

August 12, 2012

To

The Secretary  
The Bombay Stock Exchange 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, 5<sup>th</sup> 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 June 30, 2012**

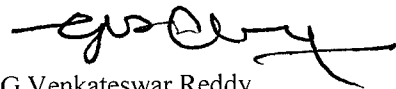
**Ref: Clause 41 of the Listing Agreement.**

Pursuant to Clause 41 of the Listing Agreement, please find enclosed Un-audited Financial Results of the Company for the quarter and period ended June 30, 2012, as approved by the Board of Directors of the Company in their meeting held on August 12, 2012.

Also find enclosed herewith, the Limited Review Report on the Un-audited financial results for the quarter ended June 30, 2012 received from the Statutory Auditors M/s. S.R. Batliboi and Associates, Chartered Accountants.

Thanking you,

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



G Venkateswar Reddy  
Company Secretary

IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED

Regd Office: 6-3-1186/1&2, IL&FS Engineering House, Begumpet, Hyderabad - 500016, India

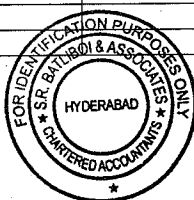
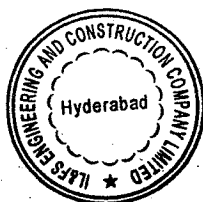
Statement of standalone Unaudited Financial Results for the Quarter and Fifteen Months Period ended 30 June 2012

(Rs. In Lakhs, unless otherwise stated)

PART I

Particulars	Quarter ended			Year to date figures for Fifteen months ended		Previous year ended
	30 June 2012	31 March 2012	30 June 2011	30 June 2012	30 June 2011	31 March 2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income from operations</b>						
(a) Net sales/income from operations	35,434.40	51,974.58	24,210.79	178,200.66	128,708.45	104,497.66
(b) Other operating income	492.01	219.39	877.63	2,797.57	-	-
<b>Total income from operations</b>	<b>35,926.41</b>	<b>52,193.97</b>	<b>25,088.42</b>	<b>180,998.23</b>	<b>128,708.45</b>	<b>104,497.66</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	9,263.05	11,662.46	8,387.95	47,694.93	42,980.68	34,592.73
(b) Changes in inventories of work-in-progress	-	-	-	-	9,570.61	9,570.61
(c) Employee benefits expense	2,989.63	2,779.07	2,346.23	12,838.63	9,982.00	7,635.77
(d) Depreciation/amortisation expense	1,580.58	1,417.30	1,516.67	7,666.07	7,213.03	5,696.36
(e) Subcontracting expense	19,966.29	34,289.12	10,947.49	100,406.86	55,222.07	44,274.58
(f) Other expenses	3,145.63	3,462.94	1,850.05	13,080.45	13,529.80	12,557.38
<b>Total expenses</b>	<b>36,945.18</b>	<b>53,610.89</b>	<b>25,048.39</b>	<b>181,686.94</b>	<b>138,498.19</b>	<b>114,327.43</b>
<b>3. Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(1,018.77)</b>	<b>(1,416.92)</b>	<b>40.03</b>	<b>(688.71)</b>	<b>(9,789.74)</b>	<b>(9,829.77)</b>
4. Other income	1,672.55	1,469.22	938.53	6,963.49	5,946.23	5,007.70
<b>5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>653.78</b>	<b>52.30</b>	<b>978.56</b>	<b>6,274.78</b>	<b>(3,843.51)</b>	<b>(4,822.07)</b>
6. Finance cost	4,126.73	3,632.80	2,470.12	16,620.45	9,906.58	7,436.46
<b>7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(3,472.95)</b>	<b>(3,580.50)</b>	<b>(1,491.56)</b>	<b>(10,345.67)</b>	<b>(13,750.09)</b>	<b>(12,258.53)</b>
8. Exceptional items (Net)	-	(145.53)	29.77	(931.92)	12,937.96	12,908.19
<b>9. Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>(3,472.95)</b>	<b>(3,726.03)</b>	<b>(1,461.79)</b>	<b>(11,277.59)</b>	<b>(812.13)</b>	<b>649.66</b>
10. Tax expense / (credit)	-	-	-	891.24	(606.92)	(606.92)
<b>11. Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>(3,472.95)</b>	<b>(3,726.03)</b>	<b>(1,461.79)</b>	<b>(12,168.83)</b>	<b>(205.21)</b>	<b>1,256.58</b>
12. Prior period items expenses (Net)	-	-	-	-	(1,172.37)	(1,172.37)
13. Company's share in profit/(loss) in Integrated Joint Ventures	49.98	52.57	51.18	216.89	258.03	206.85
<b>14. Net Profit / (Loss) after taxes (11+12+13)</b>	<b>(3,422.97)</b>	<b>(3,673.46)</b>	<b>(1,410.61)</b>	<b>(11,951.94)</b>	<b>(1,119.55)</b>	<b>291.06</b>
15. Paid-up equity share capital (Face Value of Shares is Rs. 10 each)	7,737.00	7,737.00	7,737.00	7,737.00	7,737.00	7,737.00
16. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	19,717.93
<b>17. (ii) Earnings per share (of Rs. 10 each) (not annualised):</b>						
Basic and Diluted (Rs.) *	(5.15)	(5.48)	(2.51)	(19.02)	(5.15)	(2.64)
See accompanying note to the financial results						

\* Considering adjustment for Preference Dividend.



