assets (FLA) was not submitted for Financial Year 2020-21 as on date of this report.

- E. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) to the extent applicable to the Company:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time [Not applicable to the Company during the financial year];
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [Not applicable to the Company during the financial year];
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable to the Company during the financial year];
  - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2018 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018 [Not applicable to the Company during the financial year];
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [Not applicable to the Company during the financial year];

- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

F. The Memorandum and Articles of Association.

We have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI);  
(ii) Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except in respect of matters as specified in Annexure-I which forms part of this report.

We further report that, having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the applicable laws, except in respect of matters as specified in Annexure-I which forms part of this report.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except one Woman Director as required. However, the requirement of independent directors and woman director was exempted by NCLT vide its order dated April 26, 2019.

Adequate notice is given to all Directors of the Board for the Board and Committee Meetings and the agenda & detailed notes on agenda were sent in advance as required.

All the decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. Based on the information, documents provided and the representations made by the Company and its officers during our audit process, in our opinion, there are adequate systems and processes exist in the Company commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of the applicable financial laws, labour laws, filing of periodical returns, maintenance of financial records and books of accounts have not been reviewed by us since the same have been subject to review by Statutory Auditors, Internal Auditors and other professionals.

**Further :**

During the year 2020-21, The Board of Directors of the Company have ordered the management afresh to file a police case in Economic Offences Wing, Hyderabad for identifying the financial irregularities & frauds /violations by wrong doers in the Uday Samudram Lift Irrigation Project. The police authorities after thorough enquiry, have registered a FIR vide No: 08/2021 by the Asst. Commissioner of Police, EOW-Hyderabad and the further investigation was conducted. However, due to lack of evidences the case has been referred to XII, Additional Chief Metropolitan Magistrate, Hyderabad for closure of the same.

The Company has received a detailed Forensic Audit Report from M/s. Grant Thornton Bharat LLP, Mumbai and the same was submitted to various stakeholders and investigating agencies and further made available to investors through Stock Exchange on 20th May 2021.

For **RPR & ASSOCIATES**  
Company Secretaries

Sd/-

**Y Ravi Prasada Reddy**

Proprietor

CS No. 5783, C P No. 5360

Peer Review Certificate No. 1425/2021

Place: Hyderabad

Date: 29.05.2022

UDIN: F005783D000421541

This Report is to be read with our letter of even date which is annexed as Annexure-II and forms an integral part of this report.

S. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations of the Practicing Company Secretary
1	Submission of Financial Results under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)	Delay in submission of un audited/audited financial results for the quarter & year ended March 31, 2021, quarter ended June, 2021, quarter ended September 2021.	The audited financial results for the quarter & year ended on March 31, 2021 was approved in the board meeting held on August 27, 2021 and the quarterly results for the quarter ended June and September 2021 were approved in the board meeting held on November 15, 2021. Therefore there was a delay in compliance.
2	One woman director on the Board of Directors under Regulation 17 of SEBI LODR	Not appointed the Woman Director	The management informed that exemption was received from National Company Law Tribunal (NCLT) vide its order dated April 26, 2019.
3	The board of directors of the top 2000 listed entities (w.e.f. April 01, 2020) shall comprise of not less than six directors under Regulation 17 of SEBI LODR	As on March 31, 2022, the Board comprises of five directors.	The management informed that exemption was received from National Company Law Tribunal (NCLT) vide its order dated April 26, 2019 with respect of appointment of required one woman director.

For **RPR & ASSOCIATES**  
Company Secretaries

Sd/

**Y Ravi Prasada Reddy**

Proprietor

CS No. 5783, C P No. 5360

Place: Hyderabad

Date: 29.05.2022

This Report is to be read with our letter of even date which is annexed as Annexure-II and forms an integral part of this report.

To  
The Members,  
**M/s. IL&FS Engineering and Construction Company Limited**  
Door No: 8-2-120/113, Block B, 1st Floor,  
Sanali Info Park, Road No. 2, Banjara Hills,  
Hyderabad – 500 034.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representations about the compliance of laws, rules and regulations and happening of events etc.,
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RPR & ASSOCIATES**  
Company Secretaries

Sd/-

**Y Ravi Prasada Reddy**  
Proprietor  
CS No. 5783, C P No. 5360

Place: Hyderabad  
Date: 29.05.2022

## Form No.MGT-9

## EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

CIN	L45201TG1988PLC008624		
Registration Date	May 6, 1988		
Name of the Company	IL&FS Engineering and Construction Company Limited		
Category [Pl. Tick]	Public Company <input checked="" type="checkbox"/> Private Company <input type="checkbox"/>		
Sub-Category of the Company	1	Government company	
	2	Small Company	
	3	One Person Company	
	4	Subsidiary of Foreign Company	
	5	NBFC	
	6	Guarantee Company	
	7	Limited by Shares	<input checked="" type="checkbox"/>
	8	Unlimited Company	
	9	Company having share capital	<input checked="" type="checkbox"/>
	10	Company not having share capital	
	11	Company Registered under Section 8	
Address of the Registered office and contact details	Door No.8-2-120/113, Block-B, 1st Floor, Sanali Info Park, Road No.2, Banjara Hills, Hyderabad-500 034 040-4040 9333 cs@ilfsengg.com		
Whether listed company	Yes		
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500 032 040-6716 2222		

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Civil Works and Contracts	Serial No.C-5, Division 50, Group 501 to 505 and others as applicable	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section under Companies Act, 2013
1	Angeerasa Greenfields Private Limited, Door No.8-2-120/113, 1st Floor, Block B, Sanali Info Park, Road No.2, Banjara Hills, Hyderabad - 500 034	U01119TG2008PTC057703	Subsidiary	100%	2 (87)
2	Ekadanta Greenfields Private Limited, Door No 8-2-120/113, 1st Floor, Block B, Sanali Info Park, Road No 2, Banjara Hills, Hyderabad, Telangana - 500034	U01403TG2008PTC060184	Subsidiary	100%	2 (87)
3	Saptaswara Agro-Farms Private Limited, Door No 8-2-120/113, 1st Floor, Block B, Sanali Info Park, Road No 2, Banjara Hills, Hyderabad, Telangana - 500034	U01111TG2008PTC059106	Subsidiary	100%	2 (87)
4	Maytas Infra Assets Limited Door No 8-2-120/113, 1st Floor, Block B, Sanali Info Park, Road No 2, Banjara Hills, Hyderabad, Telangana - 500033	U45200TG2008PLC057554	Subsidiary	100%	2 (87)
5	Maytas Metro Limited Door No 8-2-120/113, 1st Floor, Block B, Sanali Info Park, Road No 2, Banjara Hills, Hyderabad, Telangana-500033	U74900TG2008PLC060919	Subsidiary	99.99%	2 (87)
6	Maytas Vasishta Varadhi Limited Door No 8-2-120/113, 1st Floor, Block B, Sanali Info Park, Road No 2, Banjara Hills, Hyderabad, Telangana-500034	U45200TG2008PLC058925	Subsidiary	100%	2 (87)
7	Maytas Infra Saudi Arabia Company*, 5th floor, Wessal Building-7575, Madinah Road, Jeddah- 21593, Post Box- 53707	NA	Subsidiary	55%	2(87)

\*Subsidiary incorporated outside India

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year (As on March 31, 2021)				No. of Shares held at the end of the year (As on March 31, 2022)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	55,400,884	0	55,400,884	42.25	55,400,884	0	55,400,884	42.25	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total(A)(1):</b>	<b>55,400,884</b>	<b>0</b>	<b>55,400,884</b>	<b>42.25</b>	<b>55,400,884</b>	<b>0</b>	<b>55,400,884</b>	<b>42.25</b>	<b>0</b>
2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other-dividuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
<b>Sub-total(A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Category of Shareholders	No. of Shares held at the end of the year (As on March 31, 2021)				No. of Shares held at the end of the year (As on March 31, 2022)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	5186531	0	5186531	3.96	2160298	0	2160298	1.65	2.31
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>5186531</b>	<b>0</b>	<b>5186531</b>	<b>3.96</b>	<b>2160298</b>	<b>0</b>	<b>2160298</b>	<b>1.65</b>	<b>2.31</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	1,13,58,006	0	1,13,58,006	8.66	1,11,58,291	0	1,11,58,291	8.51	-0.15
(ii) Overseas	3,65,38,477	0	3,65,38,477	27.87	3,65,38,477	0	3,65,38,477	27.87	0
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	12891266	1,231	12892497	9.83	33222	1,231	33222	10.23	0.40
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	6241292	2812000	9053292	6.90	10600389	0	10600389	8.08	1.15
Clearing Members	83368	0	83368	0.06	153794	0	153794	0.12	0.06
Foreign Bodies	36538477	0	36538477	27.87	36538477	0	36538477	27.87	0
Non Resident Indians	675106	0	675106	0.51	1042666	0	1042666	0.8	0.29
Non Resident Indian-Non Repatriation	131632	0	131632	0.1	356693	0	356693	0.27	0.17
Trusts	1000	0	1000	0	1000	0	1000	0	0
NBFCs Registered with RBI	0	0	0	0	9680	0	9680	0.01	-0.01
<b>Sub-total(B)(2)</b>	<b>67720432</b>	<b>2813231</b>	<b>70533663</b>	<b>53.79</b>	<b>70746665</b>	<b>2813231</b>	<b>73559896</b>	<b>56.1</b>	<b>2.31</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>72906963</b>	<b>2813231</b>	<b>75720194</b>	<b>57.75</b>	<b>72906963</b>	<b>2813231</b>	<b>75720194</b>	<b>57.75</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GrandTotal (A+B+C)</b>	<b>128307847</b>	<b>2813231</b>	<b>131121078</b>	<b>100</b>	<b>128307847</b>	<b>2813231</b>	<b>131121078</b>	<b>100</b>	

## ii. Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	
1	Infrastructure Leasing and Financial Services Limited	27,486,243	20.96	0.00	27,486,243	20.96	0.00	0.00
2	IL&FS Financial Services Limited	27,914,641	21.29	0.00	27,914,641	21.29	0.00	0.00
	Total	55,400,884	42.25	0.00	55,400,884	42.25	0.00	0.00

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason for increase/ decrease	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
At the beginning of the year	55,400,884	42.25	NA	Nil	NA	55,400,884	42.25
At the End of the year	55,400,884	42.25	NA	Nil	NA	55,400,884	42.25

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, promoters and holders of GDRs and ADRs)

S. No.	Name of the Share Holder	Shareholding at the beginning and at the end of the Year		Date of Change in Shareholding	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	<b>SBG Projects Investments Limited</b>							
	At the beginning of the year	36,538,477	27.87	-	-	-	36,538,477	27.87
	Date wise increase/ decrease in shareholding during the year	-	-	-	-	-	-	-
	At the end of the year	36,538,477	27.87	-	-	-	36,538,477	27.87
2	<b>SNR Investments Private Limited</b>							
	At the beginning of the year	5,250,000	4.00	-	-	-	5,250,000	4.00
	Date wise increase/ decrease in shareholding during the year	-	-	-	-	-	-	-
	At the end of the year	5,250,000	4.00	-	-	-	5,250,000	4.00
3	<b>Veeyes Investments Private Limited</b>							
	At the beginning of the year	5,250,000	4.00	-	-	-	5,250,000	4.00
	Date wise increase/ decrease in shareholding during the year	-	-	-	-	-	-	-
	At the end of the year	5,250,000	4.00	-	-	-	5,250,000	4.00

S. No.	Name of the Share Holder	Shareholding at the beginning and at the end of the Year		Date of Change in Shareholding	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
4	<b>Mr B Teja Raju</b>							
	At the beginning of the year	1,490,000	1.14	-	-	-	1,490,000	1.14
	Date wise increase/ decrease in shareholding during the year	-	-	-	-	-	-	-
	At the end of the year	1,490,000	1.14	-	-	-	1,490,000	1.14
5	<b>Indian Bank (formerly Allahabad Bank which was merged with Indian Bank)</b>							
	At the beginning of the year	1,179,042	0.90	-	-	-	1,179,042	0.90
	Date wise increase/ decrease in shareholding during the year	-	-	-	-	-	-	-
	At the end of the year	1,179,042	0.90	-	-	-	1,179,042	0.90
6	<b>Mr B Ramalinga Raju HUF</b>							
	At the beginning of the year	662,500	0.51	-	-	-	662,500	0.51
	Date wise increase/ decrease in shareholding during the year	-	-	-	-	-	-	-
	At the end of the year	662,500	0.51	-	-	-	662,500	0.51
7	<b>Sunita Kantilal Vardhan</b>	39946	0.03	31/03/2021			39946	0.03
				21/05/2021	105000	Transfer	144946	0.11
				28/05/2021	36926	Transfer	181872	0.14
				04/06/2021	2433	Transfer	184305	0.14
				06/08/2021	2100	Transfer	186405	0.14
				13/08/2021	106643	Transfer	293048	0.22
				27/08/2021	60000	Transfer	353048	0.27
				17/09/2021	7636	Transfer	360684	0.28
				24/09/2021	40000	Transfer	400684	0.31
				30/09/2021	7786	Transfer	408470	0.31
				15/10/2021	4328	Transfer	412798	0.31
				22/10/2021	42616	Transfer	455414	0.35
				29/10/2021	70730	Transfer	526144	0.40
			05/11/2021	31333	Transfer	557477	0.43	
			31/03/2022			557477	0.43	

S. No.	Name of the Share Holder	Shareholding at the beginning and at the end of the Year		Date of Change in Shareholding	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
8	<b>Bank of Maharashtra</b>							
	At the beginning of the year	501680	0.38	31-03-2021			501680	0.38
	Date wise increase/ decrease in shareholding during the year	-	-	-	-	-	-	-
	At the end of the year	501680	0.38	31-03-2022	-	-	501680	0.38
9	<b>Bank of India</b>							
	At the beginning of the year	406442	0.31	31/03/2021	-	-	406442	0.31
	Date wise increase/ decrease in shareholding during the year							
	At the end of the year	406442	0.31	31/03/202	406442	0.31	406442	0.31
10	<b>Deepak Jadhav</b>	300007	0.23	31/03/2021			300007	0.23
				16/04/2021	199993	Transfer	500000	0.38
				04/06/2021	200000	Transfer	700000	0.53
				31/03/2022			700000	0.53

v. Shareholding of Directors and Key Managerial Personnel (KMP):

S. No	Name of the Directors and KMP	Shareholding at the beginning of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason for increase/ Decrease	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	<b>Mr. Chandra Shekar Rajan</b>							
	At the beginning of the year	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-	-
2	<b>Mr. Dilip Lalchand Bhatia</b>	-	-	-	-	-	-	-
	At the time of appointment	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-	-
3	<b>Dr. Jagadip Narayan Singh</b>							
	At the beginning of the year	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-	-
4	<b>Mr. Subrata Kumar Mitra</b>							
	At the time of appointment	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-	-
5	<b>Mr. Manish Kumar Agarwal</b>							
	At the beginning of the year	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-	-
6	<b>Mr. Kazim Raza Khan</b>							
	At the beginning of the year	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-	-
7	<b>Mr. Naveen Kumar Agrawal</b>							
	At the beginning of the year	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-	-
8	<b>Mr. Srinivasa Kiran Sistla</b>							
	At the time of appointment	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-	-

**vi. Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
(i) Principal Amount	1,462.66	1,166.75	-	2,629.40
(ii) Accrued Interest due but not paid	469.56	-	-	469.56
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,932.22</b>	<b>1,166.75</b>		<b>3,098.96</b>
Change in Indebtedness during the Financial year				
Addition - Principal	-	-	-	0.00
Reduction - Principal	(0.32)	-	-	(0.32)
Addition - Interest				
Reduction - Interest				
<b>Total (i+ii+iii)</b>	<b>(0.32)</b>	<b>-</b>	<b>-</b>	<b>(0.32)</b>
Indebtedness at the end of Financial year				
(i) Principal Amount	1,462.34	1,166.75	-	2,629.08
(ii) Interest due but not paid	469.56	-	-	469.56
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,931.90</b>	<b>1,166.75</b>	<b>-</b>	<b>3,098.64</b>

**vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Amount in Rs.)

S. No.	Particulars of Remuneration	Nil	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961,(b) Value of perquisites u/s 17(2) Income-tax Act, 1961, (c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	Nil -	Nil -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission- as % of profit- others, specify...	--	--
5	Others: Sitting Fees	-	-
6	Total(A)	-	-
7	Ceiling as per the Act	-	-

**B. Remuneration to other directors:**

(Amount in Rs.)

S.No	Particulars of Remuneration	Mr. C S Rajan	Mr. Dilip Lalchand Bhatia	Mr. Manish Kumar Agarwal	Mr. Subrata Kumar Mitra	Dr. Jagadip Narayan Singh	Total
1	Independent Directors - Fee for attending Board/ Committee Meetings - Commission - Others, please specify	-	-	-	100,000	115,000	215,000
	<b>Total (1)</b>	--	--	--	<b>100,000</b>	<b>115,000</b>	<b>215,000</b>
2	Other Non-Executive Directors - Fee for attending Board/ Committee Meetings - Commission - Others, Please specify	85,000	120,000	90,000	-	-	295000
	<b>Total (1)</b>	<b>85,000</b>	<b>120,000</b>	<b>90,000</b>	<b>100,000</b>	<b>115,000</b>	<b>510000</b>
	<b>Total Managerial Remuneration [B(1) + (2)]</b>	<b>85,000</b>	<b>120,000</b>	<b>90,000</b>	<b>100,000</b>	<b>115,000</b>	<b>510000</b>

**C. Remuneration to Key Managerial Personnel other than MD /Manager /WTD**

S. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Executive Officer	Chief Financial Officer	Company Secretary	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	10447825	5512500	1474200	17434525
		2811769	0	0	2811769
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- As % of Profit- LTA	-	-	-	-
5	Others:- Gratuity & Leave encashment, Sitting Fee	-	-	-	-
	<b>Total</b>	<b>13259594</b>	<b>5512500</b>	<b>1474200</b>	<b>20246294</b>

**viii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

By order of the Board of Directors  
For **IL&FS Engineering and Construction Company Ltd**

Sd/-  
**Chandra Shekhar Rajan**  
Director  
DIN 00126063

Sd/-  
**Manish Kumar Agarwal**  
Director  
DIN: 02885603

Place: Hyderabad  
Date: 29th May 2022

The ratio of the remuneration of each directors to the median employee's remuneration and other details in terms of sub-section (12) of the Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

S. No.	Requirements	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	NA.
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year	Managing Director – Nil Chief Executive Officer – 5% Chief Financial Officer – 5% Company Secretary- 5%
3	The percentage increase in the median remuneration of employees in the financial year	NA
4	The number of permanent employees on the rolls of the Company	There were 264 employees on the Permanent rolls of the Company as on March 31, 2022
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	NA

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. Introduction:

IL&FS Engineering and Construction Company Ltd (IECCL) has more than three decades of experience in the engineering and construction business with capabilities in providing integrated Engineering, Procurement and Construction (EPC) services. With engineering experience in several infrastructure segments and trained and qualified manpower, IECCL has been primarily executing infrastructure projects across India. IECCL has been delivering projects in the sectors of Power, Oil and Gas, Roads, Railways and Metros, Water and Irrigation, and Buildings & Structures.

Indian Infrastructure Industry:

Infrastructure sector that includes power, bridges, dams, roads, and urban infrastructure development is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country.

India is expected to become the world's third largest construction market by 2022. The Infrastructure in India is estimated to grow at a CAGR of approximately 7% during the 2022-27

India requires investment worth Rs. 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space.

## Government Initiatives

The Government of India has invested highly in the infrastructure sector, mainly highways, renewable energy, and urban transport and reasonably in other sectors to have all round sustainable growth in the economy. Some of the major initiatives are:

- PM Gati Shakti National Master Plan to encompass the engines for economic transformation, seamless multi-modal connectivity and logistics efficiency.
- Government initiatives such the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetization to boost road construction.
- As a part of 'Atmanirbhar Bharat', 2,000 KM of rail network will be brought under 'Kavach' i.e. the indigenous world-class technology for safety and capacity augmentation in 2022-23
- Under One Nation One Gas Grid scheme, a total of 21735 Kms of pipelines have been laid up to September, 2021 as part of the Gas Grid. India targets increasing the pipeline coverage by ~60% by 34,500km by 2024-25. All states are targeted to be connected by a trunk national pipeline network by 2027.
- Under Pradhan Mantri Aatmanirbhar Swasth Bharat Yojana (PMANSY), the Government announced an outlay of Rs. 64,180 crore (US\$ 8.80 billion) over six years to strengthen the existing 'National Health Mission' by developing capacities of primary, secondary & tertiary care and healthcare systems & institutions to detect and cure new and emerging diseases.
- Indian railways received Rs. 1,10,055 crore (US\$ 15.09 billion), of which Rs. 1,07,100 crore (US\$ 14.69 billion) is for capital expenditure.
- The government announced Rs. 18,998 crore (US\$ 2.61 billion) for metro projects.
- The government announced Rs. 305,984 crore (US\$ 42 billion) over the next five years for a revamped, reforms-based and result-linked new power distribution sector scheme.
- Mega Investment Textiles Parks (MITRA) scheme was launched to establish world-class infrastructure in the textile sector and establish seven textile parks over three years.
- The government announced a long-term US\$ 82 billion plan to invest in the country's seaports. ~574 projects have been identified, under the Sagarmala project, for implementation through 2035.
- In July 2021, NTPC announced to invest Rs. 2-2.5 crore (US\$ 0.27-0.34 million) over the next 10 years to expand renewable capacity and invited bids for an engineering, procurement, and construction (EPC) package, with land development for 500 MW of grid-connected solar projects anywhere in India.
- The initiative 'Infrastructure for Resilient Island States' (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world.
- In September 2021, the Indian government announced road projects worth Rs. 1 lakh crore (US\$ 13.48 billion) to develop road infrastructure in Jammu and Kashmir.
- The Second Dam Rehabilitation and Improvement Project (DRIP-2) will strengthen dam safety by building dam safety guidelines, bring in global experience and introduce innovative technologies. The project will be implemented in ~120 dams across Chhattisgarh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Odisha, Rajasthan and Tamil Nadu, and at the national level through the CWC.

- Ministry of Road Transport Highways announced to launch 1,080-km (road construction) projects worth Rs. 25,370 crore (US\$ 3.4 billion) in Gujarat under the Bharatmala Pariyojana—the ambitious road and highways project that aims to build highways from Maharashtra, Gujarat, Rajasthan, Punjab, Haryana and then cover the entire string of Himalayan territories.

### Road Ahead

India is presently known as one of the most important players in the global economic landscape. The country is growing rapidly and is expected to become a US\$ 5 trillion economy by 2025.

The current union Budget has focused on high impact areas and accelerating the capital expenditure cycle by providing for sharp increase in capex outlay by 35.4% (from INR 5.54 lakh crores to INR 7.50 lakh crores in FY 2022-23) which is likely to strongly augment infrastructure spend. Increased government investment is expected to attract private investments, coupled with the government's key Production-linked Incentive Scheme (PLI) providing significant support. The PLI scheme in 14 different sectors can lead to additional production of Rs. 30 lakh crore (US\$ 401 billion) over the next five years.

### ROAD SECTOR:

- India has the second-largest road network in the world, spanning over 5.8 million kms.
- Under the Union Budget 2022-23, the Government of India has allocated Rs.199,107.71 crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways.
- PM Gati Shakti National Master Plan to encompass the engines for economic transformation, seamless multi-modal connectivity, and logistics efficiency
- The National Highways network to be expanded by 25,000 KM in 2022-23

### POWER SECTOR:

- India is the third-largest producer and third-largest consumer of electricity worldwide, with an installed power capacity of 395.07 GW, as of January 2022.
- 100% FDI allowed in the power sector has boosted FDI inflow in this sector.
- Electrification in the country is increasing with support from schemes like Deen Dayal Upadhyay, Gram Jyoti Yojana (DDUGJY), Ujwal DISCOM Assurance Yojana (UDAY), and Integrated Power Development Scheme (IPDS).

### OIL & GAS:

- In February 2021, Prime Minister Mr. Narendra Modi announced that the Government of India plans to invest Rs. 7.5 trillion (US\$ 102.49 billion) on oil and gas infrastructure in the next five years.
- In September 2021, the Indian government approved oil and gas projects worth Rs. 1 lakh crore (US\$ 13.46 billion) in Northeast India. These projects are expected to be completed by 2025.
- At present, about 17900 km long gas pipeline network is under operation in the country and around 16600 km pipeline is under construction.

### RAILWAYS:

- Under the Union Budget 2022-23, the government allocated Rs.1,40,367.13 crore (US\$ 18.40 billion) to the Ministry of Railways.
- As part of the National Rail Plan for 2030, Indian Railways is expected to create a future-ready railway system by 2030 to bring down logistics cost and ensure 100% electrification of broad rail routes by December 2023.
- For FY 22, Indian Railways has set a target of 300 kms of new lines, 1,600 kms of doubling single-line sections and gauge conversion of 500 kms, totalling 2,400 kms.
- Metro rail projects are being envisaged across many cities over the next ten years.

### REAL ESTATE:

- In a move to facilitate the Pradhan Mantri Awas Yojana (PMAY), the Finance Minister announced that INR 48,000 Crore will be allocated to the construction of 80 Lakh residential units across the country.
- Real estate contribution to India's GDP is expected to grow from \$200 Billion a year to \$500 Billion by 2025. This contributes to around 12-15 per cent of India's GDP and will be the largest employer in India.
- As per CBRE report real estate showing signs of revival, on the back of India's strong position as a driver of the global economy as well as promising growth projections across segments such as office, I&L, residential and alternative real estate segments.

*Source: (Source: India Union Budget, India Brand Equity Foundation Analysis Reports, News Reports etc)*

## 2. Performance during the year:

### 1. Business Performance:

As in the past, your company is executing various EPC and Item Rate projects with both Government and Private clients in the sectors of Power, Oil & Gas, Railways & Metros, Water & Irrigation, Buildings & Structures and Roads situated pan India. The various projects being executed by the Company are mostly on the verge of Completion. Even though reeling under severe stress, your Company has been successful in completing various projects of national importance.

The Sector wise Order Book of the Company is as follows:

(Rs. in Crore)

Sector	On hand as on 31-3-2022	On hand as on 31-3-2021
Roads	342	451
Railways & Metros	47	95
Buildings	-	-
Irrigation	0	148
Power	28	150
Oil & Gas	7	36
<b>Total</b>	<b>424</b>	<b>880</b>

## 2. Developments at IL&FS and its adverse impact on IECCL:

The development at the IL&FS Group has had an adverse impact on IECCL. The immediate and direct impact was stopping payments to financial creditors pending successful implementation of an acceptable Resolution Plan. Payments against liabilities to operational creditors prior to 1st October 2018 are also deferred till the resolution process is complete. IL&FS Group support to IECCL in the form of Corporate Guarantees/ Bank Guarantees are also stopped. Because of all these deferment of Payments/ support, subcontractors and suppliers stopped supply of their services / materials which affected the projects progress and Projects came to stand still for three months. Evidencing no progress in the Projects and news about IL&FS group defaults, few clients terminated the Projects.

## 3. Discussion on Financial Performance:

The adverse developments at the IL&FS Group and Covid 19 have significant direct impact on IECCL's business plans for revenue and profit growth. This has significant impact on its present revenue and future order book. In spite of adverse situations, all out efforts have been made for making the organization on sustainable basis.

In order to contain the adverse impact, the Company has effected stringent cost rationalization measures. These measures included manpower rationalization, skill enhancements for facilitating inter-function transfers and special efforts for early realization of long pending claims and receivables.

## Overall Financial Performance:

Revenue	307.64	Reduction due to many projects getting completed and no new order book.
EBITDA	(147.36)	Same as above
PAT	(386.35)	Includes exceptional items of Rs.179 Cr
EPS	(29.46)	Same as above
Share Capital	131.12	
Debt	2668.83	
Net Worth	(2,977.89)	
Fixed Assets	401.71	(Gross Block – Acquisition value of Assets)
Inventory	21.74	Major change in inventory due to impairment
Debt Equity Ratio	-	Due to negative networth the ratio not calculated
Current Ratio	0.19	
Return on Equity	-	Due to negative PAT the ratio not calculated
Interest Coverage Ratio	-	Interest expenses not recognized due to moratorium

## Highlights of the financial year 2021-22

1. Although the Company is experiencing turbulent times, the Company is making all out efforts in responding to these challenges.
2. Operating costs have been kept under a tight leash and the cash flows were managed efficiently, thus resulting into a breakeven before provisions and extraordinary items and cash flow remaining comfortable throughout the year.
3. Tremendous efforts have been put in to reduce the Non fund liabilities by Rs.138.45 Crore in Financial Year 2021-22. The same was reduced by Rs. 93 Crore in Financial Year 2020-21.

## 4. Risks and Concerns:

There are adequate opportunities for infrastructure and construction business in India in the coming years as mentioned under the heading 'Indian Infrastructure Industry'. IECCL is seeing the good opportunities in the sectors of Power, Oil & Gas, Metros, Roads and Housing. However, the Company is unable to bid for any new projects due to negative net worth and other financial constraints such as Bank Guarantees. The adverse developments at IL&FS Group have significantly impinged on IECCL's business plans for revenue growth. The newly constituted Board has been working on a resolution plan for IL&FS Group and this would enable IECCL to resume its bidding, win new projects and continue its business operations as earlier. The period of business realignment is expected to take few more months, during which period the Company would have to deal with a large degree of uncertainties. However, IECCL has the ability to undergo this metamorphosis.

## Risk Management:

IECCL has an integrated Enterprise Risk Management (ERM) framework in place for identification, assessment, mitigation and reporting of risks. Risk Management Committee / the Audit Committee/ the Board of Directors oversee the function by periodically reviewing the Critical Risks of the Business and its mitigation plans.

The critical enterprise level risks of the Company and the mitigation measures being taken are submitted below:

## Liquidity Risk:

The debt burden has increased in a manner that is not commensurate with the size of its operations and there has been severe stress in terms of cash flows. Your company is in discussion with its bank consortium for assessment of debt restructuring and incremental working capital requirement to support growth in business. Your Company is also in discussion with Vendors for extending credit period support in execution of current projects.

## Order Book Risk:

IECCL has not won any new works for the last three years. The Company cannot bid new projects at present due to negative net worth and inadequate fund

and non-fund support from Banks. Your Company is in discussion with Banks Consortium for extending the Company fund and non-fund support for bidding new Projects. Your Company is also in discussion with other financially sound contracting agencies to form Joint Ventures for bidding for new works

#### **Reputation and Brand Risk:**

The overburdened debt in IL&FS group, its default in debt servicing and discussion of its corporate governance practices in public affect the impact of IL&FS group companies including IECCL. This negative reputation will affect IECCL in winning new EPC Projects, in getting new borrowings at lower interest rate and in getting project services from vendors with credit facility. Your Company, with its proven track record in providing qualitative delivery of EPC Projects and making timely payments as per the contract terms, will rebuild confidence in clients and vendors

#### **Operational Risks:**

In order to mitigate operational risks in Project execution, due care is exercised in the preparation of design and drawings, selection of sub-contractors, selection of suppliers, recruitment of technical and non-technical staff, utilization of resources, insurance coverage etc. The Company has documented and implemented Standard Operating Procedures for all important operations of the Company, Delegation of Authority, periodical business monitoring mechanism and risk identification and mitigation mechanism

#### **Political Risk:**

Your Company is operating in multiple Indian States with different political environments and consequently subject to Political risks. Appropriate and adequate mitigation strategies are in place to mitigate these risks. The Company is spreading its operations in all major sectors of Infrastructure and in various States avoiding business concentration in same region.

