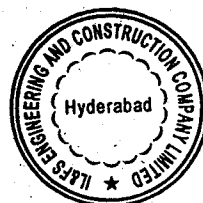


IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED and reduced
 Regd Office: 6-3-1186/182, IL&FS Engineering House, Begumpet, Hyderabad - 500016, India
AUDITED FINANCIAL RESULTS FOR 18 MONTHS ENDED SEPTEMBER 30, 2012

PART I Particulars	(Rs: In Lakhs, unless otherwise stated)						
	Three months ended			Standalone for 18 months ended	Standalone for the year ended	Consolidated for 18 months ended	Consolidated for the year ended
	30-Sep-12 (Unaudited)	30-Jun-12 (Unaudited)	30-Sep-11 (Unaudited)	30-Sep-12 (Audited)	31-Mar-11 (Audited)	30-Sep-12 (Audited)	31-Mar-11 (Audited)
1. Income from Operations							
(a) Net Sales/Income from Operations	26,378	34,663	23,849	201,439	101,518	218,304	108,023
(b) Other Operating Income	226	397	567	2,817	-	2,140	-
Total Income from Operations (net)	26,604	35,060	24,416	204,256	101,518	220,444	108,023
2. Expenses							
(a) Cost of Materials Consumed	5,108	9,263	8,218	52,803	34,593	59,532	34,594
(b) Changes in Inventories of work-in-progress	-	-	-	-	9,571	28	9,868
(c) Employee benefits expense	3,257	2,990	2,327	16,096	7,636	22,436	7,679
(d) Depreciation/ amortisation expense	1,734	1,581	1,561	9,400	5,696	9,761	5,705
(e) Subcontracting expenses	15,547	19,956	11,335	115,954	44,275	119,249	49,894
(f) Other Expenses	2,224	2,373	2,059	12,623	9,578	13,771	9,629
Total Expenses	27,870	36,173	25,500	206,876	111,349	224,777	117,369
3. Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(1,266)	(1,113)	(1,084)	(2,620)	(9,831)	(4,333)	(9,346)
4. Other Income	2,864	1,767	1,392	10,034	5,008	10,088	5,011
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	1,598	654	308	7,414	(4,823)	5,755	(4,335)
6. Finance Cost	4,711	4,127	2,925	21,331	7,436	21,420	7,480
7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(3,113)	(3,473)	(2,617)	(13,917)	(12,259)	(15,665)	(11,815)
8. Exceptional items (Net)	1,500	-	(285)	1,026	12,908	1,026	12,884
9. Profit / (Loss) from Ordinary Activities before tax (7+8)	(1,613)	(3,473)	(2,902)	(12,891)	649	(14,639)	1,069
10. Tax Expense / (Credit)	(1)	-	891	890	(607)	1,025	(347)
11. Net Profit / (Loss) from Ordinary Activities after tax (9-10)	(1,612)	(3,473)	(3,793)	(13,781)	1,256	(15,664)	1,416
12. Prior Period Items Expenses (Net)	-	-	-	-	(1,172)	-	(1,172)
13. Share of Profit / (Loss) from integrated joint ventures	33	50	31	250	-	-	-
14. Net Profit / (Loss) after taxes (11+12+13)	(1,579)	(3,423)	(3,762)	(13,531)	291	(15,664)	244
15. Minority Interest *	-	-	-	-	-	(963)	-
16. Net Profit / (Loss) for the year/period after taxes, minority interest and share of Profit/(Loss) of joint ventures (14-15) *	(1,579)	(3,423)	(3,762)	(13,531)	291	(14,701)	244
17. Adjustments as per the Scheme of Arrangement as approved by Hon'ble High Court of Andhra Pradesh (Refer Note 3 below)							
- Losses for the financial years 2008-09 and 2009-10 after adjusting Rs. 1105 lacs in General Reserve Account	(72,838)	-	-	(72,838)	-	(72,838)	-
Less : Adjustment of balance lying in Securities Premium Account	61,224	-	-	61,224	-	61,224	-
Add : Profit and Loss Account balance as on July 1, 2011	29,596	-	-	29,596	-	29,596	-
Net of the above adjustments	17,982	-	-	17,982	-	17,982	-
18. Profit / (Loss) balance carried forward after adjustment of Scheme of arrangement	16,403	-	-	4,451	-	3,281	-
19. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each)	8,979	7,737	7,737	8,979	7,737	8,979	7,737
20. Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	7,237	19,718	6,440	19,636
21. Earnings Per Share (before adjustments as per the Scheme of Arrangement)							
(of Rs. 10/- each) (not annualised):							
(a) Basic	(2.04)	(5.15)	(5.56)	(21.80)	(2.64)	(23.31)	(2.71)
(b) Diluted	(2.04)	(5.15)	(5.56)	(21.80)	(2.64)	(23.31)	(2.71)
See accompanying note to the Financial Results							
* Applicable in the case of consolidated results.							
PART II							
Select information for the Quarter and eighteen months ended September 30, 2012							
A. PARTICULARS OF SHAREHOLDING							
1. Public Shareholding							
- No. of shares	63,044,612	50,627,394	50,627,394	63,044,612	55,590,401	63,044,612	55,590,401
- Percentage of shareholding	70.22%	65.44%	65.44%	70.22%	71.85%	70.22%	71.85%
2. Promoters and Promoter Group Shareholding							
a) Pledged/Encumbered							
- Number of shares	-	-	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-	-
b) Non-encumbered							
- Number of Shares	26,742,631	26,742,631	26,742,631	26,742,631	21,779,624	26,742,631	21,779,624
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	29.78%	34.56%	34.56%	29.78%	28.15%	29.78%	28.15%