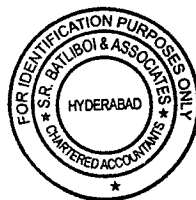
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**PART II**

Select information for the Quarter and Fifteen months period ended 30th June, 2012

Particulars	Quarter ended			Year to date figures for Fifteen months ended		Previous year ended
	30 June 2012	31 March 2012	30 June 2011	30 June 2012	30 June 2011	31 March 2011
<b>A. PARTICULARS OF SHAREHOLDING</b>						
<b>1. Public Shareholding</b>						
- Number of shares	50,627,394	50,627,394	50,627,394	50,627,394	50,627,394	55,590,401
- Percentage of shareholding	65.44%	65.44%	65.44%	65.44%	65.44%	71.85%
<b>2. Promoters and Promoter Group Shareholding</b>						
<b>a) Pledged/Encumbered</b>						
- 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>b) Non-encumbered</b>						
- Number of Shares	26,742,631	26,742,631	26,742,631	26,742,631	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%
- Percentage of shares (as a % of the total share capital of the Company)	34.56%	34.56%	34.56%	34.56%	34.56%	28.15%

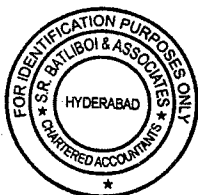
Particulars	Three months ended 30 June 2012
<b>B. INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	-
Received during the quarter	1
Disposed off during the quarter	1
Remaining unresolved at the end of the quarter	-



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Notes:

- 1) The Scheme of Arrangement undertaken by the Company for its Capital Restructuring is awaiting approval of Honorable High Court of Andhra Pradesh. To give effect to the Capital Restructuring Scheme during the current Financial Year, the Board of Directors of the Company had resolved to extend the Financial Year of the Company by a period of six months. Consequently, the Company shall prepare its Financial Statements for eighteen months from April 1, 2011 and ending on September 30, 2012. Accordingly, the Company is publishing Quarterly Unaudited Financial Results for the Quarter and fifteen months Period ended June 30, 2012 with comparable figures for the Quarter and fifteen months period ended June 30, 2011
- 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 August 12, 2012. These financial results for the Current Quarter were subjected to a limited review by the Statutory Auditors of the Company
- 3) The Company's business activity falls within a single segment i.e. Engineering, Procurement and Construction (EPC) in terms of Accounting Standard 17 on Segment Reporting
- 4) Prior to April 01, 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, 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 Balance Sheet as at March 31, 2012 as "Amounts Pending Investigation Suspense Account (Net)" for Rs.1,23,040 Million. 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 Accounts. The Company is confident of recovering the Inter Corporate Deposits together with interest due thereon. In continuation of previous year/period, the Statutory Auditors have qualified their Limited Review Report for the Quarter ended June 30, 2012 in respect of the recovery of the aforesaid ICD of Rs. 34,378 lakhs
- 5) 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 holders (PTC). As per the arrangement, the Company is liable for short fall, if any, that may arise in eventual settlement of the Pass Through Certificates issued by Trust. Based on internal assessment and fair valuation of the underlying investments held by 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



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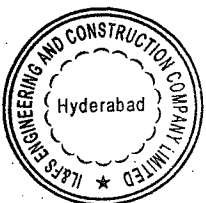
impact on the valuation of the investment. The Statutory Auditors of the Company have drawn Emphasis of Matter in their Limited Review Report in this regard

- 6) In continuation of previous quarter, the Statutory Auditors of the Company have qualified their Limited Review Report for the quarter ended June 30, 2012, that the financial results include the Company's share of profits (net) aggregating to Rs.49.98 Lakhs from Integrated Joint Ventures in which the Company is a Co-Venturer, based on Management certified Financial Statements of the Joint Ventures. The Management has represented that 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. Further, the aforesaid results do not include Company's share of profit/(loss) from one of the Joint Ventures as the Joint Ventures have not prepared their Financial Statements for these periods

7) Exceptional items (Net) :