#### **Contractual Risks:**

The Company is exposed to several contractual risks with clients, subcontractors, suppliers and lenders in its day to day operations. In order to mitigate these risks, the Company has an exclusive Contracts and Claims Department to oversee contract documentation, major claims and arbitrations.

#### **Subcontractors Risk and Joint Venture Risks:**

The Company associated with several subcontractors and joint ventures for executive of their projects. Their non-performance may affect the revenue and profitability of the Company. The Company has a robust system for selection of back-to-back subcontractors and Joint Venture Partners and monitor their performance regularly.

#### **Material Risk:**

Materials lying at completed / foreclosed / terminated projects has could not be utilized as there no new projects won by the Company. The materials lying at some projects could not be sold out as projects face hindrances from old creditors who are yet to be paid

the long outstanding pre-Oct 2018 dues. Due to this, these materials are being deteriorated and are prone to theft/ pilferages. With the approval from Justice D.K. Jain (Retd.), the company successfully completed the sale of materials at certain projects; and will undertake sale of these materials balance materials.

#### **5. Internal Control System and their Adequacy:**

The Company's internal financial control framework, established in accordance with the framework, is commensurate with the size and operations of the business and is in line with requirements of the Companies Act 2013. M/s. TR Chadha & Co., LLP, an external independent audit firm carries out the internal audit of the Company and reports its findings to the Audit Committee on a quarterly basis as per the Audit Plan approved. Internal Audit provides assurance on functioning and quality of internal controls along with adequacy and effectiveness through periodic reporting. Internal Risk & Control function also evaluates organisational risk along with controls required for mitigating those risks. Apart from the above, the Company has institutionalized internal controls in the form of Delegation of Authority (DoA) and standard operating procedures (SOP) with an objective of orderly and efficient conduct of its business, safeguarding the Company's assets, prevention and detection of frauds, accuracy and completeness of accounting records and compliance with applicable statutory requirements. The Company is having Oracle e-Business Suite as Enterprise Resource Planning (ERP) System for recording transactions in an integrated way with complete audit trail The Company has also deployed an external firm of Chartered Accountants and the combined Internal Audit team consists of technical auditors (Engineers), Chartered Accountants and Cost Accountants.

#### **6. Human Resources & Industrial Relations:**

For the Management, safety and health of its employees is first and foremost thing. During this pandemic, the IECCL Management is taking all steps for the health and hygiene by following guidelines laid down by Central and respective State Governments for well-being of its employees. Human Resource (HR) Department, periodically, updates its policies in line with best practices in the Industry. It circulates renewed policies to all its Employees through email and trainings.

IECCL continues to maintain harmonious relations with all its employees across all its Project Sites and Offices in India and as on March 31, 2022, the Company had 264 Employees on rolls.

#### **Cautionary Statement:**

Statements in this Annual Report, describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward Looking Statements" within the meaning of applicable laws or regulations. Actual results could differ materially from those expressed or implied. Several other factors could make significant difference Company's operations which includes economic conditions affecting demand and supply, Government Regulations, taxation, natural calamities and so on, over which the Company does not have any control.

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Corporate Governance is essentially a system, which brings about sustained corporate growth and long-term benefits for stakeholders. Empowerment, accountability & control, is the philosophy of the Company on corporate governance. Good governance is a moral stance of the Management, which is committed to create value for all stakeholders on ethical principles. The Company endeavors to implement the code of Corporate Governance in its true spirit

## 2. BOARD OF DIRECTORS :

### Composition:

The composition of Board does not have optimum combination of Executive and Non-Executive Directors including Woman Director during the Financial Year 2021-22.

The Ministry of Corporate Affairs (MCA) through Hon'ble National Company Law Tribunal (NCLT) had nominated the Directors on the Board of Infrastructure Leasing and Financial Services Limited (IL&FS) with powers to the Board for reconstitution of Boards of its group Companies including your Company. Accordingly, your Board was reconstituted with the following nominee Directors of IL&FS.

S. No.	Name of the Director	Date of Appointment
1.	Mr Chandra Shekhar Rajan	October 25, 2018
2.	Mr Dilip Lalchand Bhatia	December 24, 2018
3.	Mr Manish Kumar Agarwal	January 15, 2021

Your Board have appointed Dr. Jagadip Narayan Singh, IAS (Retd.) and Mr. Subrata Kumar Mitra, two Independent Directors w.e.f. January 15, 2021.

All the present Directors on the Board are professionals, having expertise in their respective functional areas. None of the Directors on the Board is a member of more than ten committees or Chairperson of more than five Committees across all the companies in which they hold directorships. As required under Regulation 26 of SEBI (Listing Obligations of Disclosure Requirements) Regulations, 2015 (Listing Regulations), necessary disclosures regarding Committee positions have been received from all the Directors

### Board Meetings:

During Financial Year 2021-22, the Board of Directors met 5 (Five) times on May 20, 2021, September 02, 2021, November 15, 2021, January 25, 2022, February 14, 2022. All these meeting were held in audio visual mode as per the provisions of Companies Act, 2013 read with Rules made thereunder.

### Attendance, Directorships, Memberships/ Chairmanships of Committees:

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during Financial Year 2021-22 along with the number of directorships and committee memberships held by them in other Companies as on March 31, 2022 are given below:

Name of the Director	Category of Directorship	Board Meetings held during the period of Directorships		Number of Directorships in other Public Companies <sup>1</sup>	Number of Committee positions held in other public companies <sup>2</sup>		Whether present at the previous AGM
		Held	Attended		Chairman	Member	
Mr Chandra Sekhar Rajan	Non-Executive Director	5	5	9	1	1	Yes
Mr Dilip Lalchand Bhatia	Non-Executive Director	5	5	8	0	3	Yes
Mr Manish Kumar Agarwal	Nominee Director	5	5	4	0	2	Yes
Dr. Jagadip Narayan Singh	Independent Director	5	5	7	2	3	Yes
Mr. Subrata Kumar Mitra	Independent Director	5	5	9	1	2	Yes

<sup>1</sup>Directorships in Companies means Companies registered under the Companies Act, 2013 and excludes section 8 Companies and Companies registered outside India

<sup>2</sup>Chairmanship/Membership of the Committees include memberships of Audit and Stakeholders' Relationship Committees

No Directors of the Company are related to any other Director of the Company

None of the Directors hold any shares or convertible instruments of the Company

The details of the familiarization programme imparted to the Directors is available on the website of the Company at the link: <http://www.ilfseengg.com/Document/Familiarization Programme.pdf>

## Directors' Compensation and Disclosures:

The Non-Executive Directors were paid sitting fees as mentioned in the table below:

S. No	Name of the Director	Sitting Fees paid during FY 2021-22 (amount in Rs.)
1	Mr Chandra Sekhar Rajan	85,000
2	Mr Dilip Lalchand Bhatia	1,20,000
3	Mr Manish Kumar Agarwal	90,000
4	Dr. Jagadip Narayan Singh	115,000
5	Mr. Subrata Kumar Mitra	100,000

No other payments have been made other than the sitting fee to the aforesaid Directors

## COMMITTEES OF THE BOARD OF DIRECTORS:

### a) AUDIT COMMITTEE :

The Audit Committee has been duly re-constituted w.e.f. January 15, 2021 in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 18 read with Part C of Schedule II of SEBI LODR Regulations.

During the year under review, 4 meetings were held though video conferencing mode as per the provisions of Companies Act, 2013 on the following dates: (i) August 25, 2021, (ii) September 2, 2021, (iii) November 15, 2021 and (iv) February 14, 2022. The composition of the Audit Committee, category of Members and attendance at the meetings held during the year are given below:

S. No	Name of the Member	Designation	Category of Director	No. of Meetings held during the period of Membership	
				Held	Attended
1	Mr Subrata Kumar Mitra	Chairman	Independent	4	4
2	Mr. Dilip Lalchand Bhatia	Member	Non- Executive	4	4
3	Dr. Jagadip Narayan Singh	Member	Independent	4	4

Apart from the terms of references read with areas as provided under Section 177 and other applicable provisions, if any of the Companies Act, 2013, the Audit Committee, inter alia, regularly reviews management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, management letters/ letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, appointment, removal and terms of remuneration of the Chief Internal Auditors, etc

## b) NOMINATION AND REMUNERATION COMMITTEE:

### Composition and Attendance:

The Board has duly re-constituted the Nomination and Remuneration Committee (NRC) w.e.f. January 15, 2021 in compliance with the provisions of Section 178 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 19 of the SEBI LODR Regulations.

One meeting of the Committee was held during Financial Year 2021-22 on January 25, 2022. The composition of the Committee, category of Members and attendance at the meetings held during the year are given below:

S. No	Name of the Members	Designation	Category of Director	No. of Meetings held during the period of Membership	
				Held	Attended
1	Dr. Jagadip Narayan Singh	Chairman	Independent	1	1
2	Mr. Chandra Sekhar Rajan	Member	Non- Executive	1	1
3	Mr. Subrata Kumar Mitra	Member	Independent	1	1

### Terms of Reference:

The terms of reference, powers, quorum and other matters in relation to the Nomination and Remuneration Committee are as per the Regulation 19 read with Part D of Schedule II of Listing Regulations, Section 178 of the Companies Act, 2013 and in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended.

Further, in terms of the provisions of the Amended Listing Regulations, 2018, the Board of Directors of the Company in its Meeting held on July 31, 2018, amended the terms of reference of the Committee.

## c) REMUNERATION OF DIRECTORS :

### (i) Managerial Remuneration Policy:

In terms of the provisions of Section 178 of the Companies Act, 2013 read with Rules made thereunder and Regulation 19 of Listing Regulations, the Board of Directors of the Company had framed Managerial Remuneration Policy which includes the criteria for determining qualifications, positive attributes, independence of directors and other matters as specified under Section 178(3) of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Listing Regulations. The policy is available on the website of the Company at <http://www.ilfsengg.com/html/policies.php> and the policy is uploaded in the "Investor Relations" section of the website of the Company at [www.ilfsengg.com/html/policies](http://www.ilfsengg.com/html/policies).

ii) **Disclosure on Remuneration of Managing Director:**

- (a) Details of remuneration of Managing Director - NIL
- (b) Details of fixed component and performance linked incentives, along with the performance criteria - NIL
- (c) Service contracts, notice period, severance fees - NIL
- (d) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: NIL

d) **STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC) :**

**Composition:**

The Stakeholders' Relationship Committee (SRC) was duly re-constituted w.e.f. January 15, 2021 in accordance with the provisions of Section 178 of the Companies Act, 2013 and Rules framed thereunder and Regulation 20 of the SEBI LODR Regulations. Prior to January 15, 2021, the Committee was not duly constituted due to the developments at IL&FS, all the previous independent directors resigned/ceased to be the Directors. The nominated Directors of Infrastructure Leasing and Financial Services Limited (IL&FS), were appointed as members of the committee, whose constitution was not in accordance with the provisions of Companies Act and/or SEBI LODR Regulations until January 14, 2021.

The Committee was later reconstituted to resolve the grievances of the security holders including those related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The meeting of the Committee was held on 30th March, 2022.

The Composition of the Committee and the category of its Members and are given below:

S. No	Name of the Members	Designation	Category
1	Mr. Manish Kumar Agarwal	Member	Non-Executive
2	Mr Subrata Kumar Mitra	Chairman	Independent
3	Mr. Dilip Lalchand Bhatia	Member	Non-Executive

**Compliance Officer:**

Mr. Rajib Kumar Routray, Company Secretary is the Compliance Officer of the Company, w.e.f midnight on 29th May-2022.

A Kolkata based small shareholder had filed a grievance on NSE purportedly noticing a minor procedural lapse in one of the shareholders meeting. However, the copy of the actual complaint was not forwarded by NSE/BSE in spite of Company's specific request. The concerned shareholder has also been requested to favour the Company with a copy of the complaint for immediate resolution.

Another shareholder had lodged a grievance with Stock Exchanges and other Regulating Authorities making certain allegations, which do not come within the purview of Investor Grievances. Accordingly, the complaint lodged has since been closed/disposed off by the Stock Exchange. The Company has also made appropriate response to other authorities.

Hence, in view of the resolution of aforesaid grievances as per the records of the Company as on March 31, 2022, no complaints stand outstanding.

**Terms of Reference:**

The terms of reference of SRC was framed in terms of the provisions of the Companies Act, 2013 and Listing Regulations.

e) **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :**

The Corporate Social Responsibility (CSR) Committee was constituted in compliance with the provisions of Section 135 of the Companies Act, 2013 and Rules framed thereunder, to oversee and advise on the activities to be carried out under the CSR Policy adopted by the Company.

The Composition of the Committee and the category of its Members and are given below:

S. No	Name of the Members	Designation	Category
1	Dr. Jagadip Narayan Singh	Chairman	Independent
2	Mr. Manish Kumar Agarwal	Member	Non-Executive
3	Mr. Dilip Lalchand Bhatia	Member	Non- Executive

f) **INDEPENDENT DIRECTORS' MEETING**

A meeting of Independent Directors was held on 30th March, 2022 with the presence of Dr. Jagdip Narayan Singh and Mr. Subrata Kumar Mitra to assess the quality, quantity and timelines of flow of information between the Company management and the Board.

3. **GENERAL BODY MEETINGS**

a) Annual General Meetings (AGMs):

i) Venue, date and time of the Annual General Meetings held during the preceding 3 Financial Years are as follows:

- a Financial Year : 2020-21  
Date, Time and Venue : September 30, 2021 at 14:00 p.m.  
Through Video Conference (VC) / Other Audio Visual Means (OAVM)

The following Special Resolution was passed.

1) Appointment of Shri. Subrata Kumar Mitra, Independent Director, whose age is about 70 years.

- b Financial Year : 2019-20

Date, Time and Venue : September 30, 2020 at 01.30 p.m.  
through Video Conference (VC) /  
Other Audio Visual Means (OAVM)

No Special Resolution was passed.

c Financial Year : 2018-19

Date, Time and Venue : December 30, 2019 at 11.30 a.m.

KLN Prasad Auditorium, 3rd Floor,  
The Federation of Telangana Cham-  
bers of Commerce and Industry  
(Formerly Known as FTAPCCI),  
Federation House, 11-6-841,  
FAPCCI Marg, Red Hills, Hyderabad  
- 500 004

No Special Resolution was passed.

#### 4. MEANS OF COMMUNICATION:

- Quarterly/Half Yearly/Yearly Financial Results were duly published in Newspapers for the Financial Year 2021-22.
- The Company's website [www.ilfsengg.com](http://www.ilfsengg.com) contains a separate section dedicated to 'Investor Relations' where Members' information is available. The Annual Reports of the Company are also available on the website in a user-friendly and downloadable form
- Annual Report containing, inter alia, Standalone Financial Statements, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.
- The Company has designated the [cs@ilfsengg.com](mailto:cs@ilfsengg.com) email-id exclusively for investor services

#### 5. MANAGEMENT DISCUSSION AND ANALYSIS (MDA) :

MDA forms part of the Directors' Report and is presented in the Annual Report under a separate heading

#### 6. GENERAL INFORMATION TO SHAREHOLDERS :

- Date, time and Venue of the 33rd Annual General Meeting for the Financial year 2021-22 :  
Date: 29th September 2022 at 11:00 AM (IST)  
Venue: through Video Conference (VC)/ Other Audio Visual Means (OAVM) –The venue will be deemed to be registered office of the Company.
- Book Closure Date:  
The Register of Members and Share Transfer Books of the Company will be closed from 23rd September 2022 to 29th September 2022 for the purpose of 33rd Annual General Meeting.
- Financial Calendar:  
Financial year of the Company shall be from April 1, 2022 to March 31, 2023. The tentative calendar for consideration of financial results for the Financial Year 2022-23 is given below:

Particulars	Tentative
Results for quarter ending June 30, 2022	on or before Aug 14, 2022
Results for quarter ending Sept 30, 2022	on or before Nov 14, 2022
Results for quarter ending Dec 31, 2022	on or before Feb 14, 2023
Results for quarter/ year ending March, 2023	on or before May 30, 2023

#### (d) Listing on Stock Exchanges :

The Company's Equity Shares were listed on the following Stock Exchanges with effect from October 25, 2007.

The Company has paid the listing fees payable to the BSE and NSE for the Financial Year 2020-21. The Company has also paid Annual Custodial Fees for the year 2021-22 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

Name and Address of Stock Exchanges	Scrip Code
The National Stock Exchange of India Limited (NSE) 5th Floor, "Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	IL&FSENGG
BSE Limited (BSE) Department of Corporate Services, P.J.Towers, Dalal Street, Mumbai – 400 001	532907

The Company has paid the listing fees payable to the BSE and NSE for the Financial Year 2022-23. The Company has also paid Annual Custodial Fees for the year 2022-23 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

#### (e) Share Transfer Procedure:

The Company has not received any shares for transfer in physical form in the financial year 2021-22. As per the system and practices, share transfers which are received in physical form are processed and the share certificates are returned to the respective shareholders within the statutory time limit, subject to the documents being valid and complete in all respects. The Company obtains half yearly certificates from a Company Secretary in practice on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Regulation 40 of the Listing Regulations

#### (f) Prevention of Insider Trading:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has approved Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code of Conduct for Prevention of Insider Trading has replaced the Company's earlier Code on Insider Trading as framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Company has taken measures

to create awareness about the code among its employees and has implemented a system of reporting details of trading in the securities of the Company by the Designated Persons to the Audit Committee at the periodic levels

**g) Distribution of shareholding as on March 31, 2022:**

Category (Amount)	No. of Shareholders	% of total shareholders	Total Shares	Amount (in Rs.)	% of Amount
1 - 5000	33194	98.06	9325322	93253220	7.11
5001 - 10000	349	1.03	2596106	25961060	1.98
10001 - 20000	159	0.47	2230271	22302710	1.70
20001 - 30000	45	0.13	1147664	11476640	0.88
30001 - 40000	21	0.06	758340	7583400	0.58
40001 - 50000	13	0.04	598980	5989800	0.46
50001 - 100000	39	0.12	2719424	27194240	2.07
100001 and above	32	0.09	111744971	1117449710	85.22
<b>TOTAL</b>	<b>33852</b>	<b>100.00</b>	<b>131121078</b>	<b>1311210780</b>	<b>100.00</b>

**(h) Dematerialization of shares and liquidity:**

The Company's shares are available for dematerialization in both the Depositories i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 97.85% of equity shares have been dematerialized as on March 31, 2022. All the Preference Shares of the Company are dematerialized. The summary of shareholdings in category wise is as under:

**Summary of Shareholding as on March 31, 2022**

Category	No. of Holders	Total Shares	% of Equity
EQUITY SHARES OF RS. 10/- EACH			
ISIN: INE369I01014			
PHYSICAL	16	2,813,231	2.15%
N S D L	19893	118430243	90.32%
C D S L	14431	9877604	7.53%
<b>Total</b>	<b>34340</b>	<b>131,121,078</b>	<b>100.00%</b>

Category	No. of Holders	Total Shares	% of Equity
6% OCCRPS# OF RS. 100/- EACH			
ISIN: INE369I03028			
PHYSICAL	0	0	0.00%
N S D L	1	3,750,000	100.00%
C D S L	0	0	0
<b>Total</b>	<b>1</b>	<b>3,750,000</b>	<b>100.00%</b>

Category	No. of Holders	Total Shares	% of Equity
6% CRPS ^ OF RS. 100/- EACH			
ISIN: INE369I04034			
PHYSICAL	0	0	0.00%
N S D L	1	225,000	100.00%
C D S L	0	0	0
<b>Total</b>	<b>1</b>	<b>225,000</b>	<b>100.00%</b>

# OCCRPS: Optionally Convertible Cumulative Redeemable Preference Shares

^ CRPS: Cumulative Redeemable Preference Shares

**(i) Reconciliation of Share Capital Audit:**

As stipulated by SEBI, a Practicing Company Secretary carries out the reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. This audit is carried out in every quarter and the report thereon is submitted to the stock exchanges and is placed before the Board of Directors. The audit, interalia confirms that the total listed and paid up equity capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total no. of shares in physical form

(j) **Investor Safeguards :**

Investors may note the following to avoid risks while dealing in securities:

(i) **Electronic Clearing Services (ECS) mandate**

- (i) ECS helps in quick remittances of dividend without possible loss / delivery in postal transit. Members may register their ECS details with their respective DPs

**Register Nominations**

To enable successors to get the shares transmitted in their favour without hassle, the members may register their nominations directly with their respective DPs

- (ii) **Confidentiality of Security Details**

Do not hand over signed blank transfer deed / delivery instruction slips to any unknown person

**Dealing of Securities with Registered Intermediaries**

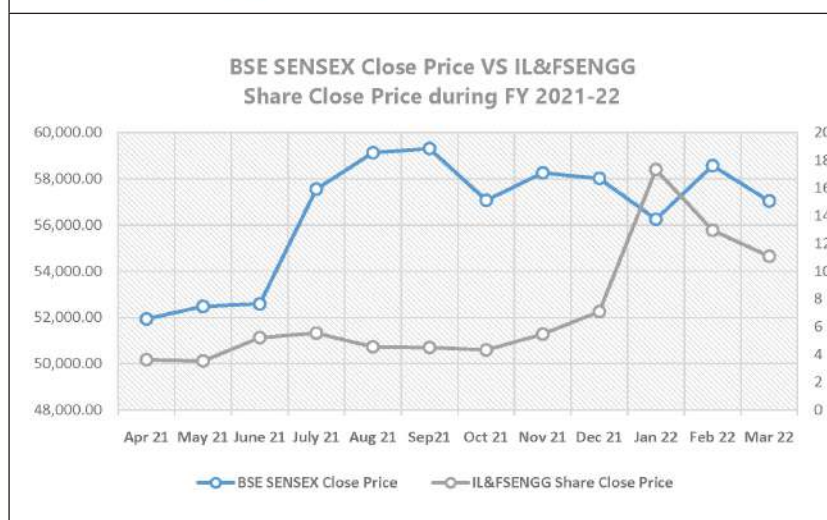
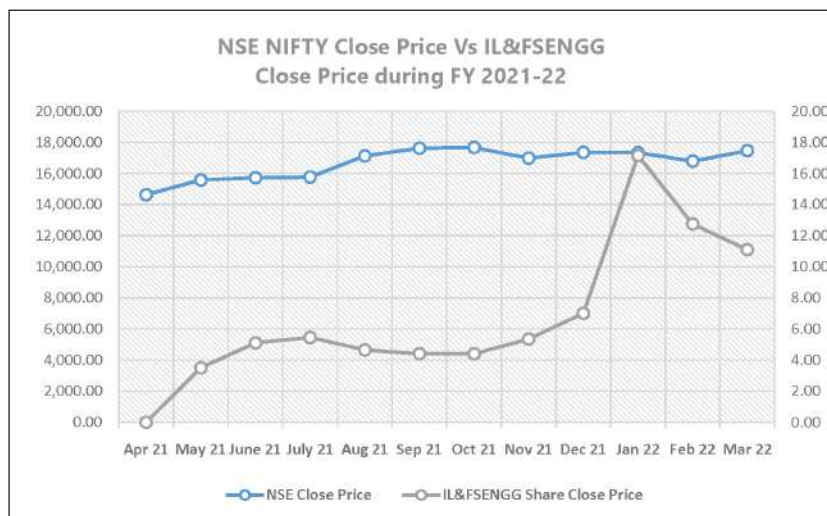
Members must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker/ sub-broker, within 24 hours of execution of trade and it should be ensured that the contract note / confirmation memo contains order no., trade time, quantity, price and brokerage

(k) **Equity Shareholding Pattern as on March 31, 2022:**

S. No.	Category of the Shareholder	No. of Holders	No of Shares Held	% Holding
1	Promoter - Infrastructure Leasing and Financial Services Limited	1	27,486,243	20.96
2	Promoter Group - IL&FS Financial Services Limited	1	27,914,641	21.29
3	Banks	6	21,60,298	1.65
4	Bodies Corporates	174	1,14,41,220	8.73
5	Clearing Members	27	1,53,794	0.12
6	Foreign Corporate Bodies - SBG Projects Investments Ltd.	1	36,538,477	27.87
7	NBFC	1	9,680	0.00
8	Non Resident Indians Non Repatriable	124	3,56,693	0.27
10	Non Resident Indians	175	10,42,666	0.80
11	Resident Individuals	33341	2,40,16,366	18.31
12	Trusts	1	1,000	0.00
	<b>Total</b>	<b>33,852</b>	<b>131,121,078</b>	<b>100.00</b>

(l) **Market Price Data:**

Month	BSE			NSE		
	High	Low	No. of shares traded	High	Low	No. of shares traded
Apr-21	3.96	2.87	3,00,977	3.95	3.55	11,19,543
May-21	3.88	3.04	6,35,981	3.75	3.15	17,23,065
Jun-21	5.32	3.35	15,29,503	5.10	3.35	21,19,133
Jul-21	6.96	5.01	17,04,968	6.90	5.20	28,11,217
Aug-21	5.50	4.41	4,52,149	5.50	4.15	8,32,765
Sep-21	4.94	4.03	3,21,154	4.85	3.90	7,23,478
Oct-21	5.04	4.22	4,76,734	5.00	4.25	7,26,160
Nov-21	6.30	4.20	7,50,249	6.30	4.20	9,09,440
Dec-21	7.10	5.43	11,84,887	7.05	5.10	12,41,686
Jan-22	17.33	7.28	20,90,163	17.15	7.35	9,82,295
Feb-22	22.00	11.80	13,27,827	21.90	11.55	14,06,621
Mar-22	15.89	11.01	7,03,843	15.80	10.85	10,95,960



(m) The Company has not issued any GDRs or ADRs or Warrants or Convertible Instruments in the Current Financial year

**(n) Compliance Certificate from Practicing Company Secretary:**

A Certificate from Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance is annexed with the report

**(o) Registrar & Transfer Agents (RTA) :**

KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500 032, Telephone No. 040 - 6716 2222, Fax No. 040 – 2342 0814, Email ID: einward.ris@karvy.com

**(p) Investor Correspondence:**

Registered Office Address:  
D.No. 8-2-120/113, Block-B, 1st Floor,  
Sanali Info Park, Road No.2,  
Banjara Hills, Hyderabad - 500 033  
Tel. +91 40 40409333  
Fax No. +91 40 40409444  
Web site: www.ilfsengg.com

Company Secretary & Compliance Officer:  
Mr. Sistla Srinivas Kiran / Rajib Kumar Routray  
Enkay Tower, A-Block, Udyog Vihar,  
Phase V | Gurgaon-122016 |  
0091-124-4988700,  
E-mail id: cs@ilfsengg.com

## 7. DISCLOSURES:

- (a) During the year under review, certain transactions have been entered into with related parties that are pre-existing contracts with prior approval from Audit Committee. The details thereof have been given under the Notes on Accounts. None of these transactions are having potential conflict with the interests of the Company at large. The policy on dealing with related party transactions is available on the Company's website at <http://www.ilfsengg.com/html/policies.php>
- (b) During the last three years, there has not been any occasion of non-compliance related to capital market by the Company except few instances of delay in declaring financial results.
- (c) The Company has established well documented Risk Management Framework. Under this framework, risks are identified across all business processes of the Company on a continuing basis
- (d) The company applies equity method of accounting (as per the IND AS 28) to the investments which involves reflecting the Company's share of results of the Associate companies operations
- (e) The requisite details of Subsidiary Companies are disclosed in the Directors' Report
- (f) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Company has an established mechanism for employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases. The existence of the mechanism is appropriately communicated within the organization

It is further affirmed that the policy is available to Employees and Directors of the Company and personnel access to the Whistle Blower Investigating Committee (WBIC) has not been denied and that protection is provided to whistle blower from adverse personnel action. The Policy have been uploaded in the "Investor Relations" section of our Website here: <http://www.ilfsengg.com/html/policies.php>

**(g) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

The Company complies with all the applicable mandatory requirements and with also the following non mandatory requirements as specified in Part E of Schedule II of Listing Regulations:

**The Board:**

The Chairman of the Company is a Non-Executive Director and is entitled to sitting fees for attending the meeting apart from the out of pocket travelling expenses incurred for attending the meeting

**Shareholder Rights:**

The quarterly, half yearly and annual financial results of the Company are published in a leading daily newspapers and are also posted on the Company's website. Significant press releases are also posted on the website of the Company

**Separate post of Chairperson and Chief Executive Officer:**

The Company has separate persons to the post of Chairperson and Chief Executive Officer

**Reporting of Internal Auditor**

The internal auditor of the Company submits its reports directly to the Audit Committee of the Board. The internal auditor attends the meeting as an invitee of the Audit Committee and presents it's report.

**(h) Web link where policy for determining 'material' subsidiaries is disclosed:**

Policy on material subsidiary has been uploaded on the website of the Company at <http://www.ilfsengg.com/html/policies.php>

**(i) Code of Conduct:**

The Board of Directors of the Company have approved a code of conduct for Board of Directors and Senior Management, which is posted on the website of the Company at [http://www.ilfsengg.com/html/code\\_of\\_conduct.pdf](http://www.ilfsengg.com/html/code_of_conduct.pdf)

In respect of the financial year 2021-22, all Senior Management and Board of Directors of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management and declaration to this effect signed by CEO is enclosed at the end of this report.

**(j) The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

Regulation	Particulars of Regulation	Compliance Status (Yes/No/NA)
17	Board of Directors	No
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiaries of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2)(b)to(i)	Disclosure on website	Yes

(k) **Confirmation by the Board of Directors regarding acceptance of recommendations of all Committees:**

In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its Committees.

(l) **PCS Certificate:**

A certificate has been received from M/s. RPR & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

(m) **Statutory Auditors Remuneration:**

M Bhaskara Rao & Co., Chartered Accountants (Firm Registration No. 000459S), are Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

Name of the Auditor	Fee for Financial Year 2021-22 (Rs. In Lakhs)
M/s. M. Bhaskara Rao & Co.,	Rs.59.00 (audit fee Rs.52 lakh and the balance is towards tax audit fee)

**8. Unclaimed Suspense Account :**

Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of unclaimed shares held by shareholders which were outstanding in the Company's Unclaimed Suspense Account as on March 31, 2022, are as follows:

Particulars	Number of Shareholders	Number of outstanding Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2021	24	432
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022	24	432

Voting rights on shares lying in the unclaimed suspense account shall remain frozen till the rightful owner of such shares claims the shares

By order of the Board of Directors  
For **IL&FS Engineering and Construction Company Ltd**

Sd/-  
**Chandra Shekhar Rajan**  
Director  
DIN 00126063

Sd/-  
**Manish Kumar Agarwal**  
Director  
DIN: 02885603

Place: Hyderabad  
Date: 29th May 2022

## Compliance Certificate by CEO & CFO

### The Chief Executive Officer and Chief Financial Officer Certification:

We, Mr. Kazim Raza Khan, Chief Executive Officer and Mr. Naveen Kumar Agrawal, Chief Financial officer of IL&FS Engineering and Construction Company Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year under review and certify that:
  - i. These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee that
  - i. There are no significant changes in internal control over financial reporting during the year
  - ii. There are no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
  - iii. There are no frauds of which we are aware, that involves management or other employees who have a significant role in the company's internal controls system.

Place : Hyderabad  
Date : 29th May 2022

Sd/-  
**Kazim Raza Khan**  
Chief Executive Officer

Sd/-  
**Naveen Kumar Agrawal**  
Chief Financial Officer

## Certificate on Corporate Governance

To  
The Members of  
**M/s. IL&FS Engineering and Construction Company Limited**  
Door No: 8-2-120/113, Block B, 1st Floor,  
Sanali Info Park, Road No. 2, Banjara Hills,  
Hyderabad – 500 034.

