

Registered Office

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November 14, 2013

To

The Secretary
BSE Limited
P.J.Towers, Dalal Street,
Mumbai- 400 001.
Tel: 022-22721234, Fax-2272 3121.

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra Kurla Complex,
Bandra(East), Mumbai-400 051.
Tel: 022 – 26598235, Fax-26598237/38

Scrip Code: 532907

Scrip Code: IL&FSENGG

Dear Sir,

Sub: Un-audited Financial Results for the quarter and period ended September 30, 2013

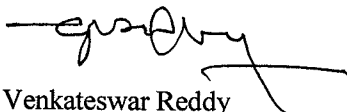
Ref: Clause 41 of the Listing Agreement.

Pursuant to Clause 41 of the Listing Agreement, please find enclosed Un-audited Financial Results of the Company for the quarter and period ended September 30, 2013, as approved by the Board of Directors of the Company in their meeting held on November 14, 2013.

Also find enclosed herewith, the Limited Review Report on the Un-audited financial results for the quarter ended September 30, 2013 received from the Statutory Auditors M/s. S.R. Batliboi and Associates LLP, Chartered Accountants.

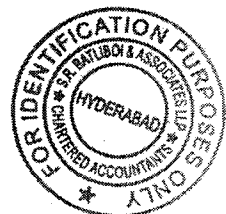
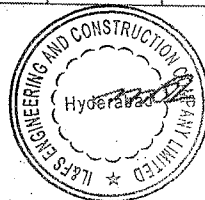
Thanking you,

Yours faithfully,
for IL&FS Engineering and Construction Company Limited *and reduced*


G Venkateswar Reddy
Company Secretary

PART I						
(Rs. In Lakhs, unless otherwise stated)						
Particulars	Three months ended			Twelve months ended		Eighteen months ended
	30-Sep-13 (Unaudited)	30-Jun-13 (Unaudited)	30-Sep-12 (Unaudited)	30-Sep-13 (Unaudited)	30-Sep-12 (Unaudited)	30-Sep-12 (Audited)
1. Income from operations						
(a) Income from operations	45,331	48,165	26,378	196,409	153,539	201,439
(b) Other operating income	-	287	226	693	1,372	2,817
Total Income from operations (net)	45,331	48,452	26,604	197,102	154,911	204,256
2. Expenses						
(a) Cost of materials consumed	12,351	10,673	5,108	44,240	36,198	52,803
(b) Employee benefits expenses	3,302	2,905	3,257	12,285	11,423	16,096
(c) Depreciation/ amortisation expenses	1,340	1,492	1,734	5,794	6,322	9,400
(d) Subcontracting expenses	28,364	26,931	15,547	125,414	93,671	115,954
(e) Other expenses	2,478	2,534	2,224	10,068	8,820	12,623
Total expenses	47,835	44,535	27,870	197,801	156,434	206,876
3. Profit / (Loss) from operations before Other income, Finance costs and Exceptional items (1-2)	(2,504)	3,917	(1,266)	(699)	(1,523)	(2,620)
4. Other Income	2,635	2,471	2,864	9,350	7,703	10,024
5. Profit / (Loss) from ordinary activities before Finance costs and Exceptional items (3+4)	131	6,388	1,598	8,651	6,180	7,414
6. Finance costs	5,476	6,188	4,711	21,524	15,936	21,331
7. Profit / (Loss) from ordinary activities after Finance costs but before Exceptional Items (5-6)	(5,345)	200	(3,113)	(12,873)	(9,756)	(13,917)
8. Exceptional items (Net)	-	-	1,500	-	1,228	1,026
9. Profit / (Loss) from ordinary activities before tax (7+8)	(5,345)	200	(1,613)	(12,873)	(8,528)	(12,891)
10. Tax Expense / (Credit)	-	-	(1)	(1)	(1)	890
11. Net Profit / (Loss) from ordinary activities after tax (9-10)	(5,345)	200	(1,612)	(12,873)	(8,527)	(13,781)
12. Share of Profit / (Loss) from integrated joint ventures	20	109	33	164	168	250
13. Net Profit / (Loss) after taxes (11+12)	(5,325)	309	(1,579)	(12,709)	(8,359)	(13,531)
14. Adjustments as per the Scheme of Arrangement as approved by Hon'ble High Court of Andhra Pradesh						
- Debit balance (net) in the Profit and loss account for the financial years 2008-09 and 2009-10	-	-	(72,838)	-	(72,838)	(72,838)
- Less: Adjustment of balance lying in Securities premium account as on June 30, 2011	-	-	61,224	-	61,224	61,224
- Less: Adjustment of gross credit balance in the Profit and loss account as on March 31, 2008 and Profit for the year 2010-11	-	-	29,596	-	29,596	29,596
Net of the above adjustments	-	-	17,982	-	17,982	17,982
15. Profit / (Loss) balance carried forward after adjustment of Scheme of arrangement	(5,325)	309	16,403	(12,709)	9,623	4,451
16. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each)	8,979	8,979	8,979	8,979	8,979	8,979
17. Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	-	-	7,237
18. Earnings per share (before adjustment as per the scheme of arrangement) of Rs. 10/- each (not annualised):						
(a) Basic	(6.41)	(0.14)	(2.04)	(16.10)	(13.72)	(21.80)
(b) Diluted	(6.41)	(0.14)	(2.04)	(16.10)	(13.72)	(21.80)
See accompanying note to the Financial Results						
PART II						
Select information for the quarter and twelve months ended September 30, 2013						
A. Particulars of Shareholding						
1. Public Shareholding						
- No. of shares	63,044,612	63,044,612	63,044,612	63,044,612	63,044,612	63,044,612
- Percentage of shareholding	70.22%	70.22%	70.22%	70.22%	70.22%	70.22%
2. Promoters and Promoter Group Shareholding						
a) Pledged/Encumbered						
- Number of shares	13,245,250	-	-	13,245,250	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	49.53%	-	-	49.53%	-	-
- Percentage of shares (as a % of the total share capital of the Company)	14.75%	-	-	14.75%	-	-
b) Non-encumbered						
- Number of Shares	13,497,381	26,742,631	26,742,631	13,497,381	26,742,631	26,742,631
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	50.47%	100.00%	100.00%	50.47%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	15.03%	29.78%	29.78%	15.03%	29.78%	29.78%

