

February 12, 2014

To

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The Secretary
BSE Limited
P.J.Towers, Dalal Street,
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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 December 31, 2013

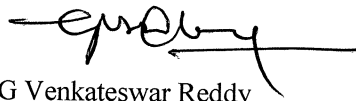
Ref: Clause 41 of the Listing Agreement.

Pursuant to Clause 41 of the Listing Agreement, please find enclosed Un-audited Financial Results of the Company for the quarter and period ended December 31, 2013, as approved by the Board of Directors of the Company in their meeting held on February 12, 2014.

Also find enclosed herewith, the Limited Review Report on the Un-audited financial results for the quarter ended December 31, 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

(Rs. In Lakhs, unless otherwise stated)						
PART I	Three months ended			Fifteen months ended		Eighteen months ended
Particulars	31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	30-Sep-12
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from operations						
(a) Income from operations	46,635	45,331	43,687	243,044	197,226	201,439
(b) Other operating income	-	-	466	648	1,838	2,817
Total Income from operations (net)	46,635	45,331	44,153	243,692	199,064	204,256
2. Expenses						
(a) Cost of materials consumed	11,342	12,351	8,122	55,582	44,320	52,803
(b) Employee benefits expenses	3,006	3,302	2,923	15,291	14,346	16,096
(c) Depreciation/ amortisation expenses	1,337	1,340	1,533	7,131	7,855	9,400
(d) Subcontracting expenses	29,575	28,364	29,871	154,989	123,542	115,954
(e) Other expenses	3,012	2,478	1,977	13,005	10,797	12,623
Total expenses	48,272	47,835	44,426	245,998	200,860	206,876
3. Profit / (Loss) from operations before Other income, Finance costs and Exceptional items (1-2)	(1,637)	(2,504)	(273)	(2,306)	(1,796)	(2,620)
4. Other Income	1,563	2,635	1,976	10,883	9,679	10,034
5. Profit / (Loss) from ordinary activities before Finance costs and Exceptional items (3+4)	(74)	131	1,703	8,577	7,883	7,414
6. Finance costs	5,753	5,476	4,818	27,277	20,754	21,331
7. Profit / (Loss) from ordinary activities after Finance costs but before Exceptional items (5-6)	(5,827)	(5,345)	(3,115)	(18,700)	(12,871)	(13,917)
8. Exceptional items (Net)	-	-	-	-	1,228	1,026
9. Profit / (Loss) from ordinary activities before tax (7+8)	(5,827)	(5,345)	(3,115)	(18,700)	(11,643)	(12,891)
10. Tax Expense / (Credit)	-	-	-	-	(1)	890
11. Net Profit / (Loss) from ordinary activities after tax (9-10)	(5,827)	(5,345)	(3,115)	(18,700)	(11,642)	(13,781)
12. Share of Profit / (Loss) from integrated joint ventures	79	20	14	243	182	250
13. Net Profit / (Loss) after taxes (11+12)	(5,748)	(5,325)	(3,101)	(18,457)	(11,460)	(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)
- Less: Adjustment of balance lying in Securities premium account as on June 30, 2011	-	-	-	-	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
Net of the above adjustments	-	-	-	-	17,982	17,982
15. Profit / (Loss) balance carried forward after adjustment of Scheme of arrangement	(5,748)	(5,325)	(3,101)	(18,457)	6,522	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	(6.89)	(6.41)	(3.94)	(22.99)	(17.74)	(21.80)
(b) Diluted	(6.89)	(6.41)	(3.94)	(22.99)	(17.74)	(21.80)
See accompanying note to the Financial Results						
PART II						
Select information for the quarter and fifteen months ended December 31, 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	-	13,245,250	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	49.53%	49.53%	-	49.53%	-	-
- Percentage of shares (as a % of the total share capital of the Company)	14.75%	14.75%	-	14.75%	-	-
b) Non-encumbered						
- Number of Shares	13,497,381	13,497,381	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%	50.47%	100.00%	50.47%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	15.03%	15.03%	29.78%	15.03%	29.78%	29.78%

Particulars	Three months ended 31-Dec-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



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 February 12, 2014 and 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 December 31, 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 December 31, 2013

- (4) Prior to April 1, 2009 the erstwhile promoters had given certain Inter Corporate Deposits (ICDs) aggregating to 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. In June 2013, 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 was 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 Financial Results for December 31, 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 said ICDs 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 December 31, 2013



- (5) The financial results include the Company's share of profits (net) aggregating to Rs. 79 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 December 31, 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 Fifteen months period ended December 31, 2013 with comparable figures for the Quarter and Fifteen months period ended December 31, 2012. The figures for the Fifteen months ended December 31, 2012 are the figures derived by adding the published audited figures in respect of eighteen months ended September 30, 2012, the published unaudited figures in respect of three months ended December 31, 2012 and reducing the published unaudited figures in respect of the six months ended September 30, 2011
- (7) 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



(8) Exceptional items (Net)

(Rs in Lakhs)

Particulars	Three months ended			Fifteen Months ended		Eighteen months ended
	31-Dec-2013	30-Sep-2013	31-Dec-2012	31-Dec-2013	31-Dec-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	1,988
3. Write offs / Provision for Trade receivables, advances and stock	-	-	-	-	(272)	(1,280)
Total	-	-	-	-	1,228	1,026

(9) 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*


M D Khattar
Managing Director

Place: Mumbai
Date: February 12, 2014



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 December 31, 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 Rs. 25,967 Lakhs 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.79 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, June 30, 2013 and September 30, 2013 were also qualified in respect of the aforesaid matter.*
5. *As at December 31, 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, June 30, 2013 and September 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 Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013] 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



per Vikas Kumar Pansari
Partner

Membership No.: 093649

Place: Mumbai

Date: February 12, 2014