We have examined the compliance conditions of Corporate Governance by **M/s. IL&FS Engineering and Construction Company Limited** for the financial year ended March 31, 2022, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations, 2015”] and the Uniform Listing Agreement entered between the Company & Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company’s management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and according to the explanations given to us, we certify that the Company has complied with the conditions of applicable Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015 and the Uniform Listing Agreement except in respect of matters specified in our secretarial audit report dated 29-05-2022 for the financial year ended March 31, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **RPR & ASSOCIATES**  
Company Secretaries

Sd/-  
**Y. Ravi Prasada Reddy**  
Proprietor  
FCS No.5783, CP No.5360  
**UDIN: F005783D000421541**

Place: Hyderabad  
Dated: 29th May 2022

## CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
**M/s. IL&FS Engineering and Construction Company Limited**  
Door No: 8-2-120/113, Block B, 1st Floor,  
Sanali Info Park, Road No. 2, Banjara Hills,  
Hyderabad – 500 034.

We have examined and verified the books, papers, minute books, forms and returns filed and other records maintained by M/s. IL&FS Engineering and Construction Company Limited (hereinafter referred to as the “Company”) having its registered office at Door No: 8-2-120/113, Block B, 1st Floor, Sanali Info Park, Road No. 2, Banjara Hills, Hyderabad – 500 034 and the information provided by the Company and its directors and also based on the information available at the websites of Ministry of Corporate Affairs (i.e. [www.mca.gov.in](http://www.mca.gov.in)) and Securities and Exchange Board of India (i.e. [www.sebi.gov.in](http://www.sebi.gov.in)), we hereby certify that as on the date of this certificate, none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

For **RPR & ASSOCIATES**  
Company Secretaries

Sd/-  
**Y. Ravi Prasada Reddy**  
Proprietor,  
FCS No.5783, CP No.5360  
**UDIN: F005783D000421541**

Place: Hyderabad  
Dated: 29th May 2022

# ANNUAL SECRETARIAL COMPLIANCE REPORT

M/s. IL&FS Engineering and Construction Company Limited for the year ended March 31, 2022

(Pursuant to circular dated 8th February, 2019 issued by SEBI)

We, M/s. RPR and Associates, Company Secretaries, Hyderabad, have examined:

- (a) all the documents and records made available to us and explanations provided by M/s. IL&FS Engineering and Construction Company Limited (IECCL), CIN:L45201TG1988PLC008624 having its registered office at 8-2-120/113, Block B, 1st Floor, Sanali Info Park, Road No. 2, Banjara Hills, Hyderabad – 500 034, (“the listed entity”);
- (b) the filings/ submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity; and
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification/report, for the year ended 31st March, 2022 (“Review Period”) in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR);
- (f) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable during the period under review;
- (g) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable during the period under review;
- (i) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable during the period under review;
- (j) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the period under review;
- (k) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (l) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto;
- (m) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2018 regarding the Companies Act and dealing with client;

and clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries";

and circulars/ guidelines issued thereunder; and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

S. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations of the Practicing Company Secretary
1	Submission of Financial Results under Regulation 33 of SEBI SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)	Delay in submission of unaudited/audited financial results for the quarter & year ended March 31, 2021, quarter ended June, 2021, quarter ended September 2021.	The audited financial results for the quarter & year ended on March 31, 2021 was approved in the board meeting held on August 27, 2021 and the quarterly results for the quarter ended June and September 2021 were approved in the board meeting held on November 15, 2021. Therefore there was a delay in compliance.

2	One woman director on the Board of Directors under Regulation 17 of SEBI LODR	Not appointed the Woman Director	The management informed that exemption was received from National Company Law Tribunal (NCLT) vide its order dated April 26, 2019.
3	The board of directors of the top 2000 listed entities (w.e.f. April 01, 2020) shall comprise of not less than six directors under Regulation 17 of SEBI LODR	As on March 31, 2022, the Board comprises of five directors.	The management informed that exemption was received from National Company Law Tribunal (NCLT) vide its order dated April 26, 2019 with respect of appointment of required one woman director.

- (b) Based on the management representation, the listed entity has been maintaining proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder insofar as it appears from our examination of those records;
- (c) During the Review Period, no actions has been taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder except levying penalties for delay in declaring quarterly / half yearly & yearly financial results under regulation 33 as required under SEBI (LODR) Regulations, 2015.

However, the Government of India initiated an investigation into the affairs of IL&FS group through the Serious Fraud Investigation Office and the Enforcement Directorate during the year 2019 which is ongoing.

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports

S. No	Compliance Requirement (Regulations/ Circulars / Guidelines including specific clause)	Observations made in the secretarial compliance report for the year ended March 31, 2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity.
1	Submission of Financial Results under Regulation 33 of SEBI LODR	Delay in submission of unaudited/audited financial results for the quarters ended June 2019, Sep 2019, Dec 2019, March 2020 and June 2020.	The unaudited financial results for the quarters ended on June 30, 2019, September 30, 2019 and December 31, 2019 were approved in the board meeting held on June 29, 2020 and the audited financial results for year ended March 31, 2020 were approved in the board meeting held on September 03, 2020. The unaudited financial results for the quarter ended on June 30, 2020 were approved on Nov 11, 2020 and submitted with stock exchanges. Therefore, there was a delay in compliance.	There was a delay in compliance.
2	One Woman Director on the Board of Directors under Regulation 17 of SEBI LODR	Not appointed the Woman Director	The board is in the process of identifying suitable woman director	Management informed that Exemption Received from National Company Law Tribunal (NCLT) vide its order dated April 26, 2019
3	Constitution and Composition of Audit Committee under Regulation 18 of SEBI LODR	Until January 14, 2021 the composition of committees was not duly met.	All the Committees have been reconstituted on January 15, 2021 with proper composition as required by SEBI LODR.	Management informed that the requirement of appointment of independent directors was exempted by NCLT vide its order dated April 26, 2019.
4	Constitution and Composition of Nomination & Remuneration Committee under Regulation 19 of SEBI LODR			However, the management informed that the company had appointed two independent directors and reconstituted all its Board Committees on Jan 15, 2021 while NCLT exemption order is still in force.
5	Constitution and Composition of Stakeholders Relationship Committee under Regulation 20 of SEBI LODR			
6	Appointment of Independent Directors under Regulation 17 of SEBI LODR	Until January 14, 2021 there were no independent directors on the Board.	Two Independent Directors as required under SEBI LODR Regulations were appointed w.e.f. Jan 15, 2021.	Management informed, exemption was received from NCLT vide order dated April 26, 2019. However, the management informed that the company appointed two independent directors on Jan 15, 2021 while NCLT exemption order is still in force.

7	The board of directors of the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors under Regulation 17(1)(c) of SEBI LODR	Minimum six directors on Board criteria not complied.	As on January 15, 2021, Three Non-executive Directors and Two Independent Directors were on Board and the board is in the process of identifying suitable Woman Director.	Management informed, exemption was received from NCLT vide order dated April 26, 2019 with respect to appointment of required two independent directors and one-woman director. However, two independent directors were appointed on January 15, 2021.
8	The revised policy on SEBI (PIT) Regulations, 2015 in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018.	The revised policy on SEBI (PIT) Regulations, 2015 in compliance with Amendment Regulations, 2018 was adopted in the Board Meeting held on June 29, 2020. There was delay in compliance and implementation.	The revised policy on SEBI (PIT) Regulations, 2015 in compliance with Amendment Regulations, 2018 was adopted in the Board Meeting held on June 29, 2020 for implementing with retrospective effect from April 01, 2019.	There was a delay in adoption of revised policy under SEBI (PIT) Regulations, 2015.

For **RPR & ASSOCIATES**

Company Secretaries

Sd/-

**Y. Ravi Prasada Reddy**

Proprietor,

FCS No.5783, CP No.5360

Peer Review Certificate No. 1425/2021

**UDIN:** F005783D000421541

Place: Hyderabad  
Dated: 25th May 2022

# Independent Auditor's Report

To The Members of IL&FS Engineering and Construction Company Limited

Report on the Audit of the Standalone Financial Statements

## Qualified Opinion:

1. We have audited the accompanying standalone financial statements of IL&FS Engineering and Construction Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, loss and other comprehensive loss, changes in equity and its cash flows for the year then ended.

## Basis for Qualified Opinion:

3. We draw attention to Note 52 relating to non-recognition of interest expense for the year amounting to Rs.422.13 Crores (excluding penal interest, etc) on borrowings availed by the Company in terms of the resolution framework process approved by NCLAT considering the process initiated for resolution.
  - a. Consequently, interest expense and loss for the year are understated by Rs.422.13 Crores (approximately); and
  - b. Retained earnings (accumulated loss) and interest payable as at March 31, 2022 are understated by Rs.1,284.80 Crores (approximately).
4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Material uncertainty related to going Concern:

5. Attention is invited to Note 30 regarding continued losses, erosion of net-worth as at the year end, and significant reduction in the Company's income from operations and other matters detailed in the said paragraph. These events and conditions indicate a material uncertainty which cast a significant doubt on the Company's ability to continue as a going concern, and therefore it may not be able to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Company to continue as a going concern is solely dependent on the finalisation and approval of the resolution process, which is not wholly within the control of the Company.

The Management of the Company has prepared these financial results on going concern basis considering the various initiatives and developments and the period of calm granted by NCLAT.

Our opinion is not modified in respect of this matter.

## Emphasis of Matter:

6. We draw attention to the following notes to the standalone financial statements:
  - a. Note 31 (v) regarding ongoing investigations by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO), Enforcement Directorate (ED) and other regulators / agencies against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Holding Company') and some of its subsidiaries (including the Company). The financial statements of the Company for the year ended on March 31, 2022 do not include adjustments, if any, that may arise on account of the ongoing investigations by the investigating and other agencies and Regulatory Authorities. The management, at this juncture, do not foresee any adjustments to be made in these financial statements of the Company as a result of any such investigations.
  - b. Note 51 regarding non-receipt of confirmation of balances as at March 31, 2022 from some lenders, customers and vendors. In the absence of confirmations, the adjustments, if any, on account of unsettled transactions, to the carrying values of assets and liabilities cannot be ascertained.

The adjustments, if any, arising out of the above matters to the carrying value of assets or to the amounts disclosed in financial statements, cannot be determined at this juncture for the reasons stated in respective notes.
  - c. Note 54 regarding exceptional items which comprise the reversal of Rs.242.99 Crores deferred tax asset, based on the management assessment and reversal of interest aggregating to Rs.63.56 Crores on statutory dues as on cut-off date fixed by NCLAT, based on the legal advice obtained by the management.

Our opinion is not modified in respect of the aforementioned matters.

## Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' and 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

### Description of Key Audit Matters:

Key audit matter	How the matter was addressed in our audit
Estimated Cost to complete the Project:	
Refer note 3 (a) to the Standalone Financial Statements	
The Company recognises revenue under percentage of completion method as specified under Indian Accounting Standard (IND AS)-115 – Revenue from contract with customers. Recognition of revenue requires estimation of total contract cost which comprises of the actual cost incurred till date and estimated cost further to be incurred to complete the projects. Estimation of the cost to complete involves exercise of significant judgement by management including assessment of technical data and hence identified as Key Audit Matter.	<p>Our audit approach was a combination of test of compliance of company's internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Tested the design, implementation and operating effectiveness of the controls surrounding determination and approval of estimated cost.</li> <li>• Verified the contracts with customers on test check basis and the actual cost incurred and terms and condition related to the variation of the cost.</li> <li>• Obtained and relied on the internal assessments supporting the accuracy of the estimate of the total cost of the project for selected contracts on test check basis.</li> </ul>
Trade receivables and Contract Assets	
Refer Note: 7 and 12 to the Standalone Financial Statements	
Trade receivables, retention money and contract assets (project work in progress) amounting to Rs.101.04 Crores, Rs.378.77 Crores and Rs.456.09 Crores respectively, represents approximately 43 % of the total assets of the Company as at March 31, 2022. In assessing the recoverability of the aforesaid balances, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract. Management estimation is required in the measurement of work completed during the period for recognition of unbilled revenue. We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• We understood and tested on a sample basis the design and operating effectiveness of management control over the recognition of the trade receivables, retention money and contract assets.</li> <li>• We performed test of details and tested relevant contracts, for the provisions made by the management towards doubtful and credit loss.</li> <li>• We tested the aging of trade receivables at year end.</li> <li>• We performed test of details and tested relevant contracts and documents with specific focus on measurement of work completed during the period for material unbilled revenue balances included in contract asset.</li> <li>• We performed additional procedures, in respect of material over-due trade receivables and long outstanding contract assets, i.e. tested historical payment records.</li> <li>• We assessed the allowance for impairment made by management.</li> </ul>
Provisions and Contingent Liabilities:	
Refer note 3 (p) to the Standalone Financial Statements	
The Company is involved in various taxes and other disputes for which final outcomes cannot be easily predicted and which could potentially result in significant liabilities. The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgements and such judgements relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the financial statements. Because of the judgement required, the materiality of such litigations and the complexity of the assessment process, the area is a key matter for our audit.	<p>Our audit approach was combination of test of compliance of company's internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures.</li> <li>• Examining the supporting documentation for the positions taken by the management, correspondence from in-house legal counsel and/or legal team and reviewing the minutes of Board and subcommittee, to confirm the operating effectiveness of these controls.</li> <li>• Review of assumptions used in the evaluation of potential risk and tax risks performed by the legal and tax department of the Company considering the legal precedence and other rulings in similar cases.</li> <li>• Consideration of recent judgements passed by the appropriate authorities in order to challenge the basis used for the accounting treatment and resulting disclosures.</li> </ul>

### **Information Other than the standalone financial statements and Auditors' Report Thereon:**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, Management Discussion and Analysis and Corporate Governance Report but does not include the standalone and consolidated financial statements and our auditor's reports there on.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we perform, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the standalone financial statements:**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, loss and other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the standalone financial statements:**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. Except for the matters stated in the "Basis for qualified opinion" paragraph hereinabove, we have obtained all the information and explanations which we had sought and to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. Except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
  - e. The matter relating to going concern described under Material Uncertainty Related to Going Concern paragraph above, and the matters stated at paragraphs 6 (a) and (b) under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - g. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - h. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - i. With respect to the matter to be included in the Auditors' Report under section 197 (16), according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the current year except sitting fee paid to the non- executive / independent directors, which is in accordance with the applicable provisions of the Companies Act, 2013.
  - j. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements (Refer Note – 31 to the Standalone Financial Statements);
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
    - iv. (a) the Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other

person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) the Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
3. The Company has not declared or paid any dividend during the year.

For **M. Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration Number: 000459S

Sd/-

**M V Ramana Murthy**  
Partner

Membership Number: 206439  
UDIN: 22206439AJVNXN6083

Place: Hyderabad  
Date: May 29, 2022

## Re: IL&FS Engineering and Construction Company Limited

### “Annexure A” to the Independent Auditor’s Report on the standalone financial statements

(Referred to in paragraph (1) under “Report on Other Legal and Regulatory Requirements” of our Report of even date to the members of IL&FS Engineering and Construction Company Limited on the standalone financial statements for the year ended March 31, 2022.)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. With respect to Property, Plant and Equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The property, plant and equipment have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of their assets, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - (c) The title deeds of immovable properties included under the head Property, Plant and Equipment in the financial statements have been lodged with the lenders for working capital facility as security, we have not been provided with confirmation by the lenders in respect of holding of these title deeds as at the year end.
  - (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year and accordingly, paragraph 3(i)(d) of the Order is not applicable.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii.
  - (a) The management has conducted physical verification of inventories at reasonable intervals during the year. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.
  - (b) The Company had been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, from lenders on the basis of security of current assets. The Company is generally regular in filing quarterly statements with the lenders. There were no material discrepancies noted on the reconciliation of monthly returns/statements with the books of accounts of the Company. Refer Note 53 (ix) of Notes to financial statements.
- iii. According to the information and explanations given to us, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties during the year and accordingly paragraph 3(iii) of the Order is not applicable, at present.
- iv. According to the information and explanations furnished to us and in our opinion, the Company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013, in respect of grant of loans, investments made and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits to which the directions issued by the Reserve Bank of India and provisions of Section 73 to Section 76 or any other relevant provision of the Act and the Rules made there under, where applicable. Further no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal and accordingly paragraph 3(v) of the Order is not applicable, at present.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the construction industry and construction of roads and other infrastructure projects, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not made a detailed examination of the same.
- vii. With respect to statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year;

There were no arrears in respect of undisputed amounts payable in respect of goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax,

Cess and other material statutory dues as at March 31, 2022 for a period of more than six months from the date the same became payable, except for:

Name of the Statute	Nature of dues	Amount (Rs in Crore)	Period to which the amount relates	Due Date	Date of subsequent payment
Income Tax Act, 1961	Tax Deducted at Source	20.03	2018-19	Various dates	Not Paid
GST Act	GST	18.71	2017-18	Various dates	Not Paid
GST Act	GST	109.09	2018-19	Various dates	Not Paid

- b. According to the records of the Company, the amounts disputed by the Company and not deposited in respect of Income tax, Sales tax, Service tax, Duty of custom, Duty of excise, Value added tax and Cess, are as follows:

Name of the Statute	Nature of dues	Amount demand (Rs in Crore)	Period to which the amount relates (Assessment year)	Forum where dispute is pending
Haryana VAT	VAT (Ex parte)	32.42	2012-17	Asst commissioner, Haryana GST
Maharashtra Vat Act, 2002	VAT	32.12	2014-15 and 2016-17	Sales Tax Appeals Kolhapur, Maharashtra
U P VAT Act, 2008	VAT Assessment (Exparte)	100.31	2015-16 and 2016-17	Deputy Commissioner, Commercial Taxes, (GST), Lucknow
Telangana VAT	VAT	1.91	2014-15	Asst Commissioner (Audit), Punjagutta
Telangana VAT	VAT	1.53	2015-16	Asst Commissioner (Audit), Punjagutta
Telangana VAT	VAT	0.48	2005-06,2006-07 & 2007-08	Asst Commissioner (Audit), Punjagutta
Karnataka VAT	VAT	2.2	2017-18	Asst Commissioner (Audit), Bengaluru
Gujarat Assessment order	VAT	12	2016-17 and 2017-18	Asst Comm State Tax, Gandhinagar
Income Tax Act, 1961	Income Tax	39.49*	2007-08 to 2011-12	Commissioner of Income Tax (Appeals), Hyderabad

\* includes amount paid under protest Rs.38.59 Crore.

- viii. There were no transactions that were not recorded in books which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. a. The Company has defaulted in the repayment of loans, other borrowings and payment of interest to its lenders as at March 31, 2022. The Company has not taken any loan from the Government and not issued any debentures during the year.

Details of default in repayment of borrowings and interest recognised there on March 31, 2022 are given below:

#### Term Loans: Banks

Name of lender	Amount not paid on due date	Principal or interest	No. of Days delay or unpaid
ICICI Bank	46.30	Principal and interest	1006 – 1277 days
SBI (including SBH)	17.19	Principal and interest	1006 – 1096 days
Bank of Maharashtra	7.70	Principal and interest	1006 – 1277 days
IDBI Bank	6.61	Principal and interest	1096 – 1277 days
Bank of India	1.61	Principal and interest	1096 – 1185 days
Punjab National Bank	5.52	Principal and interest	1096 – 1277 days
Bank of Baroda	5.17	Principal and interest	1006 – 1277 days
Indian Overseas Bank	3.62	Principal and interest	1096 – 1277 days
Indian Bank	14.34	Principal and interest	731 – 1277 days

## Working Capital Loans: Cash Credit from Banks

Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid
Indian Bank	63.44	Principal	1262 days from 16th Oct 2018 to 31st Mar 22
Bank of India	19.29	Principal	
Bank of Maharashtra	23.09	Principal	
ICICI	69.62	Principal	
IDBI	20.22	Principal	
Indian Overseas Bank	33.37	Principal	
Punjab National Bank	54.10	Principal	
State Bank of India	183.27	Principal	
Bank of Baroda	36.80	Principal	

## Borrowings from Financial Institutions (Promoter Group entities):

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid
Secured/unsecured borrowings	Infrastructure Leasing & Financial Services Limited	1655.07	Principal	562 to 1279 days
Secured/unsecured borrowings	IL&FS Financial Services Limited	128.40	Principal	743 to 1290 days
Secured/unsecured borrowings	IL&FS Transportation Networks Limited	78.00	Principal	727 to 1149 days
Secured/unsecured borrowings	Tierra Enviro Limited	39.40	Principal	1402 to 1459 days
Secured/unsecured borrowings	IL&FS Cluster Development Initiative Limited	15.00	Principal	1096 days
Secured/unsecured borrowings	Sabarmati Capital One Limited	11.60	Principal	1307 to 1311 days
Secured/unsecured borrowings	IL&FS Airports Limited	37.60	Principal	824 to 1011 days
Secured/unsecured borrowings	Rohtas Bio Energy Limited	62.00	Principal	918 days
Secured/unsecured borrowings	RIDCOR Infra Projects Limited	20.00	Principal	731 days

The above details of Interest Defaults to Banks and Financial Institutions is exclusive of interest default of Rs.1284.80 Crores and default in redemption of Optionally convertible cumulative redeemable preference shares Rs. 39.75 Crores.

- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c. The Company has not taken any term loan during the year. Based on the information available and in our opinion, term loans availed during the earlier years have not been applied for the purpose other than for which they were availed.
  - d. On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.
  - f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible), and accordingly, paragraph 3(x)(b) of the Order is not applicable.

- xi.
- (a) During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management under report.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of Section 192 of the Act, are not applicable.
- xvi.
- a) Based on the information and explanations furnished to us, in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.
  - b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities.
  - c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
  - d) We have not received from the Company, necessary information / confirmation to enable us to state whether the Group of which it is a constituent, has any Core Investment Company in the Group.
- xvii. The Company has incurred Rs.611 Crores cash losses during the financial year covered by our audit and Rs.540 Crores immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year, accordingly paragraph 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, and significant reduction in the Company's future income from operations in the absence of new business orders and the other matters stated in the Note 30 to financial statements, in our opinion, there exists a material uncertainty which cast a significant doubt on the Company's ability to continue as a going concern, and therefore it may not be able to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Company to continue as a going concern is solely dependent on the finalisation and approval of the resolution plan, which is not wholly within the control of the Company.
- xx. In our opinion, provisions of Section 135 of the Act is not applicable to the Company at present. Accordingly, paragraph 3(xx) (a) and (b) of the Order is not applicable

**For M. Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration Number: 000459S  
Sd/-  
**M V Ramana Murthy**  
Partner  
Membership Number: 206439  
UDIN: 22206439AJVNXN6083

Place: Hyderabad  
Date: May 29, 2022

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

### **“Annexure B” to the Independent Auditor’s Report on the standalone financial statements**

(Referred to in paragraph 2 (h) under “Report on Other Legal and Regulatory Requirements” of our Report of even date to the members of IL&FS Engineering and Construction Company Limited)

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)**

We have audited the internal financial controls over financial reporting of IL&FS Engineering and Construction Company Limited (‘the Company’) as of March 31, 2022 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements

for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2022:

- a. The Company's internal financial control system with regard to non-recognition of interest expense on the borrowings without a formal approval from lenders was not operating effectively. This could potentially result in misstatement in the financial statement by way of company not providing for interest expenses that may be required.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2022, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended on March 31, 2022, and the material weaknesses has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the financial statements of the Company.

For **M. Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration Number: 000459S

Sd/-  
**M V Ramana Murthy**  
Partner  
Membership Number: 206439  
UDIN: 22206439AJVNXN6083

Place: Hyderabad  
Date: May 29, 2022

# Standalone Balance Sheet as at March 31, 2022

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

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	48.95	71.85
Right-of-use-assets	44	-	0.28
Intangible assets	5	-	-
<b>Financial assets</b>			
Investments	6	43.14	39.42
Trade receivables	7	25.23	27.33
Loans	8	19.31	19.31
Other financial assets	9	231.08	255.18
Deferred tax assets, net	13	-	242.99
Current tax assets, net	13	25.26	67.75
Other non-current assets	12	641.83	742.22
		<b>1,034.79</b>	<b>1,466.32</b>
<b>Current assets</b>			
Inventories	11	21.74	37.72
<b>Financial assets</b>			
Trade receivables	7	75.81	134.09
Cash and cash equivalents	10	103.95	66.94
Bank balances other than cash and cash equivalents	10	227.77	193.84
Other financial assets	9	13.95	12.12
Current tax assets, net	13	43.14	31.17
Other current assets	12	392.91	494.55
		<b>879.27</b>	<b>970.43</b>
		<b>1,914.07</b>	<b>2,436.75</b>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	131.12	131.12
Other equity	15	(3,109.01)	(2,722.49)
		<b>(2,977.89)</b>	<b>(2,591.37)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liability		-	-
Long-term borrowings	16	-	-
Trade payables	18	-	-
Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		217.03	163.79
Other financial liabilities	19	40.58	56.16
Provisions	20	18.34	99.49
		<b>275.96</b>	<b>319.44</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liability	44	-	0.29
Short-term borrowings	17	2,668.83	2,669.15
Trade payables	18	-	-
Total outstanding dues of Micro Enterprises and Small Enterprises		6.04	6.91
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		734.45	725.73
Other financial liabilities	19	976.15	1,009.46
Provisions	20	47.21	54.93
Other current liabilities	21	183.31	242.21
		<b>4,616.01</b>	<b>4,708.68</b>
		<b>1,914.07</b>	<b>2,436.75</b>
<b>Total equity and liabilities</b>			

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.**

Chartered Accountants

Firm Registration Number: 000459S

Sd/-

**M.V. Ramana Murthy**

Partner

Membership No: 206439

Sd/-

**Chandra Shekhar Rajan**

Director

DIN: 00126063

Sd/-

**Kazim Raza Khan**

Chief Executive Officer

For and on behalf of the board of directors of

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

Sd/-

**Manish Kumar Agarwal**

Director

DIN: 02885603

Sd/-

**Naveen Kumar Agrawal**

Chief Financial Officer

Sd/-

**Sistla Srinivasa Kiran**

Company Secretary

Place: Hyderabad  
Date: May 29, 2022

# Standalone Statement of Profit and Loss for the year ended March 31, 2022

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

	Notes	For the year ended	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Revenue from operations	22	307.64	332.74
Other income	23	71.04	45.02
<b>Total revenue</b>		<b>378.68</b>	<b>377.76</b>
<b>Expenses</b>			
Cost of materials consumed	24	100.35	91.02
Employee benefits expenses	25	43.63	48.97
Subcontract expense		97.63	140.70
Finance costs	26	46.00	42.70
Depreciation and amortization expense	27	13.55	18.99
Other expenses	28(a)	73.22	38.16
Expected credit loss and other provisions	28(b)	211.21	235.28
<b>Total expenses</b>		<b>585.60</b>	<b>615.82</b>
<b>Loss Before Exceptional Items and Tax</b>		<b>(206.92)</b>	<b>(238.06)</b>
Exceptional Items (Net)	54	179.43	47.58
<b>Loss before tax (I-II)</b>		<b>(386.35)</b>	<b>(285.64)</b>
<b>Tax expense</b>	13		
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
<b>Loss for the year</b>		<b>(386.35)</b>	<b>(285.64)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to statement of profit or loss			
Remeasurements of the net defined benefit liability/asset	35	(0.17)	0.71
<b>Other comprehensive income, net of tax</b>		<b>(0.17)</b>	<b>0.71</b>
<b>Total comprehensive income for the year</b>		<b>(386.52)</b>	<b>(284.93)</b>
Earnings per equity share [Nominal value of share Rs. 10 (March 31, 2021 : Rs. 10)]	29		
Basic and diluted		(29.46)	(21.78)

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.

Chartered Accountants  
Firm Registration Number: 000459S

Sd/-  
**M.V. Ramana Murthy**  
Partner  
Membership No: 206439

Sd/-  
**Chandra Shekhar Rajan**  
Director  
DIN: 00126063

Sd/-  
**Kazim Raza Khan**  
Chief Executive Officer

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

Sd/-  
**Manish Kumar Agarwal**  
Director  
DIN: 02885603

Sd/-  
**Naveen Kumar Agrawal**  
Chief Financial Officer

Sd/-  
**Sistla Srinivasa Kiran**  
Company Secretary

Place: Hyderabad  
Date: May 29, 2022

# Standalone cash flow statement for the year ended March 31, 2022

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

	For the year ended	
	March 31, 2022	March 31, 2021
<b>A. Cash flow from operating activities</b>		
<b>Loss before tax</b>	(386.35)	(285.64)
<b>Adjustment: Non cash adjustments to reconcile loss before tax to net cash flows</b>		
Reversal for estimated future loss on projects	(74.29)	(6.99)
Depreciation and amortization expense	13.55	21.48
Provision for advances, trade receivables, other assets, future loss and impairment of property, plant and equipment	211.21	202.64
Provision/liabilities no longer required written back	(51.30)	(15.89)
Exceptional Item	179.43	47.58
Interest income from financial assets carried at amortised cost	(3.72)	(3.34)
Interest expense from financial liabilities carried at amortised cost	0.01	0.07
Interest expense	45.99	42.63
Interest income	(10.15)	(13.28)
<b>Operating before working capital changes</b>	<b>(75.61)</b>	<b>(10.74)</b>
<b>Movement in working capital adjustments</b>		
(Increase) / decrease in inventories	15.98	14.50
(Increase) / decrease in trade receivables	111.68	26.77
(Increase) / decrease in loans	0.00	(0.35)
(Increase) / decrease in other financial assets	22.27	29.32
(Increase) / decrease in other non financial assets	(9.18)	301.82
Increase / (decrease) in provision	(14.75)	(153.81)
Increase / (decrease) in trade payables	61.13	(72.08)
Increase / (decrease) in other financial liabilities	(228.32)	(69.70)
Increase / (decrease) in other liabilities	(58.90)	(42.77)
<b>Cash generated from operating activities</b>	<b>(175.70)</b>	<b>22.96</b>
Tax expense (net)	<b>273.51</b>	<b>12.66</b>
<b>Net cash from operating activities (A)</b>	<b>97.81</b>	<b>35.62</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	-	(4.44)
(Deposit) / proceeds from bank deposits (having original maturity of more than three months)	(33.93)	-
Sale Proceeds from Fixed Assets	9.62	-
Interest received	10.15	13.28
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>(14.16)</b>	<b>8.84</b>
<b>C. Cash flow from financing activities</b>		
Proceeds/Repayment from short-term borrowings (net)	(0.32)	(1.81)
Interest paid/BG commission	(46.28)	(42.63)
<b>Net cash flow used in financing activities (C)</b>	<b>(46.60)</b>	<b>(44.44)</b>
Net increase in cash and cash equivalents (A + B + C)	37.06	0.01
Cash and cash equivalents at the beginning of the year	66.94	66.93
<b>Cash and cash equivalents at the end of the year (Refer below for break-up)</b>	<b>104.00</b>	<b>66.94</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand	0.05	0.08
With banks - on current accounts	103.95	66.86
<b>Total Cash and cash equivalents (as per Ind AS 7)</b>	<b>104.00</b>	<b>66.94</b>

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.**

Chartered Accountants

Firm Registration Number: 000459S

**M.V. Ramana Murthy**

Partner

Membership No: 206439

Sd/-

**Chandra Shekhar Rajan**

Director

DIN: 00126063

Sd/-

**Kazim Raza Khan**

Chief Executive Officer

For and on behalf of the board of directors of

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

Sd/-

**Manish Kumar Agarwal**

Director

DIN: 02885603

Sd/-

**Naveen Kumar Agrawal**

Chief Financial Officer

Sd/-

**Sistla Srinivasa Kiran**

Company Secretary

Place: Hyderabad

Date: May 29, 2022

# Standalone Statement of changes in equity for the years ended March 31, 2022

(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, 2020		13,11,21,078	131.12
Changes in equity share capital during year	14	-	-
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

## B. Other equity

	Reserves and Surplus		Items of Other Comprehensive Income (OCI)		Total
	Securities premium account	Retained earnings	Foreign currency translation reserve	Other items of OCI	
<b>Balance as at March 31, 2020</b>	<b>282.28</b>	<b>(2,722.25)</b>	<b>-</b>	<b>2.42</b>	<b>(2,437.56)</b>
Loss for the year	-	(285.64)	-	-	(285.64)
Remeasurement of the net defined benefit liability / assets, net of tax effect			-	0.71	0.71
<b>Balance as at March 31, 2021</b>	<b>282.28</b>	<b>(3,007.89)</b>	<b>-</b>	<b>3.13</b>	<b>(2,722.49)</b>
Loss for the year	-	(386.52)	-	-	(386.52)
<b>Balance as at March 31, 2022</b>	<b>282.28</b>	<b>(3,394.40)</b>	<b>-</b>	<b>3.13</b>	<b>(3,109.01)</b>

The accompanying notes are an integral part of the standalone financial statements  
As per our report of even date

**For M Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration Number: 000459S

Sd/-

**M.V. Ramana Murthy**  
Partner  
Membership No: 206439

Sd/-  
**Chandra Shekhar Rajan**  
Director  
DIN: 00126063

Sd/-  
**Kazim Raza Khan**  
Chief Executive Officer

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

Sd/-  
**Manish Kumar Agarwal**  
Director  
DIN: 02885603

Sd/-  
**Naveen Kumar Agrawal**  
Chief Financial Officer

Sd/-  
**Sistla Srinivasa Kiran**  
Company Secretary

Place: Hyderabad  
Date: May 29, 2022

# Notes to standalone financial statements for the year ended March 31, 2022

(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 29, 2022.