Particulars	Three months ended 30-Sep-2013
B. Investor Complaints	
Pending at the beginning of the Quarter	0
Received during the Quarter	0
Disposed off during the Quarter	0
Remaining unresolved at the end of the Quarter	0

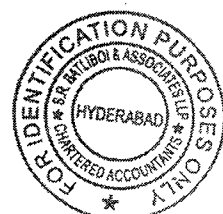
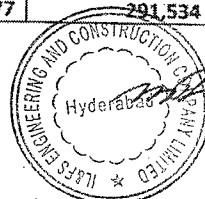


IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED and reduced

STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2013

(Rs. In Lakhs, unless otherwise stated)

S No	Particulars	As at 30-Sep-13 (Unaudited)	As at 30-Sep-12 (Audited)
A	Equity and liabilities		
1	Shareholder's Funds		
	(a) Share capital	33,965	33,965
	(b) Reserves and surplus	(5,472)	7,237
	Sub-Total - Shareholders' funds	28,493	41,202
2	Non current liabilities		
	(a) Long term borrowings	104,301	99,275
	(b) Deferred tax liabilities (net)	-	-
	(c) Other long term liabilities	29,046	18,357
	(d) Long term provisions	724	826
	Sub-Total - Non current liabilities	134,071	118,458
3	Current liabilities		
	(a) Short term borrowings	48,157	28,433
	(b) Trade payables	57,359	50,989
	(c) Other current liabilities	49,469	44,341
	(d) Short term provisions	4,228	8,111
	Sub-Total - Current liabilities	159,213	131,874
	TOTAL - EQUITY AND LIABILITIES	321,777	291,534
B	ASSETS		
1	Non current assets		
	(a) Fixed Assets	17,955	22,093
	(b) Non current investments	32,665	29,258
	(c) Deferred tax assets (net)	-	-
	(d) Long term loans and advances	89,080	102,716
	(e) Other non current assets	33,227	31,708
	Sub-Total - Non current assets	172,927	185,775
2	Current assets		
	(a) Current investments	-	70
	(b) Inventories	79,963	55,111
	(c) Trade receivables	27,139	22,050
	(d) Cash and cash equivalents	9,388	2,978
	(e) Short term loans and advances	28,384	20,444
	(f) Other current assets	3,976	5,106
	Sub-Total - Current assets	148,850	105,759
	TOTAL - ASSETS	321,777	291,534