Particulars	Three months ended 30-09-2012
B. Investor Complaints	
Pending at the beginning of the Quarter	0
Received during the Quarter	1
Disposed off during the Quarter	1
Remaining unresolved at the end of the Quarter	0

M

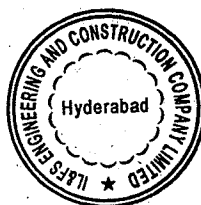


IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED *and reduced*

STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2012

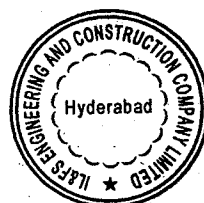
(Rs. In Lakhs, unless otherwise stated)

	Particulars	Standalone for 18	Standalone for the	Consolidated	Consolidated
		months ended	year ended	for 18 months	for the year
		30-Sep-12	31-Mar-11	30-Sep-12	31-Mar-11
		(Audited)	(Audited)	(Audited)	(Audited)
A	Equity and liabilities				
1	Shareholder's Funds				
	(a) Share capital	33,965	38,487	33,965	38,487
	(b) Reserves and surplus	7,237	19,718	6,440	19,636
	Sub-Total - Shareholders' funds	41,202	58,205	40,405	58,123
2	Minority Interest	-	-	2,102	-
3	Non current liabilities				
	(a) Long term borrowings	99,275	51,123	99,275	51,123
	(b) Deferred tax liabilities (net)	-	-	-	-
	(c) Other long term liabilities	17,791	7,970	19,981	9,766
	(d) Long term provisions	826	4,114	1,504	4,114
	Sub-Total - Non current liabilities	117,892	63,207	120,760	65,003
4	Current liabilities				
	(a) Short term borrowings	28,433	28,012	31,315	29,894
	(b) Trade payables	51,110	33,178	58,236	34,718
	(c) Other current liabilities	44,786	19,904	52,510	22,974
	(d) Short term provisions	8,111	4,225	8,760	4,590
	Sub-Total - Current liabilities	132,440	85,319	150,821	92,176
	TOTAL - EQUITY AND LIABILITIES	291,534	206,731	314,088	215,302
B	ASSETS				
1	Non current assets				
	(a) Fixed Assets	22,093	29,311	24,073	30,351
	(b) Non current investments	28,973	15,667	25,119	15,010
	(c) Deferred tax assets (net)	-	-	1	-
	(d) Long term loans and advances	101,372	58,133	104,321	62,521
	(e) Other non current assets	29,297	30,803	31,093	31,125
	Sub-Total - Non current assets	181,735	133,914	184,607	139,007
2	Current assets				
	(a) Current investments	70	170	70	170
	(b) Inventories	55,111	19,198	61,548	19,308
	(c) Trade receivables	22,412	35,271	26,225	37,006
	(d) Cash and cash equivalents	2,978	5,561	9,937	5,794
	(e) Short term loans and advances	22,073	10,990	24,546	12,390
	(f) Other current assets	7,155	1,627	7,155	1,627
	Sub-Total - Current assets	109,799	72,817	129,481	76,295
	TOTAL - ASSETS	291,534	206,731	314,088	215,302