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, 2022 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:

# Notes to standalone financial statements for the year ended March 31, 2022

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

- 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.

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.

Further information about the assumptions made in the measuring fair values is included in the note 47 on financial instruments.

## 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:

- 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.
- 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

# Notes to standalone financial statements for the year ended March 31, 2022

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

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.
- (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.

# Notes to standalone financial statements for the year ended March 31, 2022

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

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.

### (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

# Notes to standalone financial statements for the year ended March 31, 2022

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

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.

## (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

# Notes to standalone financial statements for the year ended March 31, 2022

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

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.

## (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.

# Notes to standalone financial statements for the year ended March 31, 2022

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

## (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.

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

# Notes to standalone financial statements for the year ended March 31, 2022

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

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 sole 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.

## 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.

# Notes to standalone financial statements for the year ended March 31, 2022

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

## 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. For the disclosure on reportable segments Refer note 33.

## (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.

## (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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

## Notes to standalone financial statements for the year ended March 31, 2022

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

### (i) Ind AS 16 - Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

### (ii) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

# Notes to standalone financial statements for the year ended March 31, 2022

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

## 4. Property, plant and equipment

	Land	Temporary erec- tions - site offices	Plant, and machinery -construction equip- ment*	Office equipment	Tools and implements	Data processing equipments	Furni- ture and fixtures	Vehicles	Total - tangible assets
<b>Cost or deemed cost</b>									
<b>Balance as at March 31, 2020</b>	4.78	45.89	169.30	3.52	2.82	2.40	2.53	3.29	234.52
Additions	-	-	4.20	0.00	0.16	0.08	0.00	-	4.44
Disposals/adjustment	-	-	(2.68)	-	-	-	-	-	(2.68)
<b>Balance as at March 31, 2021</b>	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)
<b>Balance as at March 31, 2022</b>	4.78	32.07	67.44	2.64	0.82	1.76	1.74	2.69	113.92
<b>Accumulated depreciation</b>									
<b>Balance as at March 31, 2020</b>	-	42.78	92.39	2.61	2.77	1.95	1.61	2.20	146.30
Charge for the year	-	0.75	16.43	0.38	-	0.19	0.24	0.32	18.32
Disposals/adjustment	-	(0.19)	-	-	-	-	-	-	(0.19)
<b>Balance as at March 31, 2021</b>	-	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)
<b>Balance as at March 31, 2022</b>	-	29.80	26.94	2.32	0.76	1.54	1.33	2.28	64.97
<b>Carrying amounts (net)</b>									
<b>As at March 31, 2021</b>	4.78	2.55	62.00	0.53	0.21	0.34	0.68	0.77	71.85
<b>As at March 31, 2022</b>	4.78	2.27	40.50	0.32	0.06	0.22	0.41	0.41	48.95

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

" 1. Plant and machinery - construction equipment includes shuttering and scaffolding material [Rs. 16.79 (March 31, 2021 : Rs. 25.86)].

Net block value of this shuttering and scaffolding material is Rs. 2.04 (March 31, 2021: Rs. 6.18).

Also refer to note 16, 17 and 44

## Notes to standalone financial statements for the year ended March 31, 2022

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

### 5. Intangible assets

	Mining rights	Computer software	Total intangible assets
<b>Cost or deemed cost (gross carrying amount)</b>			
<b>As at March 31, 2020</b>	<b>6.10</b>	<b>1.19</b>	<b>7.29</b>
Additions	-	-	-
Disposals	-	-	-
<b>As at March 31, 2021</b>	<b>6.10</b>	<b>1.19</b>	<b>7.29</b>
Additions			
Disposals			
<b>As at March 31, 2022</b>	<b>6.10</b>	<b>1.19</b>	<b>7.29</b>
<b>Accumulated amortization</b>			
As at March 31, 2020	6.10	1.18	7.28
Charge for the year	-	0.01	0.01
Disposal during the year	-	-	-
<b>As at March 31, 2021</b>	<b>6.10</b>	<b>1.19</b>	<b>7.29</b>
Charge for the year			
Disposal during the year			
<b>As at March 31, 2022</b>	<b>6.10</b>	<b>1.19</b>	<b>7.29</b>
<b>Carrying amounts (net)</b>			
<b>As at March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 6. Non-current Investments

	As at March 31, 2022	As at March 31, 2021
<b>A. At cost less provision other than temporary impairment (Unquoted investments)</b>		
<b>(i) Investment in subsidiaries - equity shares (fully paid-up)</b>		
50,000 (March 31, 2021 : 50,000) of Rs. 10 each in Maytas Infra Assets Limited (at cost less provision Rs. 0.05 (March 31, 2021 : Rs. 0.05))	-	-
50,000 (March 31, 2021 : 50,000) of Rs. 10 each in Maytas Vasishta Varadhi Limited (at cost less provision Rs. 0.05 (March 31, 2021 : Rs. 0.05))	-	-
49,995 (March 31, 2021: 49,995) of Rs. 10 each in Maytas Metro Limited (at cost less provision Rs. 0.05 (March 31, 2021 : Rs. 0.05))	-	-
1,000 (March 31, 2021: 1,000) of Rs. 100 each in Angeerasa Greenfields Private Limited (at cost less provision Rs. 0.01 (March 31, 2021 : Rs. 0.01))	-	-
1,000 (March 31, 2021 : 1,000) of Rs. 100 each in Saptaswara Agro - Farms Private Limited (at cost less provision Rs. 0.01 (March 31, 2021 : Rs. 0.01))	-	-
1,000 (March 31, 2021: 1,000) of Rs. 100 each in Ekadanta Greenfields Private Limited (at cost less provision Rs. 0.01 (March 31, 2021 : Rs. 0.01))	-	-
27,500 (March 31, 2021 : 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, 2021: Rs. 33.19) @	-	-
<b>(ii) Investment in fellow subsidiary - equity shares (fully paid-up)</b>		
7,750 (March 31, 2021: 7,750) of Rs. 100 each in Hill County Properties Limited (at cost less provision Rs. 0.08 (March 31, 2021 : Rs. 0.08))	-	-
<b>(iii) Investment in association of persons#</b>		
Maytas NCC JV	11.83	11.83
NCC – Maytas (JV) Pocharam [net of provision of Rs. 0.92 (March 31, 2021: Rs. 0.92)]	-	-
Maytas – CTR (JV) [ net of provision of Rs.3.27 (March 31, 2021 : Rs.3.27)]	-	-
NCC – Maytas – ZVS (JV)	0.25	0.25

## Notes to standalone financial statements for the year ended March 31, 2022

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

<b>B. At amortised cost (Unquoted investments)</b>		
Investment in other entities		
(a) In preference shares (fully paid-up)		
4,550,000 (March 31, 2021: 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, 2021: 4.55))	-	-
2,441,850 (March 31, 2021: 2,441,850) 9% cumulative optionally convertible redeemable preference shares of Rs. 100 each in Bangalore Elevated Tollway Private Limited*	16.55	14.54
(b) In debentures (fully paid-up)		
25,370,630 (March 31, 2021: 25,370,630) 0.001% Non-convertible debentures of Rs. 10 each in Bangalore Elevated Tollway Private Limited	14.51	12.80
<b>C. At fair value through profit and loss (Unquoted investments)</b>		
Investment in other entities		
(a) In equity shares (fully paid-up)		
4,000,000 (March 31, 2021) of Rs. 10 each in KVK Power and Infrastructure Private Limited (at cost less provision Rs. 4.00 (March 31, 2021: Rs. 4.00))	-	-
2,600 (March 31, 2021) of Rs. 10 each in Gulbarga Airport Developers Private Limited	-	-
2,600 (March 31, 2021) of Rs. 10 each in Shimoga Airport Developers Private Limited	-	-
(b) In Pass Through Certificates (refer note 46 and 54)		
2,596,675.29 (March 31, 2021: 2,596,675.29) of Rs. 1,000 each in Maytas Investment Trust* (at cost less provision Rs. 259.67 (March 31, 2021: Rs. 259.67))	-	-
	43.14	39.42

Aggregate amount of provision for diminution in value of investments is Rs. 303.85 (March 31, 2021: Rs. 303.85)

\*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

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good*	101.04	161.42
Doubtful	261.05	229.45
	<b>362.09</b>	<b>390.87</b>
<b>Less: Allowance</b>		
For Expected credit loss and for doubtful debts	(261.05)	(229.45)
	<b>(261.05)</b>	<b>(229.45)</b>
<b>Net trade receivables</b>	<b>101.04</b>	<b>161.42</b>
Non current trade receivables	25.23	27.33
Current trade receivables	75.81	134.09

#### 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)
<b>Total</b>						<b>101.04</b>

# Notes to standalone financial statements for the year ended March 31, 2022

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

## As at March 31, 2021

	Less than 6 Months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables – considered good	-	-	79.64	8.12	2.04	89.80
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	26.90	7.09	2.43	36.42
Disputed Trade receivables - considered good	-	-	42.34	4.15	25.17	71.66
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	14.14	51.61	127.25	192.99
Less: Provision for Expected Credit loss and for doubtful debts	-	-	-	-	-	(229.45)
<b>Total</b>						<b>161.42</b>

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, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
<b>Loans to related parties (Refer note 37)</b>				
Unsecured, considered good	0.01	-	0.01	-
Considered doubtful	192.94	-	192.94	-
	<b>192.95</b>	-	<b>192.95</b>	-
Provision for doubtful advances	(192.94)	-	(192.94)	-
	<b>0.01</b>	-	<b>0.01</b>	-
<b>Loan to other companies</b>				
Secured, considered good	19.30	-	19.30	-
Considered doubtful	45.23	-	45.23	-
	<b>64.53</b>	-	<b>64.53</b>	-
Provision for doubtful advances	(45.23)	-	(45.23)	-
	<b>19.30</b>	-	<b>19.30</b>	-
<b>Inter-corporate deposits* (Refer note 49)</b>				
Considered doubtful	323.78	-	323.78	-
	<b>323.78</b>	-	<b>323.78</b>	-
Provision for doubtful advances	(323.78)	-	(323.78)	-
	-	-	-	-
<b>Total</b>	<b>19.31</b>	-	<b>19.31</b>	-

\* includes Inter-corporate deposits to Angeerasa Greenfields Private Limited (a subsidiary of the Company) Rs. 50 (March 31, 2021 : Rs. 50) (Refer note 37).

# Notes to standalone financial statements for the year ended March 31, 2022

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

## 9. Financial assets - other financial assets

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
<b>Interest accrued on deposits and others</b>				
Considered good	199.13	13.93	209.69	11.90
Considered doubtful	70.68	-	68.20	-
	<b>269.81</b>	<b>13.93</b>	<b>277.89</b>	<b>11.90</b>
Provision for doubtful interest accrued	(70.68)	-	(68.20)	-
	<b>199.13</b>	<b>13.93</b>	<b>209.69</b>	<b>11.90</b>
<b>Claim for performance bank guarantee</b>				
Considered good	1.56	-	7.08	-
Considered doubtful	21.12	-	21.12	-
	<b>22.68</b>	<b>-</b>	<b>28.20</b>	<b>-</b>
Provision for doubtful bank guarantee	(21.12)	-	(21.12)	-
	<b>1.56</b>	<b>-</b>	<b>7.08</b>	<b>-</b>
<b>Other receivables</b>				
Considered good	6.19	0.02	14.15	0.22
Considered doubtful	12.18	-	4.51	-
	<b>18.37</b>	<b>0.02</b>	<b>18.66</b>	<b>0.22</b>
Provision for doubtful other receivables	(12.18)	-	(4.51)	-
	<b>6.19</b>	<b>0.02</b>	<b>14.15</b>	<b>0.22</b>
<b>Non-current bank balances (Refer note 10)</b>	<b>24.20</b>	<b>-</b>	<b>24.26</b>	<b>-</b>
<b>Total</b>	<b>231.08</b>	<b>13.95</b>	<b>255.18</b>	<b>12.12</b>

## 10. Cash and bank balances

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
<b>Cash and cash equivalents</b>				
Cash on hand	-	0.05	-	0.08
<b>Balances with banks:</b>				
On current accounts	-	103.90	-	66.86
	-	<b>103.95</b>	-	<b>66.94</b>
<b>Other bank balances</b>				
Deposits account due to mature of more than 12 months of reporting date *	-	227.77	13.90	180.00
Margin money deposits **	24.20	-	10.36	13.84
	<b>24.20</b>	<b>227.77</b>	<b>24.26</b>	<b>193.84</b>
Amount disclosed under non-current financial assets (Refer note 9)	(24.20)	-	(24.26)	-
<b>Total</b>	<b>-</b>	<b>331.72</b>	<b>-</b>	<b>260.78</b>

\* Deposits under lien

\*\* Lodged with authorities

# Notes to standalone financial statements for the year ended March 31, 2022

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

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

	As at March 31, 2022	As at March 31, 2021
Project materials	21.74	37.72
<b>Total</b>	<b>21.74</b>	<b>37.72</b>

## 12. Other assets

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
<b>Deposits (others)#</b>				
Unsecured, considered good	2.17	2.25	0.76	17.86
Considered doubtful	19.87	-	5.58	-
	<b>22.05</b>	<b>2.25</b>	<b>6.34</b>	<b>17.86</b>
Provision for doubtful deposits (others)	(19.87)	-	(5.58)	-
	<b>2.17</b>	<b>2.25</b>	<b>0.76</b>	<b>17.86</b>
<b>Advances to vendor (other than capital advances) and prepaid expense</b>				
Unsecured, considered good	11.17	42.86	51.82	47.52
Considered doubtful	146.63	-	146.63	-
	<b>157.80</b>	<b>42.86</b>	<b>198.45</b>	<b>47.52</b>
Provision for doubtful advances	(146.63)	-	(146.63)	-
	<b>11.17</b>	<b>42.86</b>	<b>51.82</b>	<b>47.52</b>
<b>Balances with statutory/government authorities</b>	36.56	104.87	36.56	65.30
<b>Contract assets</b>				
Retention money (Refer note 34 and 48)				
Considered good	288.49	90.28	275.69	158.17
Considered - Doubtful	85.49	-	80.65	-
	<b>373.98</b>	<b>90.28</b>	<b>356.34</b>	<b>158.17</b>
Provision for doubtful	(85.49)	-	(80.65)	-
	<b>288.49</b>	<b>90.28</b>	<b>275.69</b>	<b>158.17</b>
<b>Project work-in-progress (Refer note 34 and 48)</b>				
Considered good	303.44	152.65	377.39	205.70
Considered - Doubtful	575.00	-	499.41	-
	<b>878.44</b>	<b>152.65</b>	<b>876.80</b>	<b>205.70</b>
Provision for doubtful	(575.00)	-	(499.41)	-
	<b>303.44</b>	<b>152.65</b>	<b>377.39</b>	<b>205.70</b>
<b>Total</b>	<b>641.83</b>	<b>392.91</b>	<b>742.22</b>	<b>494.55</b>

# Security deposit (current) for the year includes Rs. 11.63 (March 31, 2021: Nil) of short-term deposits placed with related parties, same have been fully provided during the year (Refer note 37).

## 13. Income tax

### (a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets as at		Deferred tax liabilities as at		Deferred tax assets / (liabilities), net as at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unabosbed depreciation	-	109.86	-	-	-	109.86
Provision for doubtful debts, financial and other assets	-	90.09	-	-	-	90.09
Property, plant and equipment	-	5.16	-	-	-	5.16
Provisions for future losses and liquidated damages	-	29.28	-	-	-	29.28
Other items	-	8.60	-	-	-	8.60
<b>Total</b>	<b>-</b>	<b>242.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242.99</b>

## Notes to standalone financial statements for the year ended March 31, 2022

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

- (b) The following table provides the details of income tax assets and income tax liabilities as of March 31, 2022 and March 31, 2021

	As at March 31, 2022	As at March 31, 2021
Income tax assets (net) - current	43.14	31.17
Income tax assets (net) - non-current	25.26	67.75
Current tax liabilities (net)	-	-
<b>Net income tax asset / (liability) at the end of the year</b>	<b>68.40</b>	<b>98.92</b>

- (c) The gross movement in the current income tax asset / (liability) for the year ended March 31, 2022 and March 31, 2021 is as follows:

	For the year ended	
	As at March 31, 2022	As at March 31, 2021
Net income tax asset / (liability) at the beginning of the year	98.92	111.58
Income tax paid (net of refund)	(25.42)	(12.66)
Provision for TDS Receivables	(5.10)	-
<b>Net income tax asset / (liability) at the end of the year</b>	<b>68.40</b>	<b>98.92</b>

- (d) Reconciliation of effective tax rate

Loss before tax	(386.35)	(285.64)
Tax using the Company's domestic rate (March 31, 2022 : 25.63%)	(99.02)	(73.21)
<b>Tax effect of:</b>		
Current year losses for which no deferred tax assets is recognised	(99.02)	(73.21)
	<b>(99.02)</b>	<b>(73.21)</b>

### 14. Share capital

Authorized shares	As at March 31, 2022	As at March 31, 2021
350,000,000 (March 31, 2021 : 350,000,000) equity shares of Rs. 10 each	350.00	350.00
35,000,000 (March 31, 2021 : 35,000,000) preference shares of Rs. 100 each	350.00	350.00
<b>Issued, subscribed and paid up</b>		
131,121,078 (March 31, 2021 : 131,121,078) equity shares of Rs. 10 each fully paid-up	131.12	131.12
<b>Total</b>	<b>131.12</b>	<b>131.12</b>

All issued shares are fully paid up

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

	March 31, 2022		March 31, 2021	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
At the commencement of the year	13,11,21,078	131.12	13,11,21,078	131.12
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>13,11,21,078</b>	<b>131.12</b>	<b>13,11,21,078</b>	<b>131.12</b>

225,000 (March 31, 2021 : 225,000) 6% cumulative redeemable preference shares (CRPS) of Rs. 100 each fully paid-up total face value of Rs. 2.25 (March 31, 2021 : Rs. 2.25) are classified as financial liability (Refer note 16)

3,750,000 (March 31, 2021 : 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, 2021 : Rs. 37.50) are classified as financial liability (Refer note 16)

# Notes to standalone financial statements for the year ended March 31, 2022

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

## (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 will be 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.

## (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, 2022		As at March 31, 2021	
	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, 2022		As at March 31, 2021	
	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, 2022		As at March 31, 2021	
	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.

## Notes to standalone financial statements for the year ended March 31, 2022

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

### (g) Details of shares held by promoters

Name of shareholder	As at March 31, 2022		As at March 31, 2021		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%	0.00%
Infrastructure Leasing and Financial Services Limited	2,74,86,243	20.96%	2,74,86,243	20.96%	0.00%

### 15. Other equity

	As at March 31, 2022	As at March 31, 2021
Securities premium account		
Balance at the commencement of the year	282.28	282.28
<b>Closing balance (A)</b>	<b>282.28</b>	<b>282.28</b>
<b>Deficit in the statement of profit and loss</b>		
Balance at the commencement of the year	(3,007.90)	(2,722.26)
Loss from the Statement of profit and loss	(386.35)	(285.64)
<b>Net deficit in the statement of profit and loss (B)</b>	<b>(3,394.25)</b>	<b>(3,007.90)</b>
<b>Other comprehensive income</b>		
Balance at the commencement of the year	3.13	2.42
Remeasurement of the net defined benefit liability / assets, net of tax effect	(0.17)	0.71
<b>Closing balance (C)</b>	<b>2.96</b>	<b>3.13</b>
<b>Total closing balance (A+B+C)</b>	<b>(3,109.01)</b>	<b>(2,722.49)</b>

#### Nature and purpose of other reserves

Securities premium is used to record 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, 2022	As at March 31, 2021
	Current	Current
Term loans (secured) (At amortised cost)		
From banks		
Indian rupee term loans	78.71	78.71
<b>From others (At amortised cost)</b>		
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
<b>Unsecured (At amortised cost)</b>		
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
	<b>2,014.62</b>	<b>2,014.62</b>
<b>Amount disclosed under short term borrowings (Refer note 17)</b>	<b>(2,014.62)</b>	<b>(2,014.62)</b>
<b>Total</b>	<b>-</b>	<b>-</b>

- (a) The Company had obtained an approval for the Corporate Debt Restructuring (CDR) from the CDR Empowered Group in earlier years and the impact of the CDR scheme had been given in the financial statements of the year 2009-10.

## Notes to standalone financial statements for the year ended March 31, 2022

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

- (b) Indian rupee Term loans from banks to the extent of Rs. 34.71 (March 31, 2021: 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, 2021: Rs. 44.00) carry an interest rate of : 9.85 % to 10.50 % p.a. (March 31, 2021 : 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 March 31 every year.
FY 2018-19	40	
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, 2021 : 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, 2021: 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, 2021 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, 2021 : 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, 2021 : 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, 2021 : 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, 2021 : 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, 2021 : 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, 2021 : 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.

# Notes to standalone financial statements for the year ended March 31, 2022

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

- (e) Secured loans from IL&FS Financial Services Limited, related party amounting to Rs. 128.40 (March 31, 2021 : Rs. 128.40) the terms of which are as follows:
- (i) Loan to the extent of Rs. 80.40 (March 31, 2021 : 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, 2021 : 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, 2021 : 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, 2021 : 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 irrecoverably 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, 2021 : 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, 2021 : 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, 2021 : 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.
- (j) Finance lease obligation was secured by hypothecation of plant and machinery taken on lease. The interest rate implicit in the lease is 14% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 4 years.
- (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

# Notes to standalone financial statements for the year ended March 31, 2022

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

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).

## (I) 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
<b>Total</b>	<b>1,75,00,000</b>	<b>175.00</b>

\* 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.

## Notes to standalone financial statements for the year ended March 31, 2022

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

Details of default in repayment of borrowings from Banks as on March 31, 2022 and March 31, 2021 are given below:

Particulars	March 31, 2022		March 31, 2021	
	Amount of Default	Period of Default (No of days)	Amount of Default	Period of Default (No of days)
ICICI Bank	10.25	1277	10.25	912
	11.85	1185	11.85	820
	11.85	1096	11.85	731
	6.90	1006	6.90	641
SBI (including SBH)	6.45	1096	6.45	731
	2.78	1006	2.78	641
Bank of Maharashtra	1.67	1277	1.67	912
	1.67	1185	1.67	820
	1.67	1096	1.67	731
	0.95	1006	0.95	641
IDBI Bank	1.49	1277	1.49	912
	1.73	1185	1.73	820
	1.73	1096	1.73	731
Bank of India	0.39	1185	0.39	820
	0.39	1096	0.39	731
Punjab National Bank	0.80	1277	0.80	912
	0.80	1185	0.80	820
	0.80	1096	0.80	731
Bank of Baroda (Formally Vijaya Bank)	0.54	1277	0.54	912
	1.03	1185	1.03	820
	1.03	1096	1.03	731
	0.59	1006	0.59	641
Indian Overseas Bank	-	1277	-	912
	0.12	1185	0.12	820
	1.09	1096	1.09	731
Indian Bank (Formally Allahabad Bank)	2.84	1277	2.84	912
	2.84	1185	2.84	820
	2.84	1096	2.84	731
	1.62	731	1.62	366

Details of Interest Defaults to Banks as at March 31, 2022 and March 31, 2021 are as follows:

Particulars	March 31, 2022		March 31, 2021	
	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	Due date for interest is on various dates on monthly basis.	5.45	Due date for interest is on various dates on monthly basis.
SBI (including SBH)	7.96		7.96	
Bank of Maharashtra	1.74		1.74	
Bank of India	0.83		0.83	
IDBI Bank	1.66		1.66	
Punjab National Bank	3.12		3.12	
Bank of Baroda ( Formally Vijaya Bank)	1.98		1.98	
Indian Overseas Bank	2.41		2.41	
Indian Bank ( Formally Allahabad Bank)	4.20		4.20	

Details of default in repayment of borrowings from Financial Institutions (Promoter Group entities) as on March 31, 2022 and March 31, 2021 are given below:

Particulars	March 31, 2022		March 31, 2021	
	Amount of Default (Rs. Crores)	Period of Default (No of days)	Amount of Default (Rs. Crores)	Period of Default (No of days)
Infrastructure Leasing & Financial Services Ltd	39.70	1279	39.70	914
	30.00	1252	30.00	887
	84.00	1134	84.00	769
	181.80	992	181.80	627
	20.10	986	20.10	621
	16.50	986	16.50	621
	40.00	1010	40.00	645
	64.10	915	64.10	550
	7.00	854	7.00	489
	35.00	825	35.00	460
	50.00	770	50.00	405
	40.00	769	40.00	404
	237.90	765	237.90	400
	45.00	733	45.00	368
	112.00	671	112.00	306
	239.80	631	239.80	266
	38.50	620	38.50	255
	40.00	606	40.00	241
	215.00	588	215.00	223
	118.67	562	118.67	197
IL&FS Financial Services Limited	80.40	1290	80.40	925
	48.00	743	48.00	378
IL&FS Transportation Networks Limited	25.00	1149	25.00	784
	3.00	1127	3.00	762
	5.00	1122	5.00	757
	45.00	727	45.00	362
Tierra Enviro Limited	4.40	1402	4.40	1037
	35.00	1459	35.00	1094
IL&FS Cluster Development Initiative Limited	15.00	1096	15.00	731
Sabarmati Capital One Limited	4.60	1311	4.60	946
	7.00	1307	7.00	942
IL&FS Airport Ltd	30.60	824	30.60	459
	7.00	1011	7.00	646
Rohtas Bio Energy Limited	62.00	918	62.00	553
Ridcor	20.00	731	20.00	366

Details of Interest Defaults to Financial Institutions (Promoter Group entities) as on March 31, 2022 and March 31, 2021 are given below:

Particulars	March 31, 2022		March 31, 2021	
	Amount of Default (Rs. Crores)	Period of Default (No of days)	Amount of Default (Rs. Crores)	Period of Default (No of days)
Infrastructure Leasing & Financial Services Ltd	343.93	Due date for interest is on various dates on monthly basis.	343.93	Due date for interest is on various dates on monthly basis.
IL&FS Financial Services Limited	76.60		76.60	
IL&FS Transportation Networks Limited	5.85		5.85	
Tierra Enviro Limited	2.99		2.99	
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	

# Notes to standalone financial statements for the year ended March 31, 2022

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

## 17. Short-term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of long-term borrowings (refer note 16)	2,014.62	2,014.62
Cash credit facilities from banks (secured)	503.21	503.53
Loans related party (unsecured) (Refer note 37)	151.00	151.00
<b>Total</b>	<b>2,668.83</b>	<b>2,669.15</b>

(a) Cash credit from banks are repayable on demand and carries interest @ 9% p.a. to 13.80% p.a. (March 31, 2021: 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, 2021 : 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, 2021 : Rs. 249.84) additionally carry letter of comfort/support undertaking from Infrastructure Leasing and Financial Services Limited.

(b) Unsecured loan from related parties Rs. 150.99 (March 31, 2021 : Rs. 150.99) carries interest ranging from @ 15.50% p.a. to 16.50% p.a. (March 31, 2021: @ 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, 2022 and March 31, 2021 are given below:

Particulars	March 31, 2022		March 31, 2021	
	Amount of Default (Rs. Crores)	Period of Default (No of days)	Amount of Default (Rs. Crores)	Period of Default (No of days)
Indian Bank ( Formally Allahabad Bank)	63.44	1262 days from 16th oct 2018 to 31st Mar 22	63.44	897 days from 16th oct 2018 to 31st Mar 21
Bank of India	19.29		19.35	
Bank of Maharashtra	23.09		23.14	
ICICI	69.62		69.62	
IDBI	20.22		20.22	
Indian Overseas Bank	33.37		33.37	
Punjab National Bank	54.10		54.31	
State Bank of India	183.27		183.27	
Bank of Baroda ( Formally Vijaya Bank)	36.80		36.80	

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

## 18. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
Dues to micro and small enterprises	6.04	6.91
Dues to other than micro and small enterprises	951.49	889.52
<b>Total</b>	<b>957.53</b>	<b>896.43</b>
Non-current [includes retention money payable of Rs. 166.50 (March 31, 2021: Rs. 163.79)]	217.03	163.79
Current [includes retention money payable of Rs. 91.62 (March 31, 2021: Rs. 108.43)]	740.49	732.64

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

# Notes to standalone financial statements for the year ended March 31, 2022

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

## Trade payables Ageing Schedule

As at March 31, 2022					
Particulars	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
<b>Total</b>	<b>74.28</b>	<b>97.35</b>	<b>242.44</b>	<b>543.45</b>	<b>957.52</b>
As at March 31, 2021					
Total outstanding dues of micro enterprises and small enterprises	-	-	-	6.26	6.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	124.96	150.34	134.03	236.68	646.00
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	1.93	10.21	63.86	168.17	244.16
<b>Total</b>	<b>126.88</b>	<b>160.55</b>	<b>197.89</b>	<b>411.11</b>	<b>896.43</b>

## 19. Other financial liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Interest accrued and due on borrowings, mobilisation advance and delayed payment of statutory dues	-	573.90	-	604.56
Liability component of financial instruments (refer note 50)	-	15.79	-	15.79
Contract liabilities - mobilization advance (refer note 34)	40.58	386.46	56.16	389.11
<b>Total</b>	<b>40.58</b>	<b>976.15</b>	<b>56.16</b>	<b>1,009.46</b>

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

## 20. Provisions

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Provisions for employee benefits				
Gratuity (Refer note 35)	3.87	-	3.63	0.24
Compensated absences	-	5.45	-	4.55
<b>Total provisions for employee benefits (A)</b>	<b>3.87</b>	<b>5.45</b>	<b>3.63</b>	<b>4.79</b>
Other provisions				
Provision for estimated future loss on projects	14.47	40.60	95.86	36.38
Provision for liquidated damages	-	1.16	-	13.76
<b>Total other provisions (B)</b>	<b>14.47</b>	<b>41.76</b>	<b>95.86</b>	<b>50.14</b>
<b>Total provisions (A+B)</b>	<b>18.34</b>	<b>47.21</b>	<b>99.49</b>	<b>54.93</b>

Movements in other provisions	Estimated future loss on projects	Liquidated damages	Total
Balance as at April 1, 2020	91.30	13.76	105.06
Provisions made during the year	47.93	-	47.93
Provisions utilised during the year	(6.99)	-	(6.99)
<b>Balance as at March 31, 2021</b>	<b>132.24</b>	<b>13.76</b>	<b>146.00</b>
<b>Balance as at April 1, 2021</b>	<b>132.24</b>	<b>13.76</b>	<b>146.00</b>
Provisions made during the year	-	-	-
Provisions utilised during the year	(77.17)	(12.60)	(89.77)
<b>Balance as at March 31, 2022</b>	<b>55.07</b>	<b>1.16</b>	<b>56.23</b>

# Notes to standalone financial statements for the year ended March 31, 2022

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

## A. Provision for Estimated future loss on projects

The projects in progress as at March 31, 2022 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. 55.07 (March 31, 2021: Rs. 132.24).