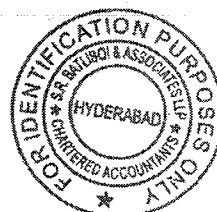
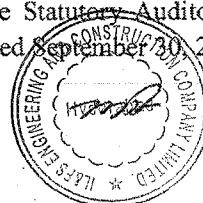


Notes to the financial results:

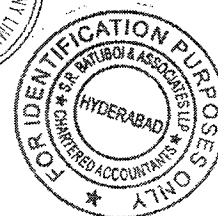
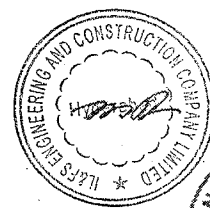
- (1) The above financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective Meetings held on November 14, 2013. The financial results for the Quarter ended September 30, 2013 were subjected to a limited review by the Statutory Auditors of the Company
- (2) The Company's business activity falls within a single business segment i.e. Construction and Infrastructure development, in terms of Accounting Standard 17 on Segment Reporting
- (3) 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 is to dispose certain underlying investments held and settle the liability towards the Pass Through Certificate (PTC) holders, wherein the Company was also a contributory. As at September 30, 2013, the Investment of the Company includes Rs 25,967 Lakhs contributed towards these PTCs

The aforesaid Trust portfolio includes an investment wherein the investee company has gas based power plant, which is facing concerns on account of continued lower supplies/availability of natural gas. However, based on evaluation of few alternates including representations/discussions with various government authorities to secure the gas linkage/supplies, Management is of the view that the concerns in the industry are temporary in nature and will not have any material impact on the carrying value of the underlying investments held by the Trust and consequently on the carrying value of the PTCs held by the Company. In continuation to the previous year/quarter, the Statutory Auditors of the Company have drawn Emphasis of Matter in their Limited Review Report for the Quarter ended September 30, 2013

- (4) Prior to April 1, 2009 the erstwhile promoters had given certain Inter Corporate Deposits (ICDs) aggregating Rs.34,378 lakhs to various Companies. Of the foregoing, documentary evidences had been established that, for an amount of Rs 32,378 lakhs the then Satyam Computer Services Limited (SCSL) was the ultimate beneficiary and for which a claim together with interest receivable had been lodged by the Company. SCSL had accounted certain liability in its Audited Financial Results for the year ended March 31, 2013 as "Amounts Pending Investigation Suspense Account (Net) Rs.123,040 lakhs". Management was of the opinion that the claim made by the Company on SCSL is included in the aforesaid amount disclosed by them in their Audited Financial Results. During the previous Quarter, 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 judgement of Hon'ble High Court of Andhra Pradesh on the said scheme, the aforesaid amount in books of SCSL is now transferred to TML. The Company through its subsidiaries preferred an Appeal before the Division Bench of Hon'ble High Court of A.P. against the single judge's Order approving the merger scheme of SCSL which is pending as on date. TML, in its audited results for September 30, 2013 continued to disclose the same as "Amounts Pending Investigation Suspense Account (Net) Rs.123,040 lakhs". Management is of the opinion that the claim made by the Company on SCSL is included in the aforesaid amount disclosed by TML in their Audited Financial Results. The Company is confident of recovering the Inter Corporate Deposits together with interest due thereon from SCSL/TML. In continuation of previous year/quarter, the Statutory Auditors of the Company have qualified their Limited Review Report for the Quarter ended September 30, 2013



- (5) The financial results include the Company's share of profits (net) aggregating to Rs 20 lakhs from Integrated Joint Ventures in which the Company is a Co-Venturer, based on Management certified Financial Statements of the Joint Ventures as the Integrated Joint Ventures do not present reviewed financial results on a quarterly basis and accordingly amounts included therein have not been subject to review by the Statutory Auditors of the respective Joint ventures. In continuation of previous year/quarter, the Statutory Auditors of the Company have qualified their Limited Review Report for the Quarter ended September 30, 2013
- (6) The Company extended its previous financial year by a period of six months i.e. up to September 30, 2012 in order to give effect to the Scheme of Arrangement for restructuring of the capital of the Company. Further, the Board of Directors of the Company have approved the extension of financial year of the Company ending on September 30, 2013 by a period of Six months i.e. upto March 31, 2014, in order to align the Financial Year of the Company in terms of the provisions of the Companies Act, 2013, which has been approved by Registrar of Companies, Andhra Pradesh. Accordingly, the annual accounts of the Company for the current financial year shall be prepared for a period of 18 months from October 1, 2012 to March 31, 2014. The Company is publishing Quarterly Unaudited Financial Results for the Quarter and Twelve months period ended September 30, 2013 with comparable figures for the Quarter and Twelve months period ended September 30, 2012. The figures for the twelve months ended September 30, 2012 are the balancing figures between the published audited figures in respect of eighteen months ended September 30, 2012 and the published unaudited figures in respect of the six months ended September 30, 2011
- (7) The Company has extended the period of redemption in respect of 37,50,000 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) and 2,25,000 Cumulative Redeemable Preference Shares (CRPS) which were due for redemption on September 30, 2013, by six years with a right to redeem the shares before the extended redemption period by giving one month notice to the shareholder(s). The Company has obtained the consent of the shareholder(s) of these shares
- (8) The Board of Directors of the Company in their meeting held on October 9, 2013 had resolved, subject to statutory and other approvals, to issue further equity shares to the existing shareholders of the Company on Rights basis to the extent of Rs. 30,000 Lakhs and the process of Rights issue is underway