Notes:

- (1) The Company has extended its 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. Accordingly, the Company prepared its Financial Results for 18 months commencing April 1, 2011 to September 30, 2012. Hence, current year figures being for 18 months are not comparable with the previous year's figures comprising a period of 12 months
- (2) 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 25, 2012. These financial results were audited by the Statutory Auditors of the Company
- (3) The Hon'ble High Court of Andhra Pradesh vide its Order dated October 17, 2012 as amended on October 19, 2012 and November 7, 2012, approved the Scheme of Arrangement under Sections 391-394 of the Companies Act 1956 ("the Act") read with Sections 78, 100-104 of the Act for restructuring of the Capital of the Company as per the conditions stated therein. The Scheme became effective from November 22, 2012 i.e. 'Effective Date', consequent to the registration of the said Order by the Registrar of Companies (RoC), Andhra Pradesh, but operative from the 'Appointed Date' i.e. July 1, 2011, as envisaged in the Scheme. The Company has complied with all the conditions stipulated by the Order and has given effect of the Scheme in the current Financial Results prepared for the Quarter and 18 months ended September 2012
- (4) Pursuant to the scheme of Arrangement as referred in note 3 above, the balance in statement of profit and loss arising out of capital restructuring can be utilized for payment of dividend to preference shareholders. The Board of Directors of the Company have recommended dividend at the rate of 6% on Preference Shares of Rs.100/- each for the Financial Years 2010-11 and 2011-12 on pro-rata basis for the no. of days the preference shares were outstanding during the respective years
- (5) (a) The Company has allotted 1,24,17,218 Equity Shares of Rs.10/- each at a premium of Rs.50.40 per share pursuant to conversion of 75,00,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs.100/- each as per the terms and conditions of Corporate Debt Restructuring Scheme on September 30, 2012
 (b) The Company has extended the period of redemption in respect of 4,50,000 Cumulative Redeemable Preference Shares which were due for redemption on September 30, 2012, by three 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
- (6) 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




(7) Employee Stock Options (ESOPs) :

(a) ESOP 2007:

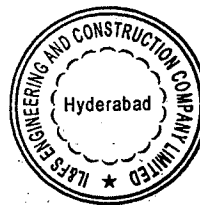
Out of the 6,44,967 options granted under ESOP-2007, 6,12,817 options expired as on September 30, 2012. No stock options were exercised during the year

(b) ESOP 2009:

(i) Out of the 12,01,407 options granted under ESOP-2009 as Grant-I 5,61,312 options expired as at September 30, 2012. No stock options were exercised during the year

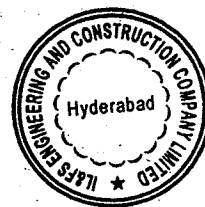
(ii) During the year, the Company has granted 28,49,984 Stock Options to the Employees, Directors of the Company and Directors of Subsidiary Companies of the Company. Out of the above Stock Options granted under ESOP 2009 as Grant-II 1,40,960 options expired as at September 30, 2012. No stock options were exercisable during the year

(8) In the earlier year, 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. As per the arrangement, the Company is liable for short fall, if any, that may arise in eventual settlement of the PTCs issued by the Trust. Based on internal assessment and fair valuation of the underlying investments held by the Trust, the Company does not currently envisage any shortfall on this account. The aforesaid trust portfolio includes an investment wherein the investee company has gas based power plant, which is facing concerns on account of 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 significant impact on the valuation of the investment. The Statutory Auditors of the Company have drawn Emphasis of Matter in their standalone and consolidated Audit Reports for the year ended September 30, 2012