## 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

Particulars	As at March 31, 2022	As at March 31, 2021
	Current	Current
Contract liabilities - Advance from customers	14.83	19.41
Contract liabilities - Advance billing from customers	11.39	52.25
Statutory dues (net of input tax credit on Goods and Services tax)	153.04	166.53
Interest payable to micro and small enterprises (Refer note 36)	4.05	4.02
	<b>183.31</b>	<b>242.21</b>

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
<b>22. Revenue from contracts with customers</b>		
Revenue from contracts	233.35	323.85
Revenue from equipment hiring services	-	1.90
Other operating revenue		
Reversal of provision for estimated future loss on projects (net) (Refer note 20)	74.29	6.99
	<b>307.64</b>	<b>332.74</b>
<b>23. Other income</b>		
Interest income on		
Bank deposits	7.02	6.46
Inter corporate deposits and others	3.13	6.82
Income tax refunds	3.32	2.59
Interest income from financial assets carried at amortised cost	3.72	3.34
Provision no longer required written back	48.71	15.89
Liabilities no longer required written back	2.59	-
Other non-operating income	2.55	9.92
	<b>71.04</b>	<b>45.02</b>
<b>24. Cost of materials consumed</b>		
Opening stock	37.67	52.22
Add: Purchases during the year	84.42	76.47
	122.09	128.69
Less: Closing stock	21.74	37.67
	<b>100.35</b>	<b>91.02</b>
<b>25. Employee benefits expenses</b>		
Salaries, wages and bonus	40.62	43.90
Contribution to provident fund and other funds (Refer note 35)	1.52	3.21
Gratuity (Refer note 35)	0.27	1.13
Compensated absences	0.23	0.19
Staff welfare expenses	0.99	0.54
	<b>43.63</b>	<b>48.97</b>

# Notes to standalone financial statements for the year ended March 31, 2022

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

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
<b>26. Finance costs</b>		
Interest expense		
Interest on Mob Advance/Others	40.91	33.33
Interest cost from financial liabilities carried at amortised cost	0.01	0.07
Bank charges (including BG commission)	5.09	9.30
	<b>46.00</b>	<b>42.70</b>
<b>27. Depreciation and amortization expense</b>		
Depreciation expense	13.26	18.32
Amortization expense	-	0.01
Depreciation on Right of use assets (Refer note 44 )	0.29	0.66
	<b>13.55</b>	<b>18.99</b>
<b>28(a). Other expenses</b>		
Rent (Refer note 44)	4.77	3.73
Rates and taxes	3.32	1.18
Office maintenance	2.21	1.73
Communication expenses	0.36	0.39
Printing and stationery	0.18	0.26
Legal and professional charges	7.50	5.85
Sitting fees	0.05	0.05
Travelling and conveyance	1.66	2.24
Business promotion	0.15	0.15
Auditor's remuneration (Refer note 42)	0.59	0.59
Loss on sale/discard/write off of fixed assets (net)	2.84	-
Site expenses	12.57	8.58
Hire charges	31.42	7.91
Freight and transportation	0.46	0.59
Insurance	3.56	3.91
Power and fuel	0.45	0.44
Repairs		
Plant and machinery	0.74	0.27
Others	0.29	0.29
Miscellaneous expenses	0.10	-
	<b>73.22</b>	<b>38.16</b>
<b>28(b). Expected credit loss and other provisions</b>		
Provision for advances, trade receivables, other assets, Contract assets and impairment of fixed assets	170.42	165.68
Provision for future loss (net) (Refer note 20)	40.79	36.96
Expected credit loss for trade receivables and contract assets	-	32.64
	<b>211.21</b>	<b>235.28</b>

## 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, 2022	March 31, 2021
Loss after tax attributable to equity shareholders	(386.35)	(285.64)
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	-	-
<b>Total number of shares outstanding at the end of the year</b>	<b>13,11,21,078</b>	<b>13,11,21,078</b>
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	10.00	10.00
Basic and diluted earnings per share	(29.46)	(21.78)

# Notes to standalone financial statements for the year ended March 31, 2022

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

## 30. Going Concern

The Company has accumulated loss of Rs.3,394.25 as at March 31, 2022 (as at March 31, 2021: Rs. 3007.90). The Company has incurred loss of Rs. 386.52 during the year ended March 31, 2022. Company's net worth has been fully eroded and the current liabilities exceed its current assets as at the balance sheet date by Rs. 3736.72 (March 31, 2021: Rs. 3738.25). Existing projects being executed by the Company are nearing completion / or approaching their end of term, which is likely to result in significant reduction in the Company's operating revenue over the past three year. The Company has continued to default in payment of various loans to the lenders of the Company, including borrowings from promoter group entities.

As indicated in Note 31(v), the Reconstituted Board of Directors of IL&FS in their reports to National Company Law Tribunal (NCLT) categorized Company under the Group "Red" implying that the Company is unable to meet its contractual, statutory and debt obligations. The Company is currently not settling liabilities existing prior to the date of reconstitution of Board of Directors of IL&FS to its Financial Creditors and the Operational Creditors.

Adverse developments in promoter group entities impacted the operations of the company and also resulted in cancellation/ termination/suspension/foreclosure of certain contracts with customers.

The Reconstituted Board and the management of the Company have taken various steps to continue the operations at present level during the period of calm granted by the Hon'ble NCLAT as part of resolution process. Further, the Reconstituted Board is in the process of finalizing a comprehensive approach to manage the current situation including sale of existing equity share holding by IL & FS Group. In this process, the Reconstituted Board, as part of resolution process for the Company, has invited expression of interest for acquiring the equity stake in the Company. In January 2022, a bid has been received from an unincorporated Consortium which will be subjected to challenge through counter bid under a Swiss Challenge method. The successful bid would then be taken 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 accompanying financial statement have been prepared on a going concern basis considering the cumulative impact of above stated matters and peace of calm granted by NCLAT.

## 31. Contingent liability

### (a) Contingent liabilities on account of pending litigations

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Claims against the Company not acknowledged as debts (interest, if any, not ascertainable after date of order)	12.11	12.11
(ii)	Direct taxes under dispute *	38.49	39.82
(iii)	Indirect taxes under dispute **#	185.59	104.71

\*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, 2021: 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) The Company formed Himachal Joint Venture (HJV) to execute an EPC project with National Hydro Power Corporation (Client). HJV subcontracted this work to SSJV Projects Private Limited (SSJV) and the work had been executed to the extent of Rs. 262.45 by SSJV. Due to the geographical conditions at site, work could not be done at the rates prescribed in the contract. HJV invoked arbitration clause for delays and extra-ordinary geological occurrence in executing the project. The Client en-cashed bank guarantees for an amount of Rs. 216.40 provided by SSJV and issued winding up notice to the Company as well as other joint venture partners. The Company vide its letter dated July 29, 2013 replied to the said notice stating that the matter is disputed and subjudice and would not be legally tenable. Client had filed a winding-up petition against Company and Joint venture partner vide CP 73/2014, which was dismissed. No appeal has been filed by client so far.

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

Subsequent to adverse developments at Infrastructure Leasing and Financial Services Limited ("IL&FS") and IL&FS group level, as stated in earlier years, various regulatory and investigatory authorities are seeking information from the company as part of their investigations since 2018-19 onwards. Company and the present management are cooperating with the respective authorities and submitting the information as sought from time to time.

# Notes to standalone financial statements for the year ended March 31, 2022

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

## (b) Other contingent liabilities

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Guarantees issued by bankers and financial institution (excluding performance obligations)	211.87	256.78
(ii)	Guarantees issued by bankers and financial institutions on behalf of the Consolidating entities towards performance obligations	427.57	517.95
(iii)	Corporate guarantees (including guarantees towards performance obligations of the Company)	633.48	636.48
(iv)	Liquidated damages	1.16	7.89

## 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, 2021: Nil).

### (b) Other Commitments:

- i. The Company has made a commitment to make additional investment of Rs. 49.64 (March 31, 2021: 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 undeterminable at this stage.

As the Company has not received any communication to meet any potential obligation to share further liability of the said subsidiary no provisions have been made in the books. An application to the Reserve Bank of India seeking approval to write-off its investment held in MISA has been made by the Company. Once the approval is in place, steps for writing off the investment, followed by closure of the MISA in Saudi would then be initiated.

- 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, 2021: 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

Particulars	March 31, 2022	March 31, 2021
Trade receivables	101.04	161.42
Contract assets - Project Work in progress	456.09	583.09
Contract assets - Retention money	378.77	433.86
Provision for estimated future losses on projects and liquidated damages	56.23	146.00
Contract liabilities	453.26	516.93

# Notes to standalone financial statements for the year ended March 31, 2022

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

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. 33.45

(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. 425, 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)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
<b>(i) Reconciliation of present value of defined benefit obligation</b>		
Opening defined benefit obligation	3.08	3.28
Current service cost	0.49	0.52
Interest cost on benefit obligation	0.21	0.22
Benefits paid	(0.20)	(0.21)
Actuarial (gain)/loss on obligation	0.17	(0.73)
<b>Closing defined benefit obligation</b>	<b>3.74</b>	<b>3.08</b>
<b>(ii) Reconciliation of present value of plan asset:</b>		
Opening fair value of plan assets	2.93	2.63
Expected return on plan assets	0.20	0.18
Expenses	-	-
Contributions by employer	1.21	0.36
Benefits paid	(0.37)	(0.23)
<b>Closing fair value of plan assets</b>	<b>3.97</b>	<b>2.93</b>

## Notes to standalone financial statements for the year ended March 31, 2022

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

<b>(iii) Reconciliation of net defined benefit asset/(liability):</b>		
Present value of defined benefit obligation	(3.74)	(3.08)
Fair value of plan assets	3.97	2.93
Additional Provision*	(4.11)	(3.73)
<b>Plan Liability</b>	<b>(3.87)</b>	<b>(3.87)</b>
* Provision for gratuity as per management estimates.		

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
<b>II. Expenses recognised in the statement of profit and loss under employee benefit expense</b>		
Current service cost	0.49	0.52
Interest cost on benefit obligation	0.21	0.22
<b>Expected return on plan assets</b>	<b>(0.20)</b>	<b>(0.18)</b>
<b>Net benefit expense</b>	<b>0.49</b>	<b>0.56</b>
<b>III. Remeasurements recognised in statement of other comprehensive income</b>		
Net actuarial (gain)/ loss recognized in the year	0.17	(0.73)
<b>Profit/ (Loss) recognised in statement of other comprehensive income</b>	<b>0.17</b>	<b>(0.73)</b>
<b>IV. Amount recognised in the balance sheet:</b>		
Defined benefit obligation	3.74	3.08
Fair value of plan assets	(3.97)	(2.93)
Additional Provision*	4.11	3.73
<b>Closing liability</b>	<b>3.87</b>	<b>3.87</b>
*Additional Provision made by the management		

### V. Experience adjustment

Particulars	For the year ended				
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
On plan liabilities loss	3.74	3.08	3.28	3.61	4.28
On plan assets (gain) / loss	3.97	2.93	2.63	0.42	1.23
Surplus / (deficit)	0.23	(0.14)	(0.65)	(3.19)	(3.05)
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 March 31, 2022	As at March 31, 2021
Insurance fund		
(%) of total plan assets	100%	100%

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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.96%	6.88%
Increase in compensation cost	5.00%	5.00%
Attrition rate	7.00%	5.00%
Estimated rate of return on plan assets	6.80%	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 to standalone financial statements for the year ended March 31, 2022

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

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:

Particulars	(increase)/ decrease in defined benefit obligation		
	Sensitivity level	As at arch 31, 2022	As at March 31, 2021
Discount rate	1% increase	3.38	2.86
	1% decrease	3.78	3.32
Salary escalation rate	1% increase	3.77	3.33
	1% decrease	3.39	2.86

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

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(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	6.04	6.26
	Interest due on above	4.05	4.02
(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	4.05	4.02
(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

- 1 Maytas Infra Assets Limited
- 2 Maytas Vasishta Varadhi Limited
- 3 Maytas Metro Limited
- 4 Angeerasa Greenfields Private limited
- 5 Saptaswara Agro - Farms Private Limited
- 6 Ekadanta Greenfields Private Limited
- 7 Maytas Infra Saudi Arabia Company (Limited Liability Company), Saudi Arabia

# Notes to standalone financial statements for the year ended March 31, 2022

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

## **B Holding Company**

- 1 Infrastructure Leasing & Financial Services Limited \$

## **C Joint ventures (JV)**

- 1 NCC – Maytas (JV)
- 2 NEC – NCC – Maytas (JV)
- 3 Maytas – NCC (JV)
- 4 NCC – Maytas (JV) (Singapore Class Township)
- 5 Maytas – CTR (JV)
- 6 NCC – Maytas – ZVS (JV)
- 7 ITNL - IECCL JV

## **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).**

- 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. Chandra Shekhar Rajan, Director
- 2 Mr. Dilip Lalchand Bhatia, Director
- 3 Mr. Bijay Kumar, Director (till December 20, 2020)
- 4 Mr. Manish Kumar Agarwal (w.e.f January 15, 2021)
- 5 Mr. Jagadip Narayan Singh(w.e.f January 15, 2021)
- 6 Mr. Subrata Kumar Atindra Mitra (w.e.f January 15, 2021)
- 7 Mr. Kazim Raza Khan, Chief Executive Officer
- 8 Mr. Naveen Kumar Agrawal, Chief Financial Officer
- 9 Mr. Srinivasa Kiran Sistla, Company Secretary
- 10 Mr. Sushil Dudeja, Company Secretary (till January 31, 2019) ("the erstwhile")
- 11 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.

# Notes to standalone financial statements for the year ended March 31, 2022

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

## II. Transactions with related parties during the year#:

		For the year ended	
		As at March 31, 2022	As at March 31, 2021
<b>A</b>	<b>Subsidiaries</b>		
<b>1</b>	<b>Maytas Infra Assets Limited</b>		
	Expenses incurred on behalf of the party	0	0
<b>2</b>	<b>Maytas Vasishta Varadhi Limited</b>		
	Expenses incurred on behalf of the party	0	0
<b>3</b>	<b>Maytas Metro Limited</b>		
	Expenses incurred on behalf of the party	0	0
<b>4</b>	<b>Angeerasa Greenfields Private Limited</b>		
	Expenses incurred on behalf of the party	0	0
<b>5</b>	<b>Saptaswara Agro - Farms Private Limited</b>		
	Expenses incurred on behalf of the party	0	0
<b>6</b>	<b>Ekadanta Greenfields Private Limited</b>		
	Expenses incurred on behalf of the party	0	0
<b>B</b>	<b>Holding Company</b>		
	<b>Infrastructure Leasing &amp; Financial Services Limited</b>		
<b>1</b>	Rent expense	(0.23)	(1.32)
	Expenditure incurred on behalf of Company	0.00	(0.03)
<b>C</b>	<b>Joint Ventures (JV)</b>		
<b>1</b>	<b>Maytas - NCC (JV)</b>		
	Receipt of joint venture		
	Provision for doubtful advances		
<b>2</b>	<b>NCC - Maytas - ZVS JV</b>		
	Provision for doubtful advances		
<b>D</b>	<b>One entity is an Associate or fellow subsidiaries of Infrastructure Leasing &amp; 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).</b>		
<b>1</b>	<b>IL&amp;FS Transportation Networks Limited</b>		
	Lease rental charges (including interest on late payments)		
	Expenditure incurred on behalf of Company		
	Other Income - non operating Income	-	21.11
	Revenue from operations	-	41.50
<b>E</b>	<b>Key management personnel</b>		
<b>1</b>	<b>Mr. Kazim Raza Khan</b>		
	Remuneration (including perquisites)	(1.04)	(1.01)
<b>2</b>	<b>Mr. Naveen Kumar Agrawal</b>		
	Remuneration	(0.55)	(0.53)
<b>3</b>	<b>Mr.Sistla Srinivasa Kiran</b>		
	Remuneration	(0.15)	(0.14)
<b>4</b>	<b>Mr. Dilip Bhatia</b>		
	Sitting fees	(0.01)	(0.01)
<b>5</b>	<b>Mr. Chandra Shekhar Rajan</b>		
	Sitting fees	(0.01)	(0.01)
<b>6</b>	<b>Mr. Bijay Kumar</b>		
	Sitting fees	-	(0.01)
<b>7</b>	<b>Mr.Manish Kumar Agrawal</b>		
	Sitting fees	(0.01)	0
<b>8</b>	<b>Mr. Jagadip Narayan Singh</b>		
	Sitting fees	(0.01)	0
<b>9</b>	<b>Mr. Subrata Kumar Atindra Mitra</b>		
	Sitting fees	(0.01)	0

# Notes to standalone financial statements for the year ended March 31, 2022

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

## III. Balances outstanding debit / (credit) @:

		As at March 31, 2022	As at March 31, 2021
<b>A.</b>	<b>Subsidiaries (gross)</b>		
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. 208.42 (March 31, 2021: Rs.201.04) given by the Company on behalf of the MISA for loan of Rs 130.51 (March 31, 2021: Rs. 125.89) taken by the subsidiary. Further, Company has a commitment to make additional investment of Rs.49.64 (March 31,2021: 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

		As at March 31, 2022	As at March 31, 2021
<b>B</b>	<b>Holding Company</b>		
<b>1</b>	<b>Infrastructure Leasing &amp; Financial Services Limited*</b>		
	Long-term secured loan	(721.32)	(721.32)
	Long-term unsecured loan	(933.75)	(933.75)
	Short-term deposits	11.63	0.00
	Interest accrued	(343.93)	(343.93)

\*\*Excluding bank guarantee/letter of credits of Rs. 446.45 (March 31, 2021: 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, 2021: Rs. 424.69). The Company had also given corporate guarantee of Rs. 125 (March 31, 2021: 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, 2021: Rs. 249.84).

		For the year ended	
		As at March 31, 2022	As at March 31, 2021
<b>C</b>	<b>Joint ventures</b>		
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).**

<b>1</b>	<b>IL&amp;FS Transportation Networks Limited</b>		
	Short-term unsecured loan	(78.00)	(78.00)
	Trade receivables (including retention money)*	12.37	12.37
	Other receivables*	6.35	6.35
	Lease rental payable*	(31.98)	(3.17)
	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.

## Notes to standalone financial statements for the year ended March 31, 2022

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

<b>2</b>	<b>Rohtas Bio Energy Limited</b>		
	Long-term unsecured loan	(62.00)	(62.00)
	Interest accrued	(4.42)	(4.42)
<b>3</b>	<b>IL&amp;FS Airports Limited</b>		
	Long-term secured loan (Including assigned from Bhopal E- Governance Limited Rs. 30.60)	(37.60)	(37.60)
	Interest accrued	(2.67)	(2.67)
<b>4</b>	<b>Tierra Enviro Limited</b>		
	Short-term unsecured loan	(39.40)	(39.40)
	Interest accrued	(2.99)	(2.99)
<b>5</b>	<b>IL&amp;FS Cluster Development Initiative Limited</b>		
	Short-term unsecured loan	(15.00)	(15.00)
	Interest accrued	(1.17)	(1.17)
<b>6</b>	<b>Sabarmati Capital One Limited</b>		
	Short-term unsecured loan	(11.60)	(11.60)
	Interest accrued	(0.88)	(0.88)
<b>7</b>	<b>IL&amp;FS Township &amp; Urban Assets Limited</b>		
	Operating expenses	(0.05)	(0.05)
<b>8</b>	<b>Skill Training Assessment Management Partners Limited</b>		
	Professional Services	(0.01)	(0.01)
<b>9</b>	<b>Elsamex Maintenance Services Limited</b>		
	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.

		As at March 31, 2022	As at March 31, 2021
<b>10</b>	<b>IL&amp;FS Financial Services Limited</b>		
	Long-term secured loan	(128.40)	(128.40)
	Interest accrued	(76.60)	(76.60)
<b>11</b>	<b>Hill County Properties Limited</b>		
	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
<b>12</b>	<b>RIDCOR Infra Projects Limited</b>		
	Short term unsecured loan	(20.00)	(20.00)
	Interest accrued	(1.56)	(1.56)
<b>E</b>	<b>Key Management Personnel</b>		
<b>1</b>	<b>Mr. Sushil Dudeja</b>		
	Remuneration	(0.14)	(0.14)
<b>2</b>	<b>Dr. S N Mukherjee</b>		
	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.

# Notes to standalone financial statements for the year ended March 31, 2022

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

## IV. Provisions against balances outstanding:

		As at March 31, 2022	As at March 31, 2021
<b>A</b>	<b>Subsidiaries</b>		
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 Vasishtha 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>B</b>	<b>Joint Ventures</b>		
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)
<b>C</b>	<b>One entity is an Associate or fellow subsidiaries of Infrastructure Leasing &amp; 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).</b>		
1	Hill County Properties Limited	(147.39)	(147.39)
<b>V</b>	<b>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</b>		
<b>A</b>	<b>Subsidiaries</b>		
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 Vasishtha 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>B</b>	<b>Joint Ventures</b>		
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
<b>C</b>	<b>One entity is an Associate or fellow subsidiaries of Infrastructure Leasing &amp; 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)</b>		
1	Hill County Properties Limited #	147.39	147.39

# The repayment schedule is not beyond 7 year.

## Notes to standalone financial statements for the year ended March 31, 2022

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

### 38. Interest in joint ventures:

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

S. No.	Name of joint venture	Share	Assets	Liabilities	Income	Expenditure	Tax	Profit/ (loss) after tax
1	Maytas - NCC JV							
	March 31, 2022	50%	30.91	23.95	0.15	0.15	(0.20)	0.19
	March 31, 2021	50%	33.42	26.77	0.89	0.30	(0.17)	0.76
2	NEC – NCC – Maytas JV							
	March 31, 2022	25%	0.49	0.17	-	-	-	-
	March 31, 2021	25%	0.49	0.17	-	-	-	-
3	NCC – Maytas JV							
	March 31, 2022	50%	0.03	0.03	-	-	-	-
	March 31, 2021	50%	0.03	0.03	-	-	-	-
4	NCC – Maytas JV (Singapore Class Township)							
	March 31, 2022	50%	1.01	0.15	-	-	-	-
	March 31, 2021	50%	1.01	0.15	-	-	-	-
5	Maytas – CTR JV							
	March 31, 2022	70%	35.72	7.35	-	-	-	-
	March 31, 2021	70%	35.72	7.35	-	-	-	-
6	NCC – Maytas – ZVS JV							
	March 31, 2022	39.69%	5.71	5.56	0.00	0.00	(0.03)	0.03
	March 31, 2021	39.69%	5.77	5.66	(1.69)	(1.58)	0.02	(0.13)

- a) The above joint ventures do not have any contingent liability and capital commitment as at March 31, 2022 and March 31, 2021 except in Maytas – NCC JV amounting to Rs. 14.47 (March 31, 2021: Rs. 14.47).

### 39. The Company has the following joint ventures, which are in the nature of jointly 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 Sushee (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. However, joint venture partners are jointly and severally liable to clients for any claims in these projects.

# Notes to standalone financial statements for the year ended March 31, 2022

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

## 40. Expenditure and earnings in foreign currency - Rs. Nil ( March 31, 2021 Rs. Nil)

## 41. Imported and indigenous materials consumed:

Particulars	For the year ended			
	March 31, 2022		March 31, 2021	
	%	Value	%	Value
Imported	0.00%	-	0.00%	-
Indigenous	100.00%	100.35	100.00%	91.02
<b>Total</b>	<b>100%</b>	<b>100.35</b>	<b>100%</b>	<b>91.02</b>

## 42. Auditor's remuneration (excluding taxes):

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Statutory audit	0.35	0.35
Limited review	0.15	0.15
Tax Audit	0.09	0.09
	<b>0.59</b>	<b>0.59</b>

## 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			
	March 31, 2022		March 31, 2021	
	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 0.039	2.11
Security deposit payable	SGD 0.007	0.42	SGD 0.008	0.42

## 44. Leases:

The Company has entered into a lease agreement for its Head Office at Sanali Info Park(1st Floor) on 01st Sep 2019, for a period of three years having Lockin period of 2 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 March 31, 2022	As at March 31, 2021
Opening Balance	0.28	0.94
Additions	-	-
Depreciation expense	(0.28)	(0.66)
<b>Balance</b>	<b>-</b>	<b>0.28</b>

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

# Notes to standalone financial statements for the year ended March 31, 2022

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

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

Particulars	For the year ended	
	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	-	0.29
Non-current lease liabilities	-	-
<b>Total</b>	<b>-</b>	<b>0.29</b>
The following is the movement in lease liability		
Balance at Beginning	0.29	0.86
Additions	-	-
Finance cost	-	0.07
Payments of lease liabilities	-	(0.64)
<b>Balance</b>	<b>0.29</b>	<b>0.29</b>
The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:		
<b>Minimum Lease Payments</b>		
Not later than one year	-	0.30
Later than one year but not later than five years	-	-
Later than five years	-	-
	-	<b>0.30</b>

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%, with maturity in the year 2021

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

Particulars	As at March 31, 2022	As at March 31, 2021
Interest and depreciation on lease liabilities	0.28	0.73
Expenses relating to short-term leases	4.77	3.73
The table below provides details regarding the amounts recognised in the statement of cash flows.		
Total cash outflow for leases	-	(0.64)

## 45. Capital management

Refer Note No. 30 and 31(v) which states the normal business operation of the Group 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 Group has defaulted in respect of several of its loan obligations.

The capital structure of the company consist of Net Debt of Rs. 2,564.88 (March 31 2021: Rs. 2,602.21) and total equity of Rs. (2,977.89) (March 31, 2021: Rs. (2,591.37))

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

Particulars	As at March 31, 2022	As at March 31, 2021
Interest bearing loans and borrowings	2,668.83	2,669.15
Less: cash and cash equivalents	(103.95)	(66.94)
<b>Adjusted net debt</b>	<b>2,564.88</b>	<b>2,602.21</b>

## 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 by 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 of Rs. 46.11 towards diminution in the value of loans and advances including interest. However, the Company is confident of recovery of the carrying value of balance advances given to the investee entities.

## Notes to standalone financial statements for the year ended March 31, 2022

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

### 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, 2022, including their levels in the fair value hierarchy.

Particulars	Note	Carrying Amount				Fair Value			
		FVTPL	FVOCI	Amortised cost	Total carrying Amount	Level 1- Quoted price in active markets	Level 2-Significant observable inputs	Level 3-Significant unobservable inputs	Total
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	-	-	-	-
<b>Total financial assets</b>		-	-	<b>740.24</b>	<b>740.24</b>	-	-	-	-
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	-	-	-	-
<b>Total financial liabilities</b>		-	-	<b>4,643.09</b>	<b>4,643.09</b>	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021, including their levels in the fair value hierarchy.

Particulars	Note	Carrying Amount				Fair Value			
		FVTPL	FVOCI	Amortised cost	Total carrying Amount	Level 1- Quoted price in active markets	Level 2-Significant observable inputs	Level 3-Significant unobservable inputs	Total
Investments (Note I)	6	-	-	39.42	39.42	-	-	-	-
Loans	8	-	-	19.31	19.31	-	-	-	-
Trade receivables	7	-	-	161.42	161.42	-	-	-	-
Cash and cash equivalents	10	-	-	66.94	66.94	-	-	-	-
Other bank balances	10	-	-	218.1	218.1	-	-	-	-
Other financial assets	9	-	-	243.04	243.04	-	-	-	-
<b>Total financial assets</b>		-	-	<b>748.23</b>	<b>748.23</b>	-	-	-	-
Borrowings	16 and 17	-	-	2,669.15	2,669.15	-	-	-	-
Trade payable	18	-	-	896.43	896.43	-	-	-	-
Other financial liabilities	19	-	-	1,065.62	1,065.62	-	-	-	-
<b>Total financial liabilities</b>		-	-	<b>4,631.21</b>	<b>4,631.21</b>	-	-	-	-

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.

# Notes to standalone financial statements for the year ended March 31, 2022

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

## 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 companies' 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.

## 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, 2022:

Particulars	Carrying amount	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Accounts payable and acceptances	957.53	740.49	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
<b>Total</b>	<b>4,643.09</b>	<b>4,426.06</b>	<b>217.03</b>	<b>-</b>	<b>4,643.09</b>

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
<b>Total</b>	<b>365.37</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021:

Particulars	Carrying amount	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Accounts payable and acceptances	896.43	732.64	163.79	-	896.43
Borrowings and interest thereon	3,273.72	3,273.72	-	-	3,273.72
Other financial liabilities	461.06	461.06	-	-	461.06
<b>Total</b>	<b>4,631.21</b>	<b>4,467.42</b>	<b>163.79</b>	<b>-</b>	<b>4,631.21</b>

# Notes to standalone financial statements for the year ended March 31, 2022

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

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

Particulars	Carrying amount
Trade receivables	161.42
Loans	19.31
Other financial assets	267.30
<b>Total</b>	<b>448.03</b>

## 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 Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- 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 no. 51, the company has not accrued interest expense post October, 2018. Accordingly, interest rate sensitivity analysis is not disclosed. The average interest rate on short-term bank deposits during the year was 6.40% (March 31, 2021: 6.40%).

The company exposure to interest rates on financial instruments is detailed below:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
Cash and bank balances	103.95	66.94
<b>Total interest rate dependent financial assets</b>	<b>103.95</b>	<b>66.94</b>
<b>Financial liabilities</b>		
Borrowings	2,668.83	2,669.15
Other financial liabilities	1,000.94	1,049.83
<b>Total interest rate dependent financial liabilities</b>	<b>3,669.78</b>	<b>3,718.99</b>

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 Group's presentation currency is the Indian Rupees. The Group's exposure to foreign currency arises in part when the Group holds financial assets and liabilities denominated in a currency different from the functional currency of the entity.

## 48. Trade receivables and Contract assets (Retention Money and Project work in progress):

An aggregate amount of Rs 252.63 included interest receivable, trade receivable and retention money recognized in earlier years and net of mobilization advance and interest payable on mobilization advance represents amount receivable from a contractee as per the arbitration award in favour of the Company. The contractee has referred the matter further to High Court of Delhi.

## 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, 2022 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

# Notes to standalone financial statements for the year ended March 31, 2022

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

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."

## 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 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, 2022, fund-based borrowings outstanding aggregates to Rs 2629.08. 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. 173.86 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:

Consequent to the matters referred in note no 30 and 31(v) and in terms of the resolution framework process approved by NCLAT. No liabilities, including interest, default interest, indemnity claims and additional charges are to be accrued on liability existing as on the cut-off date. The Company in Compliance with resolution framework as approved by NCLAT has neither paid or recognized interest aggregating to Rs 422.13 approximately (excluding penal interest etc.) for the year ended March 31,2022.

Interest so far not recognized payable as at March 31,2022 aggregates to Rs 1284.80 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,

## Notes to standalone financial statements for the year ended March 31, 2022

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

- (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) The Company had been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks on the basis of security of current assets of the Company. The Company is generally regular in filing monthly returns/statements with such banks. There were no material discrepancies noted on the reconciliation of monthly returns/statements with the books of accounts of the Company.