(9) Exceptional items (Net)

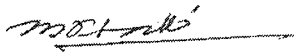
(Rs in Lakhs)

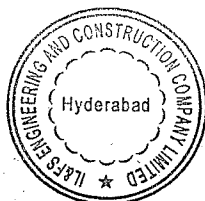
Particulars	Three months ended			Twelve Months ended		Eighteen months ended
	30-Sep-2013	30-Jun-2013	30-Sep-2012	30-Sep-2013	30-Sep-2012	30-Sep-2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Liabilities no longer required written back	-	-	-	-	-	318
2. Bad debts earlier written off now reversed	-	-	1,500	-	1,500	1,988
3. Write offs / Provision for Trade receivables, advances and stock	-	-	-	-	(272)	(1,280)
Total	-	-	1,500	-	1,228	1,026

(10) Previous year/period figures have been regrouped and/or rearranged wherever necessary

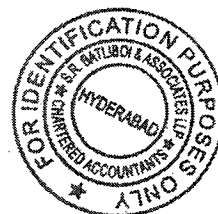
By Order of the Board

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


MD Khattar
Director *and CEO*



Place: New Delhi
Date: November 14, 2013



Limited Review Report

**Review Report to
The Board of Directors
IL&FS Engineering and Construction Company Limited and reduced**

1. We have reviewed the accompanying statement of unaudited financial results of IL&FS Engineering and Construction Company Limited and reduced ('the Company') for the quarter ended September 30, 2013 ('the Statement'), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our conclusion, we draw attention to note 3 of the accompanying statement regarding investment of the Company in Pass Through Certificates ("PTC") issued by the Maytas Investment Trust ("the Trust"). As more fully described in the aforesaid note, the portfolio held by the Trust includes an investment where the investee company has gas based power plant wherein uncertainties towards availability of gas has been considered as temporary in nature. Based on the fair valuation of underlying investments held by the Trust, the Company does not currently envisage any diminution in the value of PTCs on this account.
4. *The Statement includes the Company's share of profit (net) aggregating to Rs.20 lakhs from Integrated Joint Ventures (JVs) in which the Company is a co-venturer. Management of the Company has represented that amounts included herein have been based on unaudited financial statements of the JVs and have not been subjected to a review. Our audit report on the financial statements for the 18 months ended September 30, 2012 and Limited Review Report for the quarters ended December 31, 2012, March 31, 2013 and June 30, 2013 were also qualified in respect of the aforesaid matter.*
5. *As at September 30, 2013, the Company had certain outstanding Inter-Corporate Deposits (ICDs) of Rs.34,378 lakhs. Management has represented that the Company has taken steps to recover the amounts and is of the opinion that all ICDs are fully recoverable. Accordingly, no adjustments have been made to the Statement in respect of the same. Pending final outcome of the recovery process, we are unable to comment on the extent of recoverability of the aforesaid amounts. Our audit report on the financial statements for the 18 months ended September 30, 2012 and Limited Review Report for the quarters ended December 31, 2012, March 31, 2013 and June 30, 2013 were also qualified in respect of the aforesaid matter.*



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. Based on our review conducted as above, *except for the possible effects, if any, on account of matters discussed in Paragraphs 4 and 5 above*, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 (Interim Financial Reporting) notified under the provisions of the Companies Act, 1956 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W


VK

per Vikas Kumar Pansari

Partner

Membership No.: 093649

Place: New Delhi

Date: November 14, 2013