- (9) Prior to April 01, 2009 the erstwhile promoters had given certain Inter Corporate Deposits (ICDs) to various companies aggregating to Rs.34,378 lakhs and Rs. 33,536 lakhs at the stand-alone and consolidated financial statements level respectively. In addition the Company has outstanding share application money aggregating to Rs. 2,700 lakhs in the consolidated financial statements. Of the foregoing, documentary evidences had been established that, for an amount of Rs 32,378 lakhs and Rs. 34,211 lakhs at stand-alone entity and consolidated level, Satyam Computer Services Limited (SCSL) is 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 Statements as at March 31, 2012 as "Amounts Pending Investigation Suspense Account (Net)" for Rs.12,304 Millions. Management is of the opinion that the claim made by the Company on SCSL is included in the amount disclosed by them in their Audited Financial Statements. The Company is confident of recovering the Inter Corporate Deposits together with interest due thereon. In continuation of previous years, the Statutory Auditors have qualified their standalone and consolidated Audit Reports for the year ended September 30, 2012
- (10) (a) In continuation of previous year, the Statutory Auditors have qualified their standalone and consolidated Audit Reports for the year ended September 30, 2012, that the Financial Statements do not include Company's share of profit/(loss) from one of the Joint Ventures as the Joint Venture has not prepared its Financial Statements for the current and previous year
- (b) The Statutory Auditors of the Company have qualified their standalone Audit Report for the year ended September 30, 2012, that the financial statements include company's share of profit of Rs.250 lakhs from joint ventures based on unaudited financial statements
- (c) In continuation of previous year, the Statutory Auditors have qualified their consolidated Audit Report for the year ended September 30, 2012 stating that entities have been consolidated based on unaudited financial statements, with aggregate assets of Rs. 33,770 lakhs, revenues of Rs. 19,378 lakhs and cash flows of Rs. 6,776 lakhs

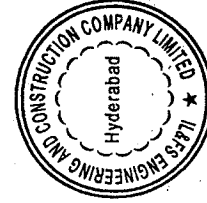
M



11. EXCEPTIONAL ITEMS(NET)

(Rs. In Lakhs, unless otherwise stated)

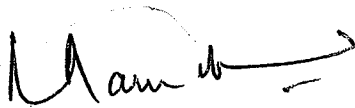
Particulars	For the Quarter ended on			Standalone for eighteen months ended on	Standalone for the year ended on	Consolidated for eighteen months ended on	Consolidated for the year ended on
	30-Sep-12	30-Jun-12	30-Sep-11				
	(Unaudited)	(Unaudited)	(Unaudited)				
		30-Sep-12	31-Mar-11	30-Sep-12	31-Mar-11	30-Sep-12	31-Mar-11
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1. Gain on One Time Settlement with banks	-	-	-	11,021	-	-	11,021
2. Interest others	-	-	-	1,575	-	-	1,575
3. Compensation on Settlement	-	-	-	1,343	-	-	1,343
4. Liabilities no longer required written back	-	-	-	2,015	318	318	2,015
5. Bad debts written back	1,500	-	-	-	1,988	1,988	-
6. Reversal of Provision for Performance Bank Guarantee invoked	-	-	-	1,641	-	-	1,641
7. Write offs / Provision for Advances, Debtors and Current Assets	-	-	(185)	(1,180)	(1,180)	(1,180)	(2,701)
8. Stock and Work-in-progress (written off)/written back	-	-	(100)	(100)	(100)	(100)	(1,879)
9. Others	-	-	-	(131)	-	-	(131)
Total	1,500	-	(285)	12,908	1,026	1,026	12,884



Handwritten signature or initials.

- (12) The figures for the Quarter ended September 30, 2012 are the balancing figures between the audited figures in respect of the year ended September 30, 2012 and the published unaudited year to date figures for fifteen months period ended June 30, 2012
- (13) The Company has opened a branch in Abu Dhabi for pursuing new business
- (14) Pursuant to Notification No.447(E) dated February 28, 2011 and Notification No.653(E) dated March 30, 2011 issued by the Ministry of Corporate Affairs and Notification No. CIR/CFD/D IL/4/2012 dated April 16, 2012, issued by the Securities Exchange Board of India, the Company has prepared its financial statements/results as per revised Schedule VI to the Companies Act 1956. Accordingly, the previous periods figures have been regrouped/rearranged, wherever required to align the financial results to the revised format

By Order of the Board
For IL&FS Engineering and Construction Company Limited *and reduced*



Ramchand Karunakaran
Chairman



Place: New Delhi

Date: November 25, 2012