### 54. Exceptional item

Particulars	As at March 31, 2022	As at March 31, 2021
Interest reversal for GST and TDS on unpaid Pre October 2018 liabilities #	(63.56)	-
Deferred tax assets, net written off (refer Note 56)	242.99	
Covid -19 Impact - Provision for additional cost	-	47.58
	<b>179.43</b>	<b>47.58</b>

# The Company has been legally advised that no interest is required to be paid on certain statutory dues post the cut-off date fixed by the NCLAT. Considering the same, the Company, during the year, reversed the interest accounted on such statutory dues in earlier period aggregating to Rs. 63.56 and treated the same as exceptional item.

55. The SARS –CoV-2 virus responsible for Covid - 19 continues to spread across the globe and India, which has contributed to a significant decline in global and local economic activities. The extent to which the Covid 19 pandemic will impact the company's results will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid 19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company.
56. Deferred Tax amounting to Rs. Nil as at March 31, 2022 (Rs. 242.99 as at March 31, 2021), recognized by the Company in earlier years. Based on the management assessment, Rs 242.99 being the balance under deferred tax asset recognized in earlier years has been reversed since the threshold of reasonable certainty for carrying the deferred tax assets as at the year end has not been met (Refer note 54).

### 57. Ratio Analysis and its elements

Ratio	Nmuerator	Denominator	31-Mar-22	31-Mar-21	% Change	Reason for Variance
Current ratio	Current Assets	Current Liabilities	0.19	0.21	(7.57%)	
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	3.38	2.02	66.77%	On account of Sale of Inventory during the year
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	2.34	1.75	34.32%	On account of decrease on operation
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.09	0.08	11.05%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(0.08)	(0.09)	(7.50%)	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	(1.26)	(0.86)	(46.29%)	On account of higher losses in current year

Ratio	Nmuerator	Denominator	31-Mar-22	31-Mar-21	% Change	Reason for Variance
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.

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

**59. 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.**

Chartered Accountants  
Firm Registration Number: 000459S

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

Sd/-  
**M.V. Ramana Murthy**  
Partner  
Membership No: 206439

Sd/-  
**Chandra Shekhar Rajan**  
Director  
DIN: 00126063

Sd/-  
**Manish Kumar Agarwal**  
Director  
DIN: 02885603

Sd/-  
**Kazim Raza Khan**  
Chief Executive Officer

Sd/-  
**Naveen Kumar Agrawal**  
Chief Financial Officer

Sd/-  
**Sistla Srinivasa Kiran**  
Company Secretary

Place: Hyderabad  
Date: May 29, 2022

# Independent Auditor's Report

To The Members of IL&FS Engineering and Construction Company Limited

## Report on the Audit of the Consolidated Financial Statements

### Qualified Opinion:

1. We have audited the accompanying Consolidated financial statements of IL&FS Engineering and Construction Company Limited ("Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and joint ventures, which comprise the Consolidated balance sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, of consolidated loss and other consolidated comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Qualified Opinion:

3. We draw attention to the following notes to the Consolidated financial statements:
  - a. Note 51 relating to non-recognition of interest expense for the year amounting to Rs. 422.13 Crores (excluding penal interest) on borrowings availed by the Company considering the process initiated for submission of a resolution proposal to lenders for restructuring of existing debt.
    - i. Consequently, interest expense is understated, loss for the year are understated by Rs. 422.13 Crores approximately; and
    - ii. Retained earnings (accumulated loss) and interest payable as at March 31, 2022 are understated by Rs.1284.80 Crores approximately.
  - b. The consolidated financial statements do not include the financial statements and other financial information of an overseas entity "Maytas Infra Saudi Arabia Company" for the reasons stated in Note 3(a)(vii). We are unable to comment on impact on the financial results

for the year, carrying values of assets/ liabilities and retained earnings of the Group, had the subsidiary's financial results and other financial information been consolidated.

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

### Material uncertainty related to going concern:

5. Attention is invited to Note 30 regarding continued losses, erosion of net-worth as at the year end, and significant reduction in the Holding Company's income from operations and other matters detailed in the said paragraph. Further, all subsidiaries have not commenced their operations for a substantial period and their respective financial statements have been prepared not as a going concern. These events and conditions indicate a material uncertainty which cast a significant doubt on the Group's ability to continue as a going concern, and therefore it may not be able to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Holding Company to continue as a going concern is solely dependent on the finalisation and approval of the resolution process, which is not wholly within the control of the Group.

The Management of the Group has prepared these financial results on going concern basis considering the various initiatives and developments and the period of calm granted by NCLAT.

Our opinion is not modified in respect of this matter.

### Emphasis of Matter:

6. We draw attention to the following notes to the consolidated financial statements:
  - a. Note 31 (v) regarding ongoing investigations by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO), Enforcement Directorate (ED) and other regulators / agencies against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Holding Company') and some of its subsidiaries (including the Company). The financial statements of the Holding Company for the year ended on March 31, 2022 do not include adjustments, if any, that may arise on account of the ongoing investigations by the investigating and other agencies and Regulatory Authorities. The management, at this juncture, do not foresee any adjustments to be made in these financial statements of the Holding Company as a result of any such investigations.

- b. Note 50 regarding non-receipt of confirmation of balances as at March 31, 2022 from some lenders, customers and vendors. In the absence of confirmations, the adjustments, if any, on account of unsettled transactions, to the carrying values of assets and liabilities cannot be ascertained.

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

- c. Note 53 regarding exceptional items which comprise the reversal of Rs.242.99 Crores deferred tax asset, based on the management assessment and reversal of interest aggregating to Rs.63.56 Crores on statutory dues as on cut-off date fixed by NCLAT, based on the legal advice obtained by the management.

Our opinion is not modified in respect of the aforementioned matters.

### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

### Description of Key Audit Matter:

Key audit matter	How the matter was addressed in our audit
Estimated Cost to complete the Project:	
Refer note 3 (c) to the consolidated financial statements	
The Company recognises revenue under percentage of completion method as specified under Indian Accounting Standard (IND AS)-115 – Revenue from contract with customers. Recognition of revenue requires estimation of total contract cost which comprises of the actual cost incurred till date and estimated cost further to be incurred to complete the projects. Estimation of the cost to complete involves exercise of significant judgement by management including assessment of technical data and hence identified as Key Audit Matter.	Our audit approach was a combination of test of compliance of company's internal controls and substantive procedures which included the following: <ul style="list-style-type: none"> <li>• Tested the design, implementation and operating effectiveness of the controls surrounding determination and approval of estimated cost.</li> <li>• Verified the contracts with customers on test check basis and the actual cost incurred and terms and condition related to the variation of the cost.</li> <li>• Obtained and relied on the internal assessments supporting the accuracy of the estimate of the total cost of the project for selected contracts on test check basis.</li> </ul>
Trade receivables and Contract Assets	
Refer Note: 7 and 12 to the consolidated financial statements	
Trade receivables, retention money and contract assets (project work in progress) amounting to Rs to Rs.101.04 Crores, Rs. 378.77 Crores and Rs.456.09 Crores respectively, represents approximately 43 % of the total assets of the Company as at March 31, 2022. In assessing the recoverability of the aforesaid balances, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract. Management estimation is required in the measurement of work completed during the period for recognition of unbilled revenue. We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> <li>• We understood and tested on a sample basis the design and operating effectiveness of management control over the recognition of the trade receivables, retention money and contract assets.</li> <li>• We performed test of details and tested relevant contracts, for the provisions made by the management towards doubtful and credit loss.</li> <li>• We tested the aging of trade receivables at year end.</li> <li>• We performed test of details and tested relevant contracts and documents with specific focus on measurement of work completed during the period for material unbilled revenue balances included in contract asset.</li> <li>• We performed additional procedures, in respect of material over-due trade receivables and long outstanding contract assets, i.e. tested historical payment records.</li> <li>• We assessed the allowance for impairment made by management.</li> </ul>

Provisions and Contingent Liabilities:	
Refer note 3 (p) to the consolidated financial statements	
<p>The Company is involved in various taxes and other disputes for which final outcomes cannot be easily predicted and which could potentially result in significant liabilities. The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgements and such judgements relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the financial statements. Because of the judgement required, the materiality of such litigations and the complexity of the assessment process, the area is a key matter for our audit.</p>	<p>Our audit approach was combination of test of compliance of company's internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures.</li> <li>• Examining the supporting documentation for the positions taken by the management, correspondence from in-house legal counsel and/or legal team and reviewing the minutes of Board and subcommittee, to confirm the operating effectiveness of these controls.</li> <li>• Review of assumptions used in the evaluation of potential risk and tax risks performed by the legal and tax department of the Company considering the legal precedence and other rulings in similar cases.</li> <li>• Consideration of recent judgements passed by the appropriate authorities in order to challenge the basis used for the accounting treatment and resulting disclosures.</li> </ul>

#### Information Other than the consolidated financial statements and Auditors' Report Thereon:

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, Management Discussion and Analysis and Corporate Governance Report but does not include the consolidated and consolidated financial statements and our auditor's reports there on.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we perform, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the consolidated financial statements:

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

### **Auditor's Responsibilities for the Audit of the consolidated financial statements:**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

The consolidated financial statements include the Group's share of net profit of Rs.22 Lakhs for year ended March 31, 2022, as considered in the consolidated financial statements, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial Statements, in so far as it relates to the amounts and disclosures included in respect of these aforesaid joint ventures and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on other Legal and regulatory requirements:**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matters' paragraph, we report that:
  - a. Except for the matters stated in the "Basis for qualified opinion" paragraph hereinabove, we have obtained all the information and explanations which we had sought and to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. Except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
  - e. The matter relating to going concern described under Material Uncertainty Related to Going Concern paragraph above, and the matters stated at paragraphs 6 (a) and (b) under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f. On the basis of the written representations received from the directors as on March 31 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - g. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - h. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - i. With respect to the matter to be included in the Auditors' Report under section 197 (16), according to the information and explanations given to us, the company has not paid any remuneration to its directors during the current year except sitting fee paid to the non- executive / independent directors. The same is in accordance with the applicable provisions of the Companies Act, 2013.
  - j. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other matter' paragraph:
    - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated Financial Statements (Refer Note – 31 to the Consolidated Financial Statements);
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group;
  - iv.
    - (a) the Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) the Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. The Group has not declared or paid any dividend during the year.
- vi. The Group has six subsidiaries wherein there are no substantial operations and there is material uncertainty related to going concern of those entities. The same has been reported under material uncertainty related to going concern para of the said entities.

For **M. Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration Number: 000459S

Sd/-  
**M V Ramana Murthy**  
Partner  
Membership Number: 206439  
UDIN: 22206439AJVNXN6083

Place: Hyderabad  
Date: May 29, 2022

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

### **“Annexure A” to the Independent Auditors’ report on the consolidated financial statements**

(Referred to in paragraph 2 (h) of Report on Other Legal and Regulatory Requirements of our Report of even date to the members of IL&FS Engineering and Construction Company Limited.)

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)**

We have audited the internal financial controls over financial reporting of **IL&FS Engineering and Construction Company Limited** (‘the Company’) as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Holding Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the operating effectiveness of the company's internal financial controls over financial reporting as at March 31, 2022:

- a. The Holding Company's internal financial control system with regard to non-recognition of interest expense on the borrowings without a formal approval from lenders was not operating effectively This could potentially result in misstatement in the financial statement by way of Group not providing for interest expenses that may be required.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2022, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended on March 31, 2022, and these material weaknesses has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the financial statements of the Group.

For **M. Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration Number: 000459S

Sd/-  
**M V Ramana Murthy**  
Partner

Membership Number: 206439  
UDIN: 22206439AJVNXN6083

Place: Hyderabad  
Date: May 29, 2022

# Consolidated Balance Sheet as at March 31, 2022

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

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	48.95	71.85
Right-of-use-assets	42	-	0.28
Intangible assets	5	-	-
<b>Financial assets</b>			
Investments	6	45.20	41.26
Trade receivables	7	25.23	27.33
Loans	8	19.31	19.31
Other financial assets	9	231.08	255.18
Deferred tax assets, net	13	-	242.99
Current tax assets, net	13	25.26	67.75
Other non-current assets	12	641.83	742.22
		<b>1,036.85</b>	<b>1,468.17</b>
<b>Current assets</b>			
Inventories	11	21.74	37.72
<b>Financial assets</b>			
Trade receivables	7	75.81	134.09
Cash and cash equivalents	10	103.98	66.97
Bank balances other than cash and cash equivalents	10	227.77	193.84
Other financial assets	9	13.95	12.12
Current tax assets, net	13	43.14	31.17
Other current assets	12	392.91	494.55
		<b>879.30</b>	<b>970.46</b>
<b>Total assets</b>		<b>1,916.16</b>	<b>2,438.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	131.12	131.12
Other equity	15	(3,113.30)	(2,727.00)
<b>Total equity</b>		<b>(2,982.18)</b>	<b>(2,595.88)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Long-term borrowings	16	-	-
Trade payables	18	217.03	163.79
Other financial liabilities	19	40.58	56.16
Provisions	20	18.34	99.49
		<b>275.96</b>	<b>319.44</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liability	42	-	0.29
Short-term borrowings	17	2,668.83	2,669.15
Trade payables	18	746.87	739.01
Other financial liabilities	19	976.15	1,009.46
Provisions	20	47.21	54.93
Other current liabilities	21	183.31	242.21
		<b>4,622.37</b>	<b>4,715.05</b>
<b>Total equity and liabilities</b>		<b>1,916.16</b>	<b>2,438.63</b>

Summary of significant accounting policies

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

As per our report of even date

**For M Bhaskara Rao & Co.**

Chartered Accountants

Firm Registration Number: 000459S

Sd/-

**M.V. Ramana Murthy**

Partner

Membership No: 206439

Sd/-

**Chandra Shekhar Rajan**

Director

DIN: 00126063

Sd/-

**Manish Kumar Agarwal**

Director

DIN: 02885603

For and on behalf of the board of directors of

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

Sd/-

**Naveen Kumar Agrawal**

Chief Financial Officer

Sd/-

**Sistla Srinivasa Kiran**

Company Secretary

Place: Hyderabad

Date: May 29, 2022

# Consolidated Statement of Profit and Loss for the year ended March 31, 2022

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

Particulars	Notes	For the year ended	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Revenue from operations	22	307.64	332.74
Other income	23	71.04	45.02
<b>Total revenue</b>		<b>378.68</b>	<b>377.76</b>
<b>Expenses</b>			
Cost of materials consumed	24	100.35	91.02
Employee benefits expenses	25	43.63	48.97
Subcontract expense		97.63	140.70
Finance costs	26	46.00	42.70
Depreciation and amortization expense	27	13.55	18.99
Other expenses	28(a)	73.23	38.17
Expected credit loss and other provisions	28(b)	211.21	235.28
<b>Total expenses</b>		<b>585.61</b>	<b>615.83</b>
<b>Loss Before Exceptional Items and Tax</b>		<b>(206.92)</b>	<b>(238.07)</b>
Exceptional Items (Net)	53	179.43	47.58
<b>Loss before tax</b>		<b>(386.35)</b>	<b>(285.65)</b>
Tax expense	13		
Current tax		-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the year before share of profits of joint ventures (net) and non-controlling interest</b>		<b>(386.35)</b>	<b>(285.65)</b>
Share of profit in joint ventures accounted for using the equity method		0.22	0.63
<b>Share of profit of equity accounted investees (net of income tax)</b>		<b>0.22</b>	<b>0.63</b>
<b>Loss for the year</b>		<b>(386.13)</b>	<b>(285.02)</b>
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	(0.17)	0.71
<b>Other comprehensive income, net of tax</b>		<b>(0.17)</b>	<b>0.71</b>
<b>Loss attributable to:</b>			
Owners of the Company		(386.13)	(285.02)
Non controlling interests		-	-
<b>Loss for the year</b>		<b>(386.13)</b>	<b>(285.02)</b>
Other comprehensive income attributable to:			
Owners of the Company		(0.17)	0.71
Non controlling interests		-	-
<b>Other comprehensive income for the year</b>		<b>(0.17)</b>	<b>0.71</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		(386.30)	(284.31)
Non controlling interests		-	-
<b>Total comprehensive income for the year</b>		<b>(386.30)</b>	<b>(284.31)</b>
Earnings per equity share [Nominal value of share Rs. 10 (March 31, 2021 : Rs. 10)]	29		
Basic and diluted		(29.45)	(21.74)

Summary of significant accounting policies

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

As per our report of even date

**For M Bhaskara Rao & Co.**

Chartered Accountants

Firm Registration Number: 000459S

Sd/-

**M.V. Ramana Murthy**

Partner

Membership No: 206439

Sd/-

**Chandra Shekhar Rajan**

Director

DIN: 00126063

Sd/-

**Kazim Raza Khan**

Chief Executive Officer

For and on behalf of the board of directors of

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

Sd/-

**Manish Kumar Agarwal**

Director

DIN: 02885603

Sd/-

**Naveen Kumar Agrawal**

Chief Financial Officer

Sd/-

**Sistla Srinivasa Kiran**

Company Secretary

Place: Hyderabad

Date: May 29, 2022

# Consolidated Cash Flow Statement for the year ended March 31, 2022

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

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
<b>A. Cash flow from operating activities</b>		
<b>Loss before tax</b>	(386.35)	(285.65)
<b>Adjustment: Non cash adjustments to reconcile loss before tax to net cash flows</b>		
Company's share of profit from integrated joint ventures	(0.22)	(0.63)
Reversal for estimated future loss on projects	(74.29)	(6.99)
Depreciation and amortization expense	13.55	21.48
Provision for advances, trade receivables, other assets, future loss and impairment of property, plant and equipment	211.21	202.64
Provision/liabilities no longer required written back	(51.3)	(15.89)
Exceptional Item	179.43	47.58
Interest income from financial assets carried at amortised cost	(3.72)	(3.34)
Interest expense from financial liabilities carried at amortised cost	0.01	0.07
Interest expense	45.99	42.63
Interest income	(10.15)	(13.28)
<b>Operating loss before working capital changes</b>	<b>(75.84)</b>	<b>(11.38)</b>
<b>Movement in working capital adjustments</b>		
(Increase) / decrease in inventories	15.98	14.50
(Increase) / decrease in trade receivables	111.68	26.77
(Increase) / decrease in loans	0.00	(0.35)
(Increase) / decrease in other financial assets	22.27	29.32
(Increase) / decrease in other non financial assets	(9.18)	301.82
Increase / (decrease) in provision	(14.75)	(153.81)
Increase / (decrease) in trade payables	61.10	(72.07)
Increase / (decrease) in other financial liabilities	(228.32)	(69.70)
Increase / (decrease) in other liabilities	(58.90)	(42.77)
<b>Cash generated from operating activities</b>	<b>(175.96)</b>	<b>22.33</b>
Tax expense (net)	273.51	12.66
<b>Net cash from operating activities (A)</b>	<b>97.54</b>	<b>34.99</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	-	(4.44)
Share of Profit in the joint ventures received	0.22	0.63
(Deposit) / proceeds from bank deposits (having original maturity of more than three months)	(33.93)	-
Sale Proceeds from Fixed Assets	9.62	-
Interest received	10.15	13.28
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>(13.93)</b>	<b>9.46</b>
<b>C. Cash flow from financing activities</b>		
Proceeds/Repayment from short-term borrowings (net)	(0.32)	(1.81)
Interest paid/BG commission	(46.28)	(42.63)
<b>Net cash flow used in financing activities (C)</b>	<b>(46.60)</b>	<b>(44.44)</b>
Net increase in cash and cash equivalents (A + B + C)	37.01	0.01
Cash and cash equivalents at the beginning of the year	66.97	66.96
<b>Cash and cash equivalents at the end of the year (Refer below for break-up)</b>	<b>103.98</b>	<b>66.97</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand	0.08	0.08
With banks - on current accounts	103.90	66.89
<b>Total Cash and cash equivalents (as per Ind AS 7)</b>	<b>103.98</b>	<b>66.97</b>

Summary of significant accounting policies (Refer note 3)

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

As per our report of even date

**For M Bhaskara Rao & Co.**

Chartered Accountants

Firm Registration Number: 000459S

Sd/-

**M.V. Ramana Murthy**

Partner

Membership No: 206439

For and on behalf of the board of directors of

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

Sd/-

**Manish Kumar Agarwal**

Director

DIN: 02885603

Sd/-

**Chandra Shekhar Rajan**

Director

DIN: 00126063

Sd/-

**Kazim Raza Khan**

Chief Executive Officer

Sd/-

**Naveen Kumar Agrawal**

Chief Financial Officer

Sd/-

**Sistla Srinivasa Kiran**

Company Secretary

Place: Hyderabad  
Date: May 29, 2022

# Consolidated statement of changes in equity for the year ended March 31, 2022

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

## A. Equity share capital

	Notes	Number of shares	Amount
<b>Balance as at March 31, 2020</b>		13,11,21,078	131.12
Changes in equity share capital during the year	14	-	-
<b>Balance as at March 31, 2021</b>		13,11,21,078	131.12
Changes in equity share capital during the year	14		
<b>Balance as at March 31, 2022</b>		<b>13,11,21,078</b>	<b>131.12</b>

## B. Other equity

	Reserves and Surplus		Items of Other Comprehensive Income (OCI)		Non - controlling interest	Total
	Securities premium account	Retained earnings	Foreign currency translation reserve	Other items of OCI		
Balance as at March 31, 2020	<b>282.28</b>	<b>(2,909.13)</b>	<b>15.28</b>	<b>2.42</b>	<b>(107.79)</b>	<b>(2,442.68)</b>
Loss for the year	-	(285.02)	-	-	-	(285.02)
Remeasurement of the net defined benefit liability / assets, net of tax effect	-	-	-	0.71	-	0.71
Balance as at March 31, 2021	<b>282.28</b>	<b>(3,194.15)</b>	<b>15.28</b>	<b>3.13</b>	<b>(107.79)</b>	<b>(2,726.99)</b>
Loss for the year	-	(386.13)	-	-	-	(386.13)
Remeasurement of the net defined benefit liability / assets, net of tax effect	-	-	-	(0.17)	-	(0.17)
Balance as at March 31, 2022	<b>282.28</b>	<b>(3,580.28)</b>	<b>15.28</b>	<b>2.96</b>	<b>(107.79)</b>	<b>(3,113.29)</b>

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

As per our report of even date

**For M Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration Number: 000459S

**Sd/-**  
**M.V. Ramana Murthy**  
Partner  
Membership No: 206439

**Sd/-**  
**Chandra Shekhar Rajan**  
Director  
DIN: 00126063

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

**Sd/-**  
**Manish Kumar Agarwal**  
Director  
DIN: 02885603

**Sd/-**  
**Kazim Raza Khan**  
Chief Executive Officer

**Sd/-**  
**Naveen Kumar Agrawal**  
Chief Financial Officer

**Sd/-**  
**Sistla Srinivasa Kiran**  
Company Secretary

Place: Hyderabad  
Date: May 29, 2022

# Notes to consolidated financial statements for the year ended March 31, 2022

(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 along with its subsidiaries (collectively termed as "the Group") and its associate and jointly controlled entities (collectively termed as "the Consolidated entities") 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 Consolidated financial statements:

### A. Statement of compliance

These consolidated financial statements 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 consolidated financial statements were authorised for issue by the Company's Board of Directors at its meeting held on May 29, 2022.

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

### B. Functional and presentation currency

These consolidated 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 consolidated 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 consolidated financial statements, management has made judgments, 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, 2022 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; and
- Note 6 to 9 - impairment of financial assets.
- Note 3(c), 22, 34, and 12 - Revenue recognition, cost to complete, profit margin
- Note 42 - Determining the lease term of contracts with renewal, estimating incremental borrowing rate and termination options – Company as lessee

### Judgements

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

- Note 12 and 22 – The Group uses the percentage-of-completion method (POCM) in accounting for its long term construction contracts. Use of POCM requires the Group 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 that 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

# Notes to consolidated financial statements for the year ended March 31, 2022

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

recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- Note 7, 8, 9 and 12 – Determining the amount of expected credit loss on financial assets (including trade receivables, loans and unbilled revenue).
- Note 3(a) – Identification of whether the Group has significant control over Trust where the Trust is managed Independently by a third party.
- Note 33 – Identification of reportable operating segments.
- Note 42 - Determining the lease term of contracts with renewal, estimating incremental borrowing rate and termination options – Company as lessee

## 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 Group.

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.

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financials statement are categories within in 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 Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (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 values 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 Group 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.

Further information about the assumptions made in the measuring fair values is included in the following notes: Note 45 - financial instruments.

## 3. Significant accounting policies

### (a) Basis of consolidation:

#### i. Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## ii. Non - controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

## iii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

## iv. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

## v. Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

vi. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended March 31, 2022.

vii. The consolidated financial statements for the year ended March 31, 2022 have been prepared

on the basis of the financial statements of the following subsidiaries, associate and joint venture:

Name of the consolidated entities	Country of Incorporation	% of Interest as at	
		March 31, 2022	March 31, 2021
<b>Subsidiaries</b>			
Maytas Infra Assets Limited	India	100%	100%
Maytas Metro Limited	India	100%	100%
Maytas Vashista Varadhi Limited	India	100%	100%
Angeerasa Greenfields Private limited	India	100%	100%
Saptaswara Agro-Farms Private Limited	India	100%	100%
Ekadanta Greenfields Private Limited	India	100%	100%
Maytas Infra Saudi Arabia Company (Limited liability Company) (MISA) (Note 2)	Saudi Arabia	55%	55%
<b>Joint Ventures (AOPs)</b>			
NCC-Maytas (JV)	India	50%	50%
NEC-NCC-Maytas(JV)	India	25%	25%
Maytas-NCC (JV)	India	50%	50%
NCC-Maytas (JV) (Singapore Class Township)	India	50%	50%
Maytas-CTR (JV)	India	70%	70%
NCC-Maytas-ZVS (JV)	India	40%	40%
<b>Associate</b>			
Hill County Properties Limited (Refer note I)	India	31%	31%

## Note I:

During the year 2010-11, the Company had invested Rs. 0.10 in equity shares of Hill County Properties Limited (HCPL) constituting 40% of the post issue paid up share capital of HCPL pursuant to the order passed by the Honorable Company Law Board on January 13, 2011 allowing IL&FS Group (consisting of Infrastructure Leasing and Financial Services Limited, IL&FS Financial Services Limited and the Company) to be the new promoters of HCPL. During the earlier year, the Company had sold Rs. 0.02 in equity shares (2,250 Equity Shares of Rs. 100 each) of HCPL constituting 9% of the paid up share capital of HCPL to Infrastructure Leasing and Financial Services Limited. HCPL was under the direct supervision of the Company Law Board (CLB), represented by a nominee

# Notes to consolidated financial statements for the year ended March 31, 2022

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

director and hence was operating under severe long-term restrictions that significantly impair its ability to transfer funds to the investor. Hence, the investment in HCPL was accounted in accordance with Ind AS 27 "Separate Financial Statements" instead of applying equity method in accounting for investments. During the earlier year, the term of the CLB nominee director had expired and HCPL ceased to operate under severe long-term restrictions. However, such acquisition of shares does not form part of a strategy to acquire and retain long term assets / investments. Hence the investment in HCPL is continued to be accounted in accordance with Ind AS 27 "Separate Financial Statements".

Further, there was a changes in the status of Hill County Properties Limited (HCPL) is made based on the changes to group structure by the Infrastructure Leasing & Financial Services Limited, HCPL is considered as subsidiary of Infrastructure Leasing & Financial Services Limited and accordingly classified as fellow subsidiary of IECCL in the year 2020 and the same status is continuing in the current year.

## Note II:

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.

### (b) Current and non-current classification:

The Group 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.

### Operating cycle:

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

### (c) Revenue recognition:

#### Revenue from construction contracts

Contract Revenue is recognised under 'percentage-of-completion method'. Use of the 'percentage-of-completion method' requires the Group 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 Group 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.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 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 recognized when the Group's right to receive dividend is established by the reporting date.

## (d) 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 Group 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.
- (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 Group 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 plant, property 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 Group.
- (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.

## (e) 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.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## (f) 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 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.

## (g) Inventories:

Project materials at site are valued at the lower of cost and net realisable value. Cost is determined on a 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.

## (h) Retirement and other 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 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 Group 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 Group 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 Group, 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 Group 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 Group 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. Remeasurements of defined benefit plans in respect of post employment are charged to other comprehensive income.

## (i) Segment reporting:

### *Identification of segments*

The Group operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

### *Unallocated items*

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

### *Segment accounting policies*

The Group prepare its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## (j) 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 is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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 Group 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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to

the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

## (k) 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.

## (l) Leases:

### Where the Group 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 Group is a Lessee

The Group 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

# Notes to consolidated financial statements for the year ended March 31, 2022

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

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 Group 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 Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## (m) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production 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.

## (n) 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.

## (o) Impairment:

### (i) Financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group 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 Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, 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 Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Group 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 Group 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 analyzed.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 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 Group in accordance with the contract and the cash flows that the Group 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 Group 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 Group procedures for recovery of amounts due.

## (ii) Non-financial assets

The Group 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 Group 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.

## (p) 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 Group 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.

### 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 Group 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.

A debt investment is measured at FVOCI 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 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.

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as 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 Group 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 Group 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 Group 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 Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the 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 Group

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 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.

## Derecognition

### Financial assets

The Group derecognizes 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially

# Notes to consolidated financial statements for the year ended March 31, 2022

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

all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

## Financial liabilities

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

## Reclassification of financial assets and liabilities

The Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations.

If the Group 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 Group 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 Group 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.

## (q) Provisions and contingent liabilities:

### i. General

A provision is recognised when the Group 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.

### (r) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before 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 Group are segregated based on the available information.