Rs in Lakhs

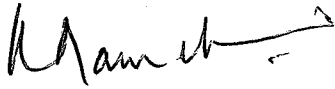
Particulars	For the quarter ended on 30-Jun-2012	For the quarter ended on 31-Mar-2012	For the quarter ended on 30-Jun-2011	Year to date figures for Fifteen months ended on 30-Jun-2012	Year to date figures for Fifteen months ended on 30-Jun-2011	Previous Year ended on 31-Mar-2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Gain on One Time Settlement with banks	-	-	-	-	11,021.10	11,021.10
2. Interest others	-	-	-	-	1,574.87	1,574.87
3. Compensation on Settlement	-	-	-	-	1,342.89	1,342.89
4. Liabilities no longer required written back	-	-	317.00	317.00	2,332.63	2,015.63
5. Bad debts written back	-	-	487.88	487.88	487.88	-
6. Reversal of Provision for Performance Bank Guarantee invoked	-	-	-	-	1,640.89	1,640.89
7. Write offs / Provision for Advances, Debtors and Current Assets	-	(145.53)	(775.11)	(1,566.13)	(3,452.18)	(2,677.07)
8. Stock and Work-in-progress (written off)/written back	-	-	-	(100.00)	(1,879.37)	(1,879.37)
9. Others	-	-	-	(70.67)	(130.75)	(130.75)
<b>Total</b>	-	<b>(145.53)</b>	<b>29.77</b>	<b>(931.92)</b>	<b>12,937.96</b>	<b>12,908.19</b>



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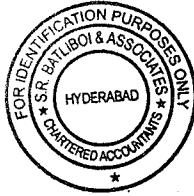
- 8) During the current quarter, the Company has granted 28,50,000 Stock Options to the Employees, Directors of the Company and Directors of Subsidiary Companies of the Company
- 9) The Year to date figures for fifteen months ended June 30, 2011 have been derived by adding the audited figures for the year ended March 31, 2011 and the Unaudited figures for the Quarter ended June 30, 2011
- 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



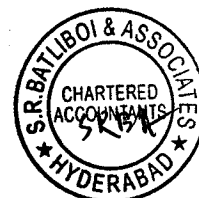
Ramchand Karunakaran  
Chairman

Place: Hyderabad  
Date: August 12, 2012



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

1. We have reviewed the accompanying statement of unaudited financial results of IL&FS Engineering and Construction Company Limited ("the Company") for the quarter ended June 30, 2012 ("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 5 of the accompanying statement regarding eventual settlement of the Pass Through Certificate holders by the Maytas Investment Trust (Trust). 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 a temporary phenomenon. Based on fair valuation of underlying investments held by the Trust, the Company does not currently envisage any shortfall on this account.
4. *The Statement includes the Company's share of profit (net) aggregating to Rs. 49.98 lakhs from Integrated Joint Ventures in which the Company is a co-venturer. Management of the Company has represented that the integrated joint ventures do not present reviewed financial statements on a quarterly basis and accordingly amounts included herein have not been subjected to a review. Further, the statement does not include the Company's share of profit/loss from one of the Joint ventures as it has not prepared its financial results for the quarter ended June 30, 2012. Accordingly, the Statement does not include adjustments, if any, that may have been required had the reviewed financial statements of the joint venturers been made available. Our audit report on the financial statements for the year ended March 31, 2011 and limited review reports on the financial results for the quarters ended June 30, 2011, September 30, 2011, December 31, 2011 and March 31, 2012 were also qualified in respect of the aforesaid matter.*
5. *As at June 30, 2012 the Company had certain Inter Corporate Deposits (ICDs) outstanding 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 deposits 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 year ended March 31, 2011 and limited review reports on the financial results for the quarters ended June 30, 2011, September 30, 2011, December 31, 2011 and March 31, 2012 were also qualified in respect of the aforesaid matter.*



# **S.R. BATLIBOI & ASSOCIATES**

Chartered Accountants

6. Based on our review conducted as above, *except for the impact, 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 pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) 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.

*S.R. Batliboi & Associates*  
For S.R. BATLIBOI & ASSOCIATES  
Firm registration number: 101049W  
Chartered Accountants

*VK Pansari*

per **Vikas Kumar Pansari**  
Partner  
Membership No.: 093649



Place: Hyderabad  
Date: August 12, 2012



August 13, 2012

To

The Secretary  
The Bombay Stock Exchange 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, 5<sup>th</sup> Floor,  
Bandra Kurla Complex,  
Bandra(East), Mumbai-400 051.  
Tel:022 – 26598235, Fax-26598237/38

**Scrip Code: 532907**

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Dear Sir,

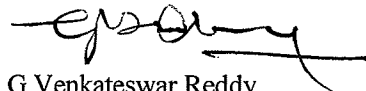
Sub: Corrigendum to Notes to Accounts  
Ref: Our letter dated August 12, 2012

This is to bring to your kind notice that **Rs.1,23,040 Million** mentioned in the Note No.4 of Notes to Accounts to our Un-audited Financial Results for the Quarter and Period ended June 30, 2012 should be read as **Rs.1,23,040 lakhs.**

You are requested to kindly upload this corrigendum letter in your website

Thanking you,

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



G Venkateswar Reddy  
Company Secretary