### (s) 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.

### (t) 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.

### (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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## (i) Ind AS 16 - Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

## (ii) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 4. Property, plant and equipment

	Land	Buildings	Temporary erections - site offices	Leasehold improvements	Plant, and machinery - construction equipment*	Office equipment	Tools and implements	Data processing equipments	Furniture and fixtures	Vehicles	Total - tangible assets	Capital work-in-progress
<b>Cost or deemed cost (gross carrying amount)</b>												
<b>Balance as at March 31, 2020</b>	4.78	0.01	45.89	0.03	170.29	2.03	2.82	2.45	2.58	2.89	233.76	-
Additions	-	-	-	-	4.20	0.00	0.16	0.08	0	-	4.44	-
Disposals/adjustment	-	-	-	-	(2.68)	-	-	-	-	-	(2.68)	-
<b>Balance as at March 31, 2021</b>	4.78	0.01	45.89	0.03	171.81	2.03	2.98	2.53	2.58	2.89	235.52	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/adjustment	-	-	(13.82)	-	(103.38)	(0.88)	(2.16)	(0.72)	(0.79)	(0.60)	(122.36)	-
<b>Balance as at March 31, 2022</b>	4.78	0.01	32.07	0.03	68.43	1.15	0.82	1.81	1.79	2.29	113.16	-
Accumulated depreciation												
<b>Balance as at March 31, 2020</b>	-	-	42.78	-	92.40	2.34	2.77	1.93	1.61	1.72	145.54	-
Charge for the year	-	-	0.75	-	16.43	0.38	-	0.19	0.24	0.32	18.32	-
Disposals/adjustment	-	-	(0.19)	-	-	-	-	-	-	-	(0.19)	-
<b>Balance as at March 31, 2021</b>	-	-	43.34	-	108.83	2.72	2.77	2.12	1.85	2.04	163.67	-
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)	-
<b>Balance as at March 31, 2022</b>	-	-	29.80	-	26.95	2.05	0.76	1.52	1.33	1.80	64.21	-
<b>Carrying amounts (net)</b>												
<b>As at March 31, 2021</b>	4.78	0.01	2.55	0.03	62.98	(0.69)	0.21	0.41	0.73	0.85	71.85	-
<b>As at March 31, 2022</b>	4.78	0.01	2.27	0.03	41.48	(0.90)	0.06	0.29	0.46	0.49	48.95	-

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

- Plant and machinery - construction equipment includes shuttering and scaffolding material [Rs. 16.79 (March 31, 2021 ; Rs. 25.86)].  
Net block value of this shuttering and scaffolding material is Rs.2.04 (March 31, 2021; Rs. 6.18).  
Also refer to note 16, 17 and 42

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 5. Intangible assets

	Mining rights	Computer software	Total intangible assets
<b>Cost or deemed cost (gross carrying amount)</b>			
<b>As at March 31, 2020</b>	<b>6.10</b>	<b>1.19</b>	<b>7.29</b>
Additions	-	-	-
Disposals	-	-	-
<b>As at March 31, 2021</b>	<b>6.10</b>	<b>1.19</b>	<b>7.29</b>
Additions			
Disposals			
<b>As at March 31, 2022</b>	<b>6.10</b>	<b>1.19</b>	<b>7.29</b>
<b>Accumulated amortization</b>			
<b>As at March 31, 2020</b>	6.10	1.18	7.28
Charge for the year	-	0.01	0.01
Disposal during the year	-	-	-
<b>As at March 31, 2021</b>	<b>6.10</b>	<b>1.19</b>	<b>7.29</b>
Charge for the year	-	-	-
Disposal during the year	-	-	-
<b>As at March 31, 2022</b>	<b>6.10</b>	<b>1.19</b>	<b>7.29</b>
<b>Carrying amounts (net)</b>			
<b>As at March 31, 2021</b>	-	-	-
<b>As at March 31, 2022</b>	-	-	-

## 6. Non-current investments

	As at March 31, 2022	As at March 31, 2021
<b>A. At cost less provision for other than temporary impairment (Unquoted investments)</b>		
(i) Investment in associate - equity shares (fully paid-up) 7,750 (March 31, 2021: 7,750) of Rs. 100 each in Hill County Properties Limited (at cost less provision Rs. 0.08 (March 31, 2021 : 0.08))	-	-
(ii) Investment in association of persons#		
Maytas NCC JV	13.93	13.74
NCC – Maytas (JV) Pocharam	-	-
Maytas – CTR (JV) [net of provision of Rs.3.27 (March 31, 2021 Rs.3.27)]	-	-
NCC – Maytas – ZVS (JV)	0.21	0.18
<b>B. At amortised cost (Unquoted investments)</b>		
<b>Investment in other entities</b>		
(a) In preference shares (fully paid-up)		
4,550,000 (March 31, 2021:4,550,000) 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, 2021: 4.55))	-	-
2,441,850 (March 31, 2021:2,441,850) 9% cumulative optionally convertible redeemable preference shares of Rs. 100 each in Bangalore Elevated Tollway Private Limited*	16.55	14.54
(b) In debentures (fully paid-up)		
25,370,630 (March 31, 2021:25,370,630) 0.001% Non-convertible debentures of Rs. 10 each in Bangalore Elevated Tollway Private Limited**	14.51	12.80
<b>C. At fair value through profit and loss (Unquoted investments)</b>		
<b>Investment in other entities</b>		
(a) In equity shares (fully paid-up)		
4,000,000 (March 31, 2021:4,000,000) of Rs.10 each in KVK Power and Infrastructure Private Limited (at cost less provision Rs. 4.00 (March 31, 2021: 4.00))	-	-
2,600 (March 31, 2021:2,600) of Rs. 10 each in Gulbarga Airport Developers Private Limited	-	-
2,600 (March 31, 2021: 2,600) of Rs. 10 each in Shimoga Airport Developers Private Limited	-	-
(b) In Pass Through Certificates (refer note 45 and 53)		
2,596,675.29 (March 31, 2021: 2,596,675.29) of Rs. 1,000 each in Maytas Investment Trust* (at cost less provision Rs. 259.67 (March 31, 2021: Rs. 259.67))	-	-
	<b>45.20</b>	<b>41.26</b>

Aggregate amount of provision for diminution in value of investments is Rs. 270.40 (March 31, 2021: Rs. 270.40)

# Includes Company's share of profit in such entities

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

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 7. Trade receivables

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good*	101.04	161.42
Doubtful	261.05	229.45
	<b>362.09</b>	<b>390.87</b>
<b>Less: Allowance</b>		
Expected Credit Loss and for doubtful debts	(261.05)	(229.45)
<b>Net trade receivables</b>	<b>101.04</b>	<b>161.42</b>
Non current trade receivables	25.23	27.33
Current trade receivables	75.81	134.09

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)
<b>Total</b>						<b>101.04</b>

As at March 31, 2021	Less than 6 Months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables – considered good	-	-	79.64	8.12	2.04	89.80
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	26.90	7.09	2.43	36.42
Disputed Trade receivables - considered good	-	-	42.34	4.15	25.17	71.66
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	14.14	51.61	127.25	192.99
Less: Provision for Expected Credit loss and for doubtful debts	-	-	-	-	-	(229.45)
<b>Total</b>						<b>161.42</b>

The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 45.

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

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 8. Loans

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
<b>Loans to related parties (Refer note 37)</b>				
Unsecured, considered good	0.01	-	0.01	-
Considered doubtful	192.94	-	192.94	-
	<b>192.95</b>	-	<b>192.95</b>	-
Provision for doubtful advances	(192.94)	-	(192.94)	-
	<b>0.01</b>	-	<b>0.01</b>	-
<b>Loan to other companies</b>				
Secured, considered good	69.41	-	69.41	-
Considered doubtful	45.23	-	45.23	-
<b>Inter-corporate deposits* (Refer note 48)</b>				
Considered doubtful	342.26	-	342.26	-
	<b>456.90</b>	-	<b>456.90</b>	-
Provision for doubtful advances	(437.60)	-	(437.60)	-
	19.30	-	19.30	-
<b>Total</b>	<b>19.31</b>	-	<b>19.31</b>	-

## 9. Financial assets - other financial assets

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
<b>Interest accrued on deposits and others</b>				
Considered good	199.13	13.93	209.69	11.90
Considered doubtful	70.68	-	68.20	-
	<b>269.81</b>	<b>13.93</b>	<b>277.89</b>	<b>11.90</b>
Provision for doubtful interest accrued	(70.68)	-	(68.20)	-
	<b>199.13</b>	<b>13.93</b>	<b>209.69</b>	<b>11.90</b>
<b>Claim for performance bank guarantee</b>				
Considered good	1.56	-	7.08	-
Considered doubtful	21.12	-	21.12	-
	<b>22.68</b>	-	<b>28.20</b>	-
Provision for doubtful bank guarantee	(21.12)	-	(21.12)	-
	<b>1.56</b>	-	<b>7.08</b>	-
<b>Other receivables</b>				
Considered good	6.19	0.02	14.15	0.22
Considered doubtful	12.18	-	4.51	-
	<b>18.37</b>	<b>0.02</b>	<b>18.66</b>	<b>0.22</b>
Provision for doubtful other receivables	(12.18)	-	(4.51)	-
	<b>6.19</b>	<b>0.02</b>	<b>14.15</b>	<b>0.22</b>
<b>Non-current bank balances (Refer note 10)</b>	<b>24.20</b>	-	<b>24.26</b>	-
<b>Total</b>	<b>231.08</b>	<b>13.95</b>	<b>255.18</b>	<b>12.12</b>

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 10. Cash and bank balances

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
<b>Cash and Cash equivalents</b>				
Cash on hand	-	0.08	-	0.08
<b>Balances with banks:</b>				
On current accounts	-	103.90	-	66.89
	-	<b>103.98</b>	-	<b>66.97</b>
<b>Other bank balances</b>				
Deposits account due to mature within 12 months of reporting date *	-	-	-	-
Deposits account due to mature of more than 12 months of reporting date *	-	227.77	13.90	180.00
Margin money deposits **	24.20	-	10.36	13.84
	<b>24.20</b>	<b>227.77</b>	<b>24.26</b>	<b>193.84</b>
Amount disclosed under non-current financial assets (Refer note 9)	(24.20)	-	(24.26)	-
<b>Total</b>	-	<b>331.75</b>	-	<b>260.81</b>
* Deposits under lien				
** Lodged with authorities				

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

	As at March 31, 2022	As at March 31, 2021
Project materials	21.74	37.72
<b>Total</b>	<b>21.74</b>	<b>37.72</b>

## 12. Other assets

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
<b>Deposits (others)#</b>				
Unsecured, considered good	2.17	2.25	0.76	17.86
Considered doubtful	19.87	-	5.58	-
	<b>22.05</b>	<b>2.25</b>	<b>6.34</b>	<b>17.86</b>
Provision for doubtful deposits (others)	(19.87)	-	(5.58)	-
	<b>2.17</b>	<b>2.25</b>	<b>0.76</b>	<b>17.86</b>
<b>Advances to vendor (other than capital advances) and prepaid expense</b>				
Unsecured, considered good	11.17	42.86	51.82	47.52
Considered doubtful	146.63	-	146.63	-
	<b>157.80</b>	<b>42.86</b>	<b>198.45</b>	<b>47.52</b>
Provision for doubtful advances	(146.63)	-	(146.63)	-
	<b>11.17</b>	<b>42.86</b>	<b>51.82</b>	<b>47.52</b>
Balances with statutory/government authorities	36.56	104.87	36.56	65.30
<b>Contract assets</b>				
<b>Retention money (Refer note 34 and 47)</b>				
Considered good	288.49	90.28	275.69	158.17
Considered - Doubtful	85.49	-	80.65	-
Considered	373.98	90.28	356.34	158.17
Provision for doubtful	(85.49)	-	(80.65)	-
	<b>288.49</b>	<b>90.28</b>	<b>275.69</b>	<b>158.17</b>
<b>Project work-in-progress (Refer note 34 and 47)</b>				
Considered good	303.44	152.65	377.39	205.70
Considered - Doubtful	575.00	-	499.41	-
	<b>878.44</b>	<b>152.65</b>	<b>876.8</b>	<b>205.70</b>
Provision for doubtful	(575.00)	-	(499.41)	-
	<b>303.44</b>	<b>152.65</b>	<b>377.39</b>	<b>205.70</b>
<b>Total</b>	<b>641.83</b>	<b>392.91</b>	<b>742.22</b>	<b>494.55</b>

# Security deposit (current) for the year includes Rs. 11.63 (March 31, 2021: Nil) of short-term deposits placed with related parties, same have been fully provided during the year (Refer note 37).

## Notes to consolidated financial statements for the year ended March 31, 2022

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

### 13. Income tax

#### (a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets as at		Deferred tax liabilities as at		Deferred tax assets / (liabilities), net as at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unabsorbed depreciation	-	109.86	-	-	-	109.86
Provision for doubtful debts, financial and other assets	-	90.09	-	-	-	90.09
Property, plant and equipment	-	5.16	-	-	-	5.16
Provisions for future losses and liquidated damages	-	29.28	-	-	-	29.28
Other items	-	8.6	-	-	-	8.6
<b>Total</b>	<b>-</b>	<b>242.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242.99</b>

#### (b) The following table provides the details of income tax assets and income tax liabilities as of March 31, 2021 and March 31, 2022

	As at March 31, 2022	As at March 31, 2021
Income tax assets (net) - current	43.14	31.17
Income tax assets (net) - non-current	25.26	67.75
Current tax liabilities (net)	-	-
<b>Net income tax asset / (liability) at the end of the year</b>	<b>68.40</b>	<b>98.92</b>

#### (c) The gross movement in the current income tax asset / (liability) for the year ended March 31, 2022 and March 31, 2021 is as follows:

	For the year ended	
	March 31, 2022	March 31, 2021
Net income tax asset / (liability) at the beginning of the year	98.92	111.58
Income tax paid (net of refund)	(25.42)	(12.66)
Current income tax expense	(5.10)	-
<b>Net income tax asset / (liability) at the end of the year</b>	<b>68.40</b>	<b>98.92</b>

#### (d) Reconciliation of effective tax rate

Loss before tax	(386.35)	(285.64)
Tax using the Company's domestic rate (March 31, 2021 : 25.63%)	(99.48)	(73.55)
<b>Tax effect of:</b>		
Current year losses for which no deferred tax assets is recognised	(99.48)	(73.55)
	<b>(99.48)</b>	<b>(73.55)</b>

### 14. Share capital

Authorized shares	As at March 31, 2022	As at March 31, 2021
350,000,000 (March 31, 2021 : 350,000,000) equity shares of Rs. 10 each	350.00	350.00
35,000,000 (March 31, 2021 : 35,000,000) preference shares of Rs. 100 each	350.00	350.00
<b>Issued, subscribed and paid up</b>		
131,121,078 (March 31, 2021 : 131,121,078) equity shares of Rs. 10 each fully paid-up	131.12	131.12
<b>Total</b>	<b>131.12</b>	<b>131.12</b>

All issued shares are fully paid up

# Notes to consolidated financial statements for the year ended March 31, 2022

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

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

	March 31, 2022		March 31, 2021	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
At the commencement of the year	13,11,21,078	131.12	13,11,21,078	131.12
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>13,11,21,078</b>	<b>131.12</b>	<b>13,11,21,078</b>	<b>131.12</b>

225,000 (March 31, 2021 : 225,000) 6% cumulative redeemable preference shares (CRPS) of Rs. 100 each fully paid-up total face value of Rs. 2.25 (March 31, 2021 : Rs. 2.25) are classified as financial liability (Refer note 16)

3,750,000 (March 31, 2021 : 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, 2021 : 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 will be 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.

## (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, 2022		As at March 31, 2021	
	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, 2022		As at March 31, 2021	
	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%

# Notes to consolidated financial statements for the year ended March 31, 2022

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

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

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	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

Name of shareholder	As at March 31, 2022		As at March 31, 2021		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%	0.00%
Infrastructure Leasing and Financial Services Limited	2,74,86,243	20.96%	2,74,86,243	20.96%	0.00%

## 15. Other equity

	As at March 31, 2022	As at March 31, 2021
<b>Securities premium account</b>		
Balance at the commencement of the year	282.28	282.28
<b>Closing balance (A)</b>	<b>282.28</b>	<b>282.28</b>
<b>Deficit in the statement of profit and loss</b>		
Balance at the commencement of the year	(3,262.74)	(2,977.72)
Loss from the Statement of profit and loss	(386.13)	(285.02)
<b>Total</b>	<b>(3,648.87)</b>	<b>(3,262.74)</b>
<b>Net deficit in the statement of profit and loss (B)</b>	<b>(3,648.87)</b>	<b>(3,262.74)</b>
<b>Other comprehensive income</b>		
Balance at the commencement of the year	3.13	2.42
Remeasurement of the net defined benefit liability / assets, net of tax effect	(0.17)	0.71
Balance at the end of the year	2.96	3.13
<b>Foreign currency translation reserve</b>		
Balance at the commencement of the year	15.28	15.28
Add: Foreign currency translation reserve for the current year	-	-
<b>Balance at the end of the year</b>	<b>15.28</b>	<b>15.28</b>
<b>Closing balance (C)</b>	<b>18.24</b>	<b>18.41</b>
<b>Non-controlling interest</b>		
<b>Equity held by others</b>		
Balance at the commencement of the year	(107.79)	(107.79)
Share of other comprehensive income attributable to non-controlling interest holders	-	-
Share of loss attributable to non-controlling interest holders	-	-
<b>Closing balance (D)</b>	<b>(107.79)</b>	<b>(107.79)</b>
Other Adjustments*	342.85	342.85
<b>Total closing balance (A+B+C+D)</b>	<b>(3,113.30)</b>	<b>(2,727.00)</b>

\* Rs.154.81 being the adjustment relating to write off of balances payable by the subsidiary companies to Holding company. The said amounts were adjusted in the standalone financial statements of Holding Company and Rs.188.04 being impact of non-consolidation of Maytas Infra Saudi Arabia and the related adjustments arising therefrom.

### Nature and purpose of other reserves

- Foreign currency translation reserve is used to recognise the impact of restatement of assets and liabilities of non-integral operations of the Group.
- Securities premium is used to record the premium received on issue of shares. Premium received is utilised in accordance with the provisions of the Companies Act, 2013.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 16. Long-term borrowings

	As at March 31, 2022	As at March 31, 2021
	Current	Current
<b>Term loans (secured) (At amortised cost)</b>		
<b>From banks</b>		
Indian rupee term loans	78.71	78.71
<b>From others (At amortised cost)</b>		
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
<b>Unsecured (At amortised cost)</b>		
6% Cumulative redeemable preference shares (Refer note 49)	2.25	2.25
6% Optionally convertible cumulative redeemable preference shares (Refer note 49)	37.50	37.50
	2,014.62	2,014.62
<b>Amount disclosed under short term borrowings (refer note 17)</b>	<b>(2,014.62)</b>	<b>(2,014.62)</b>
<b>Total</b>	<b>-</b>	<b>-</b>

- (a) The Company had obtained an approval for the Corporate Debt Restructuring (CDR) from the CDR Empowered Group in earlier years and the impact of the CDR scheme had been given in the financial statements of the year 2009-10.
- (b) Indian rupee Term loans from banks to the extent of Rs. 34.71 (March 31, 2021: Rs. 34.71) carries an interest @ 11% p.a. The loan is repayable in 20 equal quarterly instalments 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'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. The company has defaulted in payment of principal and interest.

Further, Indian rupee term loans to an extent of Rs. 44.00 (March 31, 2021: Rs. 44.00) carry an interest rate of : 9.85 % to 10.50 % p.a. (March 31, 2021 : 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 March 31 every year.
FY 2018-19	40	
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 had 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, 2021 : 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, 2021: 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, 2021 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

# Notes to consolidated financial statements for the year ended March 31, 2022

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

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, 2021 : 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, 2021 : 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, 2021 : 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, 2021 : 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, 2021 : 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, 2021 : Rs. 38.50) is additionally secured by way of second charge on fixed assets of the Company. The Company had 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, 2021 : Rs. 128.40) the terms of which are as follows:
- (i) Loan to the extent of Rs. 80.40 (March 31, 2021 : 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, 2021 : 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, 2021 : 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 had 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, 2021 : 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 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 had 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, 2021 : Rs. 933.75) carries interest @ 12% p.a. which is payable quarterly in arrears. Loan is to be repaid at end of 24 months from the date of first disbursement. The Company had 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, 2021 : 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 had defaulted in payment of interest.

## Notes to consolidated financial statements for the year ended March 31, 2022

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

- (i) Unsecured loan from RIDCOR Infra Projects Limited of Rs. 20.00 (March 31, 2021 : 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 had defaulted in payment of principal and interest.
- (j) Finance lease obligation was secured by hypothecation of plant and machinery taken on lease. The interest rate implicit in the lease is 14% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 4 years.
- (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), now Vistra ITCL (India) Ltd 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. Subsequent to year end, 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.

- (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	37.5
30-Sep-14 #	50,00,000	50
30-Sep-15 ^	37,50,000	37.5
30-Sep-16 @	50,00,000	50
<b>Total</b>	<b>1,75,00,000</b>	<b>175</b>

- \* The OCCRPS which were due for redemption on September 30, 2013 were purchased by IL&FS Trust Company Limited (ITCL), now Vistra ITCL (India) Ltd 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. Subsequent to year end, 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.

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

## Notes to consolidated financial statements for the year ended March 31, 2022

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

^ 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 45.

Details of default in repayment of borrowings from Banks as on March 31, 2022 and March 31, 2021 are given below:

Particulars	March 31, 2022		March 31, 2021	
	Amount of Default	Period of Default (No of days)	Amount of Default	Period of Default (No of days)
ICICI Bank	10.25	1277	10.25	912
	11.85	1185	11.85	820
	11.85	1096	11.85	731
	6.90	1006	6.90	641
SBI (including SBH)	6.45	1096	6.45	731
	2.78	1006	2.78	641
Bank of Maharashtra	1.67	1277	1.67	912
	1.67	1185	1.67	820
	1.67	1096	1.67	731
	0.95	1006	0.95	641
IDBI Bank	1.49	1277	1.49	912
	1.73	1185	1.73	820
	1.73	1096	1.73	731
Bank of India	0.39	1185	0.39	820
	0.39	1096	0.39	731
Punjab National Bank	0.80	1277	0.80	912
	0.80	1185	0.80	820
	0.80	1096	0.80	731
Bank of Baroda (Formally Vijaya Bank)	0.54	1277	0.54	912
	1.03	1185	1.03	820
	1.03	1096	1.03	731
	0.59	1006	0.59	641
Indian Overseas Bank	0.00	1277	0.00	912
	0.12	1185	0.12	820
	1.09	1096	1.09	731
Allahabad Bank	2.84	1277	2.84	912
	2.84	1185	2.84	820
	2.84	1096	2.84	731
	1.62	731	1.62	366

## Notes to consolidated financial statements for the year ended March 31, 2022

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

Details of Interest Defaults to Banks as at March 31, 2022 and March 31, 2021 are as follows:

Particulars	March 31, 2022		March 31, 2021	
	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	Due date for interest is on various dates on monthly basis.	5.45	Due date for interest is on various dates on monthly basis.
SBI (including SBH)	7.96		7.96	
Bank of Maharashtra	1.74		1.74	
Bank of India	0.83		0.83	
IDBI Bank	1.66		1.66	
Punjab National Bank	3.12		3.12	
Bank of Baroda ( Formally Vijaya Bank)	1.98		1.98	
Indian Overseas Bank	2.41		2.41	
Indian Bank ( Formally Allahabad Bank)	4.20		4.20	

Details of default in repayment of borrowings from Financial Institutions (Promoter Group entities) as on March 31, 2022 and March 31, 2021 are given below:

Particulars	March 31, 2022		March 31, 2021	
	Amount of Default (Rs. Crores)	Period of Default (No of days)	Amount of Default (Rs. Crores)	Period of Default (No of days)
Infrastructure Leasing & Financial Services Ltd	39.70	1279	39.70	914
	30.00	1252	30.00	887
	84.00	1134	84.00	769
	181.8	992	181.8	627
	20.10	986	20.10	621
	16.50	986	16.50	621
	40.00	1010	40.00	645
	64.10	915	64.10	550
	7.00	854	7.00	489
	35.00	825	35.00	460
	50.00	770	50.00	405
	40.00	769	40.00	404
	237.90	765	237.90	400
	45.00	733	45.00	368
	112.00	671	112.00	306
	239.80	631	239.80	266
	38.50	620	38.50	255
	40.00	606	40.00	241
215.00	588	215.00	223	
118.67	562	118.67	197	
IL&FS Financial Services Limited	80.40	1290	80.40	925
	48.00	743	48.00	378
IL&FS Transportation Networks Limited	25.00	1149	25.00	784
	3.00	1127	3.00	762
	5.00	1122	5.00	757
	45.00	727	45.00	362
Tierra Enviro Limited	4.40	1402	4.40	1037
	35.00	1459	35.00	1094
IL&FS Cluster Development Initiative Limited	15.00	1096	15.00	731
Sabarmati Capital One Limited	4.60	1311	4.60	946
	7.00	1307	7.00	942
IL&FS Airport Ltd	30.60	824	30.60	459
	7.00	1011	7.00	646
Rohtas Bio Energy Limited	62.00	918	62.00	553
Ridcor	20.00	731	20.00	366

## Notes to consolidated financial statements for the year ended March 31, 2022

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

Details of Interest Defaults to Financial Institutions (Promoter Group entities) as on March 31, 2022 and March 31, 2021 are given below:

Particulars	March 31, 2022		March 31, 2021	
	Amount of Default (Rs. Crores)	Period of Default (No of days)	Amount of Default (Rs. Crores)	Period of Default (No of days)
Infrastructure Leasing & Financial Services Ltd	343.93	Due date for interest is on various dates on monthly basis.	343.93	Due date for interest is on various dates on monthly basis.
IL&FS Financial Services Limited	76.60		76.60	
IL&FS Transportation Networks Limited	5.85		5.85	
Tierra Enviro Limited	2.99		2.99	
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, 2022	As at March 31, 2021
Current maturities of long term borrowings ( refer note16)	2,014.62	2,014.62
Cash credit facilities from banks (secured)	503.21	503.53
Loans related party (unsecured) (Refer note 37)	151.00	151.00
<b>Total</b>	<b>2,668.83</b>	<b>2,669.15</b>

(a) Cash credit from banks are repayable on demand and carries interest @ 9% p.a. to 13.80% p.a. (March 31, 2021: 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, 2021: Rs. 253.68) have additionally been secured by a personal guarantee given by the Ex-Vice Chairman of the Company, Mr. B Teja Raju.

Loans aggregating to Rs. 249.84 (March 31, 2021: Rs. 249.84) additionally carry letter of comfort/support undertaking from Infrastructure Leasing and Financial Services Limited.

(b) Unsecured loan from related parties Rs. 150.99 (March 31, 2021 : Rs. 150.99) carries interest ranging from @ 15.50% p.a. to 16.50% p.a. (March 31, 2021: @ 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, 2022 and March 31, 2021 are given below:

Particulars	March 31, 2022		March 31, 2021	
	Amount of Default (Rs. Crores)	Period of Default (No of days)	Amount of Default (Rs. Crores)	Period of Default (No of days)
Indian Bank ( Formally Allahabad Bank)	63.44	1262 days from 16th oct 2018 to 31st Mar 22	63.44	897 days from 16th oct 2018 to 31st Mar 21
Bank of India	19.29		19.35	
Bank of Maharashtra	23.09		23.14	
ICICI	69.62		69.62	
IDBI	20.22		20.22	
Indian Overseas Bank	33.37		33.37	
Punjab National Bank	54.10		54.31	
State Bank of India	183.27		183.27	
Bank of Baroda ( Formally Vijaya Bank)	36.80		36.80	

The Company's exposure to liquidity risks related to borrowings is disclosed in Note 45.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 18. Trade payables

	As at March 31, 2022	As at March 31, 2021
Trade payables		
Dues to micro and small enterprises	6.04	6.91
Dues to other than micro and small enterprises	957.86	895.89
<b>Total</b>	<b>963.90</b>	<b>902.80</b>
Non-current [includes retention money payable of Rs. 160.53 (March 31, 2021: Rs. 160.53)]	217.03	163.79
Current [includes retention money payable of Rs. 97.68 (March 31, 2021: Rs. 97.68)]	746.87	739.01

The Company's exposure to liquidity risks related to trade payables is disclosed in note 45.

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	320.84	696.52
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
<b>Total</b>	<b>74.28</b>	<b>97.35</b>	<b>242.44</b>	<b>549.83</b>	<b>963.9</b>
As at March 31, 2021	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	6.26	6.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	124.96	150.34	134.03	243.05	652.37
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	1.93	10.21	63.86	168.17	244.16
<b>Total</b>	<b>126.88</b>	<b>160.55</b>	<b>197.89</b>	<b>417.48</b>	<b>902.80</b>

## 19. Other financial liabilities

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Interest accrued and due on borrowings and mobilisation advance	-	573.90	-	604.56
Liability component of financial instruments (refer note 49)	-	15.79	-	15.79
Contract liabilities - mobilization advance (refer note 34)	41.00	386.46	56.16	389.11
<b>Total</b>	<b>41.00</b>	<b>976.15</b>	<b>56.16</b>	<b>1,009.46</b>

The Company's exposure to liquidity risks related to above financial liabilities is disclosed in note 45.

## 20. Provisions

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Provisions for employee benefits				
Gratuity (Refer note 35)	3.87	-	3.63	0.24
Compensated absences	-	5.45	-	4.55
<b>Total provisions for employee benefits (A)</b>	<b>3.87</b>	<b>5.45</b>	<b>3.63</b>	<b>4.79</b>
Provision for estimated future loss on projects	14.47	40.6	95.86	36.38
Provision for liquidated damages	-	1.16	-	13.76
<b>Total other provisions (B)</b>	<b>14.47</b>	<b>41.76</b>	<b>95.86</b>	<b>50.14</b>
<b>Total provisions (A+B)</b>	<b>18.34</b>	<b>47.21</b>	<b>99.49</b>	<b>54.93</b>

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## Movements in other provisions

Movements in other provisions	Estimated future loss on projects	Liquidated damages	Total
<b>Balance as at April 1, 2020</b>	<b>91.30</b>	<b>13.76</b>	<b>105.06</b>
Provisions made during the year	47.93	-	<b>47.93</b>
Provisions utilised during the year	(6.99)	-	<b>(6.99)</b>
<b>Balance as at March 31, 2021</b>	<b>132.24</b>	<b>13.76</b>	<b>146.00</b>
Provisions made during the year	-	-	-
Provisions utilised during the year	(77.17)	(12.60)	(89.77)
<b>Balance as at March 31, 2022</b>	<b>55.07</b>	<b>1.16</b>	<b>56.23</b>

### A. Provision for Estimated future loss on projects

The projects in progress as at March 31, 2022 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. 55.07 (March 31, 2021: Rs. 132.24).

### 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, 2022	As at March 31, 2021
	Current	Current
Contract liabilities - Advance from customers	14.83	19.41
Contract liabilities - Advance billing from customers	11.39	52.25
Statutory dues (net of input tax credit on Goods and Services tax)	153.04	166.53
Interest payable to micro and small enterprises	4.05	4.02
	<b>183.31</b>	<b>242.21</b>

## 22. Revenue from contracts with customers

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Revenue from contracts	233.35	323.85
Revenue from equipment hiring services	-	1.90
<b>Other operating revenue</b>		
Reversal of provision for estimated future loss on projects (net) (Refer note 20)	74.29	6.99
	<b>307.64</b>	<b>332.74</b>

## 23. Other income

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest income on		
Bank deposits	7.02	6.46
Inter corporate deposits and others	3.13	6.82
Income tax refunds	3.32	2.59
Interest income from financial assets carried at amortised cost	3.72	3.34
Liabilities no longer required written back	2.59	-
Provision no longer required written back	48.71	15.89
Other non-operating income	2.55	9.92
	<b>71.04</b>	<b>45.02</b>

## Notes to consolidated financial statements for the year ended March 31, 2022

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

### 24. Cost of materials consumed

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Opening stock	37.67	52.22
Add: Purchases during the year	84.42	76.47
	122.09	128.69
Less: Closing stock	21.74	37.67
	<b>100.35</b>	<b>91.02</b>

### 25. Employee benefits expenses

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries, wages and bonus	40.62	43.9
Contribution to provident fund and other funds (Refer note 35)	1.52	3.21
Gratuity (Refer note 35)	0.27	1.13
Compensated absences	0.23	0.19
Staff welfare expenses	0.99	0.54
	<b>43.63</b>	<b>48.97</b>

### 26. Finance costs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest expense		
Interest on Mob Advance/Others	40.91	33.33
Interest cost from financial liabilities carried at amortised cost	0.01	0.07
Bank charges (including BG commission)	5.09	9.30
	<b>46.00</b>	<b>42.70</b>

### 27. Depreciation and amortization expense

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation expense	13.26	18.32
Amortization expense	-	0.01
Depreciation on Right of use assets (Refer note 42)	0.29	0.66
	<b>13.55</b>	<b>18.99</b>

### 28 (a). Other expenses

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Rent (Refer note 42)	4.77	3.77
Rates and taxes	3.32	1.18
Office maintenance	2.21	1.73
Communication expenses	0.36	0.39
Printing and stationery	0.18	0.26
Legal and professional charges	7.50	5.85
Sitting fees	0.05	0.05
Travelling and conveyance	1.66	2.24
Business promotion	0.15	0.15
Auditor's remuneration (Refer note 40)	0.60	0.60
Site expenses	12.57	8.58
Hire charges	31.42	7.91

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Freight and transportation	0.46	0.59
Insurance	3.56	3.91
Power and fuel	0.45	0.44
Repairs		
Plant and machinery	0.74	0.27
Others	0.29	0.29
Miscellaneous expenses	0.10	-
	<b>73.23</b>	<b>38.17</b>

## 28 (b). Expected credit loss and other provisions

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Provision for advances, trade receivables, other assets, Contract assets and impairment of fixed assets	170.42	165.68
Provision for future loss (net) (Refer note 20)	40.79	36.96
Expected credit loss for trade receivables and contract assets	-	32.64
	<b>211.21</b>	<b>235.28</b>

## 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, 2022	March 31, 2021
Net Loss after tax attributable to equity shareholders	(386.13)	(285.64)
<b>Shares</b>		
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	-	-
<b>Total number of shares outstanding at the end of the year</b>	<b>13,11,21,078</b>	<b>13,11,21,078</b>
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	10.00	10.00
Basic and diluted earnings per share	(29.45)	(21.74)

## 30. Going Concern

The Company has accumulated loss of Rs.3,648.87 as at March 31, 2022 (as at March 31, 2021: Rs. 3,262.74). The Company has incurred loss of Rs. 386.13 during the year ended March 31, 2022. Company's net worth has been fully eroded and the current liabilities exceed its current assets as at the balance sheet date by Rs. 3,743.07 (March 31, 2021: Rs. 3,744.59). Existing projects being executed by the Company are nearing completion / or approaching their end of term, which is likely to result in significant reduction in the Company's operating revenue over the past three year. The Company has continued to default in payment of various loans to the lenders of the Company, including borrowings from promoter group entities.

As indicated in Note 31(v), the Reconstituted Board of Directors of IL&FS in their reports to National Company Law Tribunal (NCLT) categorized Company under the Group "Red" implying that the Company is unable to meet its contractual, statutory and debt obligations. The Company is currently not settling liabilities existing prior to the date of reconstitution of Board of Directors of IL&FS to its Financial Creditors and the Operational Creditors.

Adverse developments in promoter group entities impacted the operations of the company and also resulted in cancellation/ termination/suspension/foreclosure of certain contracts with customers.

The Reconstituted Board and the management of the Company have taken various steps to continue the operations at present level during the period of calm granted by the Hon'ble NCLAT as part of resolution process. Further, the Reconstituted Board is in the process of finalizing a comprehensive approach to manage the current situation including sale of existing equity share holding by IL & FS Group. In this process, the Reconstituted Board, as part of resolution process for the Company, has invited expression of interest for acquiring the equity stake in the Company. In January 2022, a bid has been received from an unincorporated Consortium which will be subjected to challenge through counter bid under a Swiss Challenge method. The successful bid would then be taken 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 accompanying financial statement have been prepared on a going concern basis considering the cumulative impact of above stated matters and peace of calm granted by NCLAT.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 31. Contingent liability

### (a) Contingent liabilities on account of pending litigations

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Claims against the Group not acknowledged as debts (interest, if any, not ascertainable after date of order)	12.11	12.11
(ii)	Direct taxes under dispute *	38.49	39.82
(iii)	Indirect taxes under dispute ** #	200.06	119.18

\*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, 2021: 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) The Company formed Himachal Joint Venture (HJV) to execute an EPC project with National Hydro Power Corporation (Client). HJV subcontracted this work to SSJV Projects Private Limited (SSJV) and the work had been executed to the extent of Rs. 262.45 by SSJV. Due to the geographical conditions at site, work could not be done at the rates prescribed in the contract. HJV invoked arbitration clause for delays and extra-ordinary geological occurrence in executing the project. The Client en-cashed bank guarantees for an amount of Rs. 216.40 provided by SSJV and issued winding up notice to the Company as well as other joint venture partners. The Company vide its letter dated July 29, 2013 replied to the said notice stating that the matter is disputed and subjudice and would not be legally tenable. Client had filed a winding-up petition against Company and Joint venture partner vide CP 73/2014, which was dismissed. No appeal has been filed by client so far.

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

Subsequent to adverse developments at Infrastructure Leasing and Financial Services Limited ("IL&FS") and IL&FS group level, as stated in earlier years, various regulatory and investigatory authorities are seeking information from the company as part of their investigations since 2018-19 onwards. Company and the present management are cooperating with the respective authorities and submitting the information as sought from time to time. Further, as per the directions of the Reconstituted Board of IL&FS, forensic audit also has been initiated for select entities including this Company. The forensic auditors submitted their final reports during May 2021 detailing certain potential anomalies in the financial statements and operations of the Company. The report has been hosted on the Company's websites and also filed with stock exchanges, submitted to SFIO etc. Based on the said report SFIO is seeking additional information from the Company and also requested the statutory auditors of the Company past and present to submit their audit working files.

### (b) Other contingent liabilities

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Guarantees issued by bankers and financial institution (excluding performance obligations)	211.87	256.78
(ii)	Guarantees issued by bankers and financial institutions on behalf of the Consolidating entities towards performance obligations	427.57	517.95
(iii)	Corporate guarantees (including guarantees towards performance obligations of the Company)	633.48	636.48
(iv)	Liquidated damages	1.16	7.89

## 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, 2021) Nil.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## (b) Other Commitments:

- i. The Company has made a commitment to make additional investment of Rs. 49.64 (March 31, 2021: 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 presently under negotiation and hence undeterminable.

As the Company has not received any communication to meet any potential obligation to share further liability of the said subsidiary no provisions have been made in the books. On receipt of any communication in this regard, the Company will engage with the other shareholder of the subsidiary for a final settlement.

- 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, 2021: Rs. 279.83)

## 33. Segment reporting:

The Consolidating entities 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 below, therefore no separate disclosure on segment information is given in these financial statements.

### Geographical segments:

Although the Consolidated entities major operating divisions are managed on a worldwide basis, they operate in two principal geographical areas of the world, in India, its home country, and rest of the world.

Segment	Segment revenue		Segment non-current assets*	
	For the year ended		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
India	307.64	332.74	716.04	881.82
Rest of world	-	-	-	-
<b>Total</b>	<b>307.64</b>	<b>332.74</b>	<b>716.04</b>	<b>881.82</b>

\* Non current assets are excluding financial instruments and deferred tax assets.

## 34. Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

### (a) Disaggregation of revenue:

The Group 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. Geographical disaggregation has been given in the consolidated financial statements of the Company.

### (b) Contract balances

#### (i) Opening and closing balances of contract balances

	March 31, 2022	March 31, 2021
Trade receivables	101.04	161.42
Contract assets - Project Work in progress	456.09	583.09
Contract assets - Retention money	378.77	433.86
Provision for estimated future losses on projects and liquidated damages	56.23	146.00
Contract liabilities	453.26	516.93

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.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

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. 33.45

## (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. 425, 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, 2022	March 31, 2021
<b>(i) Reconciliation of present value of defined benefit obligation</b>		
Opening defined benefit obligation	3.08	3.28
Current service cost	0.49	0.52
Interest cost on benefit obligation	0.21	0.22
Benefits paid	(0.20)	(0.21)
Actuarial (gain)/loss on obligation	0.17	(0.73)
<b>Closing defined benefit obligation</b>	<b>3.74</b>	<b>3.08</b>
<b>(ii) Reconciliation of present value of plan asset:</b>		
Opening fair value of plan assets	2.93	2.63
Expected return on plan assets	0.20	0.18
Contributions by employer	1.21	0.36
Others	(0.37)	(0.23)
<b>Closing fair value of plan assets</b>	<b>3.97</b>	<b>2.93</b>
<b>(iii) Reconciliation of net defined benefit asset/(liability):</b>		
Present value of defined benefit obligation	(3.74)	(3.08)
Fair value of plan assets	3.97	2.93
Additional Provision*	(4.10)	(3.73)
<b>Plan Liability</b>	<b>(3.87)</b>	<b>(3.88)</b>
* Provision for gratuity as per management estimates.		
<b>II. Expenses recognised in the statement of profit and loss under employee benefit expense</b>		
Current service cost	0.49	0.52
Interest cost on benefit obligation	0.21	0.04
Expenses	-	-
Expected return on plan assets	(0.20)	(0.18)
<b>Net benefit expense</b>	<b>0.49</b>	<b>0.56</b>

# Notes to consolidated financial statements for the year ended March 31, 2022

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

	For the year ended	
	March 31, 2022	March 31, 2021
<b>III. Remeasurements recognised in statement of other comprehensive income</b>		
Net actuarial (gain)/ loss recognized in the year	0.17	(0.73)
<b>Loss recognised in statement of other comprehensive income</b>	<b>0.17</b>	<b>(0.73)</b>
<b>IV. Amount recognised in the balance sheet:</b>		
Defined benefit obligation	3.74	3.08
Fair value of plan assets	(3.97)	(2.93)
Additional Provision*	4.11	3.73
<b>Closing liability</b>	<b>3.88</b>	<b>3.87</b>

\* Provision for gratuity as per management estimates.

## V. Experience adjustment

	For the year ended				
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
On plan liabilities loss	3.74	3.08	3.28	3.61	4.28
On plan assets (gain) / loss	3.97	2.93	2.93	0.41	1.23
Surplus / (deficit)	0.23	(0.14)	(0.65)	(3.20)	(3.05)
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 March 31, 2022	As at March 31, 2021
Insurance fund		
(%) of total plan assets	100%	100%

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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.96%	6.88%
Increase in compensation cost	5.00%	5.00%
Attrition rate	7.00%	5.00%
Estimated rate of return on plan assets	6.80%	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 :

- 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.
- 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.
- 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:

	(increase)/ decrease in defined benefit obligation		
	Sensitivity level	As at March 31, 2022	As at March 31, 2021
Discount rate	1% increase	3.38	2.86
	1% decrease	3.78	3.32
Salary escalation rate	1% increase	3.77	3.33
	1% decrease	3.39	2.86

36. The consolidated financial statements include aggregate assets amounting of Rs. Nil ( March 31, 2021: Nil) aggregate revenue (including other income) of Rs. Nil (March 31, 2021 Nil) and net cash inflows of Rs. Nil (March 31, 2021: Nil) of an overseas subsidiary consolidated based on its unaudited financial statements. Management is of the view that adjustment, if any, that may have been required had the audited financial statements of the subsidiaries been made available would not be material.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 37. Related party disclosures:

### I. Names of related parties and relationship with the Company (as per the Ind AS 24 – “Related Party Disclosures”):

#### A Holding Company

- 1 Infrastructure Leasing & Financial Services Limited \$

#### B Joint ventures (JV)

- 1 NCC – Maytas (JV)
- 2 NEC – NCC – Maytas (JV)
- 3 Maytas – NCC (JV)
- 4 NCC – Maytas (JV) (Singapore Class Township)
- 5 Maytas – CTR (JV)
- 6 NCC – Maytas – ZVS (JV)
- 7 ITNL - IECCL JV

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

- 1 SBG Projects Investments Limited

#### 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 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 \$

#### E Key management personnel

- 1 Mr. Chandra Shekhar Rajan, Director
- 2 Mr. Dilip Lalchand Bhatia, Director
- 3 Mr. Bijay Kumar, Director (till December 20, 2020)
- 4 Mr. Manish Kumar Agarwal (w.e.f January 15, 2021)
- 5 Mr. Jagadip Narayan Singh(w.e.f January 15, 2021)
- 6 Mr. Subrata Kumar Atindra Mitra (w.e.f January 15, 2021)
- 7 Mr. Kazim Raza Khan, Chief Executive Officer
- 8 Mr. Naveen Kumar Agrawal, Chief Financial Officer
- 9 Mr. Srinivasa Kiran Sistla, Company Secretary
- 10 Mr. Sushil Dudeja, Company Secretary (till January 31, 2019) ("the erstwhile")
- 11 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.

## Notes to consolidated financial statements as at March 31, 2022

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

### II. Transactions with related parties during the year#:

		For the year ended	
		March 31, 2022	March 31, 2021
<b>A</b>	<b>Holding Company</b>		
1	<b>Infrastructure Leasing &amp; Financial Services Limited</b>		
	Rent paid	(0.23)	(1.32)
	Expenditure incurred on behalf of Company	0	(0.03)
<b>B</b>	<b>Joint Ventures (JV)</b>		
1	<b>Maytas – NCC (JV)</b>		
	Share of profit / (loss) from joint venture	0.19	0.76
2	<b>NCC – Maytas – ZVS JV</b>		
	Share of profit / (loss) from joint venture	(0.13)	(0.13)
<b>C</b>	<b>One entity is an Associate or fellow subsidiaries of Infrastructure Leasing &amp; 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).</b>		
1	<b>IL&amp;FS Transportation Networks Limited</b>		
	Lease rental charges (including interest on late payments)	(28.75)	(12.70)
	Expenditure incurred on behalf of Company	(0.06)	(0.29)
	Other Income - non operating Income	-	21.11
	Revenue from operations	-	41.50
<b>D</b>	<b>Key management personnel</b>		
1	<b>Mr. Kazim Raza Khan</b>		
	Remuneration (including perquisites)	(1.04)	(1.01)
2	<b>Mr. Naveen Kumar Agrawal</b>		
	Remuneration	(0.55)	(0.53)
3	<b>Mr.Sistla Srinivasa Kiran</b>		
	Remuneration	(0.15)	(0.14)
4	<b>Mr. Dilip Bhatia</b>		
	Sitting fees	(0.01)	-
5	<b>Mr. Chandra Shekhar Rajan</b>		
	Sitting fees	(0.01)	(0.01)
6	<b>Mr. Bijay Kumar</b>		
	Sitting fees	-	(0.01)
7	<b>Mr.Manish Kumar Agarwal</b>		
	Sitting fees	(0.01)	0
8	<b>Mr. Jagadip Narayan Singh</b>		
	Sitting fees	(0.01)	0
9	<b>Mr. Subrata Kumar Atindra Mitra</b>		
	Sitting fees	(0.01)	0

### III. Balances outstanding debit / (credit)#:

<b>A</b>	<b>Holding Company</b>		
1	<b>Infrastructure Leasing &amp; Financial Services Limited*</b>		
	Long-term secured loan	(721.32)	(721.32)
	Long-term unsecured loan	(933.75)	(933.75)
	Short-term deposits	11.63	0.00
	Interest accrued	(343.93)	(343.93)

\*\*Excluding bank guarantee/letter of credits of Rs. 446.45 (March 31, 2021: 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, 2021: Rs. 424.69). The Company had also given corporate guarantee of Rs. 125 (March 31, 2021: Rs. 125) for availing Letter of Credit facilities from its bankers.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

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, 2021: Rs. 249.84).

		For the year ended	
		March 31, 2022	March 31, 2021
<b>B</b>	<b>Joint ventures</b>		
1	Maytas – NCC (JV)	16.17	16.74
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	0.26	0.26
<b>C</b>	<b>One entity is an Associate or fellow subsidiaries of Infrastructure Leasing &amp; 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).</b>		
<b>1</b>	<b>IL&amp;FS Transportation Networks Limited</b>		
	Short-term unsecured loan	(78.00)	(78.00)
	Trade receivables (including retention money)*	12.37	12.37
	Other receivables*	6.35	6.35
	Lease rental payable*	(31.98)	(3.17)
	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.		
<b>2</b>	<b>Rohtas Bio Energy Limited</b>		
	Long-term unsecured loan	(62.00)	(62.00)
	Interest accrued	(4.42)	(4.42)
<b>3</b>	<b>IL&amp;FS Airports Limited</b>		
	Long-term secured loan (Including assigned from Bhopal E- Governance Limited Rs. 30.60)	(37.60)	(37.60)
	Interest accrued	(2.67)	(2.67)
<b>4</b>	<b>Tierra Enviro Limited</b>		
	Short-term unsecured loan	(37.60)	(37.60)
	Interest accrued	(2.67)	(2.67)
<b>5</b>	<b>IL&amp;FS Cluster Development Initiative Limited</b>		
	Short-term unsecured loan	(15.00)	(15.00)
	Interest accrued	(1.17)	(1.17)
<b>6</b>	<b>Sabarmati Capital One Limited</b>		
	Short-term unsecured loan	(11.60)	(11.60)
	Interest accrued	(0.88)	(0.88)
<b>7</b>	<b>IL&amp;FS Township &amp; Urban Assets Limited</b>		
	Operating expenses	(0.05)	(0.05)
<b>8</b>	<b>Skill Training Assessment Management Partners Limited</b>		
	Professional Services	(0.01)	(0.01)
<b>9</b>	<b>Elsamex Maintenance Services Limited</b>		
	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.		

# Notes to consolidated financial statements for the year ended March 31, 2022

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

		For the year ended	
		March 31, 2022	March 31, 2021
<b>10</b>	<b>Hill County Properties Limited</b>		
	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
<b>11</b>	<b>IL&amp;FS Financial Services Limited</b>		
	Long-term secured loan	(128.40)	(128.40)
	Interest accrued	(76.60)	(76.60)
<b>12</b>	<b>RIDCOR Infra Projects Limited</b>		
	Short term unsecured loan	(20.00)	(20.00)
	Interest accrued	(1.56)	(1.56)
<b>D</b>	<b>Key Management Personnel</b>		
<b>1</b>	<b>Mr. Sushil Dudeja</b>		
	Remuneration	(0.14)	(0.14)
<b>2</b>	<b>Dr. S N Mukherjee</b>		
	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 be made in the year in which the final settlements take place / restructuring proposals are approved.

## IV Provisions against balances outstanding:

		For the year ended	
		March 31, 2022	March 31, 2021
<b>A</b>	<b>Joint Ventures</b>		
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 - U1 (JV)	(0.03)	(0.03)
5	NCC – Maytas – ZVS (JV)	(0.08)	(0.08)
<b>B</b>	<b>One entity is an Associate or fellow subsidiaries of Infrastructure Leasing &amp; 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).</b>		
1	Hill County Properties Limited	(147.39)	(147.39)
<b>V</b>	<b>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</b>		
<b>A</b>	<b>Joint Ventures</b>		
1	Maytas NCC JV - Irrigation	16.17	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
<b>B</b>	<b>One entity is an Associate or fellow subsidiaries of Infrastructure Leasing &amp; 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).</b>		
1	Hill County Properties Limited #	147.39	135.88

# The repayment schedule is not beyond 7 year.

38. Expenditure and earnings in foreign currency - Rs. Nil (March 31, 2021: Nil)

39. Imported and indigenous materials consumed:

Particulars	For the year ended			
	March 31, 2022		March 31, 2021	
	%	Value	%	Value
Imported	0.00%	-	0.00%	-
Indigenous	100.00%	100.35	100.00%	91.02
<b>Total</b>	<b>100%</b>	<b>100.35</b>	<b>100%</b>	<b>91.02</b>

40. Auditor's remuneration excluding taxes:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Statutory audit	0.36	0.36
Limited review	0.15	0.15
Tax Audit	0.09	0.09
	<b>0.60</b>	<b>0.60</b>

41. 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	As at March 31, 2022		As at March 31, 2021	
	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
Advances given				
Trade payables	SGD 0.051	2.83	SGD 0.039	2.11
Security deposit payable	SGD 0.007	0.42	SGD 0.008	0.42

42. Leases:

The Group has entered into a lease agreement for its Head Office at Sanali Info Park(1st Floor) on 01st Sep 2019, for a period of three years having Lockin period of 2 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 March 31, 2022	As at March 31, 2021
Opening Balance	0.28	0.94
Additions	-	-
Depreciation expense	(0.28)	(0.66)
<b>Balance</b>	<b>-</b>	<b>0.28</b>
The aggregate depreciation 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		
Current lease liabilities	-	0.29
Non-current lease liabilities	-	-
<b>Total</b>	<b>-</b>	<b>0.29</b>
The following is the movement in lease liability		
Balance at Beginning	0.29	0.86

# Notes to consolidated financial statements for the year ended March 31, 2022

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

Particulars	Category of ROU Asset (Office premises)	
	As at March 31,2022	As at March 31,2021
Additions	-	-
Finance cost	-	0.07
Payments of lease liabilities	-	(0.64)
<b>Total</b>	<b>0.29</b>	<b>0.29</b>
The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:		
<b>Minimum Lease Payments</b>		
Not later than one year	-	0.30
Later than one year but not later than five years	-	-
Later than five years	-	-
	-	<b>0.30</b>
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%, with maturity in the year 2022		
The table below provides details regarding the amounts recognised in profit or loss.		
Interest and depreciation on lease liabilities	0.28	0.73
Expenses relating to short-term leases	4.77	3.73
The table below provides details regarding the amounts recognised in the statement of cash flows.		
Total cash outflow for leases	-	(0.64)

## 43. 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. 2,564.85 (March 31 2021: Rs. 2,602.19) and total equity of Rs. (2,593.43) (March 31, 2021: Rs. (2,595.87)) As the networth of the company is negative, the net debt to total equity ratio has not been disclosed.

Particulars	As at March 31,2022	As at March 31,2021
Interest bearing loans and borrowings	2,668.83	2,669.15
Less: cash and cash equivalents	(103.98)	(66.97)
<b>Adjusted net debt</b>	<b>2,564.85</b>	<b>2,602.18</b>

44. 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 by 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 previous year, the Company has recognised an impairment of Rs. 259.67 towards diminution in the value of PTC. During the year, due to certain developments that occurred in the said ultimate investee entity, the Company has recognised an impairment of Rs. 46.11 towards diminution in the value of loans and advances including interest. However, the Company is confident of recovery of the carrying value of balance advances given to the investee entities.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 45. 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, 2022, including their levels in the fair value hierarchy.

Particulars	Note	Carrying Amount				Fair Value			
		FVTPL	FVOCI	Amortised cost	Total carrying Amount	Level 1- Quoted price in active markets	Level 2-Significant observable inputs	Level 3-Significant observable inputs	Total
Investments (Note I)	6	-	-	45.20	45.20	-	-	-	-
Loans	8	-	-	19.31	19.31	-	-	-	-
Trade receivables	7	-	-	101.04	101.04	-	-	-	-
Cash and cash equivalents	10	-	-	103.98	103.98	-	-	-	-
Other bank balances	10	-	-	251.97	251.97	-	-	-	-
Other financial assets	9	-	-	220.83	220.83	-	-	-	-
<b>Total financial assets</b>		-	-	<b>742.33</b>	<b>742.33</b>	-	-	-	-
Borrowings	16 and 17	-	-	2,668.83	2,668.83	-	-	-	-
Trade payable	18	-	-	963.90	963.90	-	-	-	-
Other financial liabilities	19	-	-	1,016.73	1,016.73	-	-	-	-
<b>Total financial liabilities</b>		-	-	<b>4,649.47</b>	<b>4,649.47</b>	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021, including their levels in the fair value hierarchy.

Particulars	Note	Carrying Amount				Fair Value			
		FVTPL	FVOCI	Amortised cost	Total carrying Amount	Level 1- Quoted price in active markets	Level 2-Significant observable inputs	Level 3-Significant observable inputs	Total
Investments (Note I)	6	-	-	41.26	41.26	-	-	-	-
Loans	8	-	-	19.31	19.31	-	-	-	-
Trade receivables	7	-	-	161.42	161.42	-	-	-	-
Cash and cash equivalents	10	-	-	66.97	66.97	-	-	-	-
Other bank balances	10	-	-	218.10	218.10	-	-	-	-
Other financial assets	9	-	-	243.04	243.04	-	-	-	-
<b>Total financial assets</b>		-	-	<b>750.10</b>	<b>750.10</b>	-	-	-	-
Borrowings	16 and 17	-	-	2,669.15	2,669.15	-	-	-	-
Trade payable	18	-	-	902.80	902.80	-	-	-	-
Other financial liabilities	19	-	-	1,065.62	1,065.62	-	-	-	-
<b>Total financial liabilities</b>		-	-	<b>4,637.57</b>	<b>4,637.57</b>	-	-	-	-

**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.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 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

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 companies receivables from customers, contract assets (Unbilled revenue) and loans and advances given. Due to development outline in note no. 31(v) and note no. 53 the receivable, contract asset and loans given by the company have been substantially impaired/written off.

### 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, 2022:

Particulars	Carrying amount	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Accounts payable and acceptances	963.90	746.87	217.03	-	963.90
Borrowings and interest thereon	3,242.74	3,242.74	-	-	3,242.74
Other financial liabilities	442.83	442.83	-	-	442.83
<b>Total</b>	<b>4,649.47</b>	<b>4,432.43</b>	<b>217.03</b>	<b>-</b>	<b>4,649.47</b>

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
<b>Total</b>	<b>365.37</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021:

Particulars	Carrying amount	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Accounts payable and acceptances	902.80	739.01	163.79	-	902.80
Borrowings and interest thereon	3,273.72	3,273.72	-	-	3,273.72
Other financial liabilities	461.06	461.06	-	-	461.06
<b>Total</b>	<b>4,637.57</b>	<b>4,473.78</b>	<b>163.79</b>	<b>-</b>	<b>4,637.57</b>

# Notes to consolidated financial statements for the year ended March 31, 2022

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

The below table provides details of financial assets as at March 31, 2021:

Particulars	Carrying amount
Trade receivables	161.42
Loans	19.31
Other financial assets	267.30
<b>Total</b>	<b>448.03</b>

## 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 Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- 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 no. 51, the company has not accrued interest expense post October, 2018. Accordingly, interest rate sensitivity analysis is not disclosed. The average interest rate on short-term bank deposits during the year was 6.40% (March 31, 2021: 6.40%).

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
Cash and bank balances	103.98	66.97
<b>Total interest rate dependent financial assets</b>	<b>103.98</b>	<b>66.97</b>
<b>Financial liabilities</b>		
Borrowings	2,668.83	2,669.15
Other financial liabilities	1,000.94	1,049.83
<b>Total interest rate dependent financial liabilities</b>	<b>3,669.78</b>	<b>3,718.99</b>

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 Group's presentation currency is the Indian Rupees. The Group's exposure to foreign currency arises in part when the Group holds financial assets and liabilities denominated in a currency different from the functional currency of the entity.

## 46. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:

Name of the entity	31-Mar-22				31-Mar-21			
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>	102.18%	(2,977.89)	100.06%	(386.35)	102.51%	(2,591.37)	100.22%	(285.65)
<b>Subsidiaries</b>								
<b>Indian</b>								
Maytas Infra Assets Limited	0.51%	(14.81)	0.00%	0	0.59%	(14.81)	0.00%	0
Maytas Vasista Varadhi Limited	0.10%	(2.99)	0.00%	0	0.12%	(2.99)	0.00%	0
Maytas Metro limited	2.58%	(75.2)	0.00%	0	2.97%	(75.2)	0.00%	0
Angeerasa Green Fields	0.00%	(0.04)	0.00%	0	0.00%	(0.04)	0.00%	0

# Notes to consolidated financial statements for the year ended March 31, 2022

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

Name of the entity	31-Mar-22				31-Mar-21			
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Ekadanta Green Fields	0.00%	(0.05)	0.00%	0	0.00%	(0.05)	0.00%	0
Saptaswara Agro Farms	0.01%	(0.28)	0.00%	0	0.01%	(0.28)	0.00%	0
<b>Foreign</b>								
Maytas Infra Saudi Arabia Group, Limited Liability Group	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Consolidation adjustments	-5.38%	156.84	0.00%	-	-6.20%	156.84	0.00%	-
Minority interests in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Joint Ventures (Indian)</b>								
Maytas NCC JV			-0.05%	0.19			-0.27%	0.76
NEC-NCC-Maytas (JV)			0.00%	-			0.00%	-
NCC-Maytas (JV)			0.00%	-			0.00%	-
NCC-Maytas (JV) (Singapore Class Township)			0.00%	-			0.00%	-
Maytas – CTR (JV)			0.00%	-			0.00%	-
NCC – Maytas – ZVS (JV)			-0.01%	0.03			0.05%	(0.13)
<b>Total</b>	<b>100.00%</b>	<b>(2,914.43)</b>	<b>100.00%</b>	<b>(386.14)</b>	<b>100.00%</b>	<b>(2,527.91)</b>	<b>100%</b>	<b>(285.02)</b>

## 47. Trade receivables and Contract assets (Retention Money and Project work in progress):

An aggregate amount of Rs 252.63 included interest receivable, trade receivable and retention money recognized in earlier years and net of mobilization advance and interest payable on mobilization advance represents amount receivable from a contractee as per the arbitration award in favour of the Company. The contractee has referred the matter further to High Court of Delhi

## 48. 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 Group. 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 Group, 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, 2022 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 Group on SCSL is included in the aforesaid amount disclosed by TML in its Audited Financial Statements. The Group 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 Group 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 previous year, the Group 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.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

## 49. 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 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.

## 50. Confirmation of Balances:

As at March 31, 2022, fund-based borrowings outstanding aggregates to Rs 2629.08. 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. 173.86 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.

## 51. Interest Expense:

Consequent to the matters referred in note no 30 and 31(v) and in terms of the resolution framework process approved by NCLAT. No liabilities, including interest, default interest, indemnity claims and additional charges are to be accrued on liability existing as on the cut-off date. The Company in Compliance with resolution framework as approved by NCLAT has neither paid or recognized interest aggregating to Rs 422.13 approximately (excluding penal interest etc.) for the year ended March 31,2022.

Interest so far not recognized payable as at March 31,2022 aggregates to Rs 1284.80 approximately (excluding penal interest etc.)

## 52. 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 Group 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 Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group 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 Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group 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 Group 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 Group 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.

# Notes to consolidated financial statements for the year ended March 31, 2022

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

- (ix) The Group had been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks on the basis of security of current assets of the Company. The Company is generally regular in filing monthly returns/statements with such banks. There were no material discrepancies noted on the reconciliation of monthly returns/statements with the books of accounts of the Company.

## 53. Exceptional item

Particulars	As at March 31, 2022	As at March 31, 2021
Interest reversal for GST and TDS on unpaid Pre-Oct18 liabilities #	(63.56)	-
Deferred tax assets, net written off (refer Note 55)	242.99	-
Covid -19 Impact - Provision for additional cost	-	47.58
	<b>179.43</b>	<b>47.58</b>

# The Group has been legally advised that no interest is required to be paid on certain statutory dues post the cut-off date fixed by the NCLAT. Considering the same, the Company, during the year, reversed the interest accounted on such statutory dues in earlier period aggregating to Rs. 63.56 and treated the same as exceptional item.

54. The SARS –CoV-2 virus responsible for Covid - 19 continues to spread across the globe and India, which has contributed to a significant decline in global and local economic activities. The extent to which the Covid 19 pandemic will impact the Group's results will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid 19 pandemic and any action to contain its spread or mitigate its impact whether government –mandated or elected by the Group.
55. Deferred Tax amounting to Rs. Nil as at March 31, 2022 (Rs. 242.99 as at March 31, 2021), recognized by the Company in earlier years. Based on the management assessment, Rs 242.99 being the balance under deferred tax asset recognized in earlier years has been reversed since the threshold of reasonable certainty for carrying the deferred tax assets as at the year end has not been met. (refer Note 53)
56. Figures for the previous year have been regrouped/reclassified to confirm to the figures of the current year.
57. 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.**  
Chartered Accountants  
Firm Registration Number: 000459S

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

Sd/-  
**M.V. Ramana Murthy**  
Partner  
Membership No: 206439

Sd/-  
**Chandra Shekhar Rajan**  
Director  
DIN: 00126063

Sd/-  
**Manish Kumar Agarwal**  
Director  
DIN: 02885603

Place: Hyderabad  
Date: May 29, 2022

Sd/-  
**Kazim Raza Khan**  
Chief Executive Officer

Sd/-  
**Naveen Kumar Agrawal**  
Chief Financial Officer

Sd/-  
**Sistla Srinivasa Kiran**  
Company Secretary

## BOOK-POST

If undelivered, please return to:

 Engineering Services

IL&FS Engineering and Construction Company Limited  
CIN: L45201TG1988PLC008624

Registered Office : Door No: 8-2-120/113, Block B, 1st Floor,  
Sanali Info Park, Road No. 2, Banjara Hills, Hyderabad – 500 034  
Phone – 040 40409333; Fax – 040 40409444  
e-mail: [cs@ilfsengg.com](mailto:cs@ilfsengg.com), Website – [www.ilfsengg.com](http://www.ilfsengg.com)