

August 14, 2015

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, 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 ended June 30, 2015**

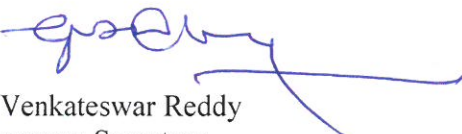
**Ref: Clause 41 of the Listing Agreement.**

Pursuant to Clause 41 of the Listing Agreement, please find enclosed Un-audited Financial Results of the Company for the Quarter ended June 30, 2015, as approved by the Board of Directors of the Company in their meeting held on August 14, 2015.

Also find enclosed herewith, the Limited Review Report on the Un-audited Financial Results for the Quarter ended June 30, 2015 received from the Statutory Auditors M/s. S. R. Batliboi & Associates LLP, 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**

CIN: L45201AP1988PLC008624

Regd. Office : D No 8-2-120/113/3/4F, Sanali Info Park, Cyber Towers, Road No 2 , Banjara Hills, Hyderabad - 500033

Phone-040 40409333; Fax-040 40409444

Website- www.ilfsengg.com; Email- cs@ilfsengg.com

Statement of Un-audited financial results for the quarter ended June 30, 2015

| PART I   | (Rs. In Lakhs, unless otherwise stated) |  |                          |                        |
|--|---|--|--------------------------|------------------------|
|  | Standalone                              |  |                          |                        |
|  | Three months ended                      |  |                          | For the Year ended     |
| Particulars  | 30-Jun-15<br>(Unaudited)                | 31-Mar-15<br>(Audited)<br>Refer Note 9 | 30-Jun-14<br>(Unaudited) | 31-Mar-15<br>(Audited) |
| <b>1. Income from operations</b>   |   |  |                          |                        |
| (a) Income from operations   | 48,005                                  | 57,773                                 | 53,841                   | 2,34,820               |
| (b) Other operating income   | -                                       | 583                                    | 144                      | 1,170                  |
| <b>Total Income from operations (net)</b>  | <b>48,005</b>                           | <b>58,356</b>                          | <b>53,985</b>            | <b>2,35,990</b>        |
| <b>2. Expenses</b>   |   |  |                          |                        |
| (a) Cost of materials consumed   | 18,672                                  | 18,329                                 | 13,301                   | 67,324                 |
| (b) Employee benefits expenses   | 3,437                                   | 3,386                                  | 3,329                    | 13,617                 |
| (c) Depreciation/ amortisation expenses  | 1,216                                   | 1,131                                  | 1,072                    | 4,373                  |
| (d) Subcontracting expenses  | 19,875                                  | 27,241                                 | 33,033                   | 1,21,724               |
| (e) Other expenses   | 5,169                                   | 3,670                                  | 2,743                    | 13,640                 |
| <b>Total expenses</b>  | <b>48,369</b>                           | <b>53,757</b>                          | <b>53,478</b>            | <b>2,20,678</b>        |
| <b>3. Profit/(loss) from operations before Other income and Finance costs (1-2)</b>      | <b>(364)</b>                            | <b>4,599</b>                           | <b>507</b>               | <b>15,312</b>          |
| <b>4. Other Income</b>   | <b>1,476</b>                            | <b>2,569</b>                           | <b>1,871</b>             | <b>11,743</b>          |
| <b>5. Profit from ordinary activities before Finance costs (3+4)</b>                     | <b>1,112</b>                            | <b>7,168</b>                           | <b>2,378</b>             | <b>27,055</b>          |
| <b>6. Finance costs</b>  | <b>7,235</b>                            | <b>7,084</b>                           | <b>6,083</b>             | <b>26,831</b>          |
| <b>7. Profit/ (Loss) from ordinary activities before tax (5-6)</b>                       | <b>(6,123)</b>                          | <b>84</b>                              | <b>(3,705)</b>           | <b>224</b>             |
| <b>8. Tax Expense</b>  | <b>-</b>                                | <b>-</b>                               | <b>-</b>                 | <b>-</b>               |
| <b>9. Net Profit / (Loss) from ordinary activities after tax (7-8)</b>                   | <b>(6,123)</b>                          | <b>84</b>                              | <b>(3,705)</b>           | <b>224</b>             |
| <b>10. Share of Profit / (loss) from integrated joint ventures</b>                       | <b>28</b>                               | <b>1</b>                               | <b>24</b>                | <b>43</b>              |
| <b>11. Net Profit / (Loss) after taxes (9+10)</b>  | <b>(6,095)</b>                          | <b>85</b>                              | <b>(3,681)</b>           | <b>267</b>             |
| <b>12. Paid-up equity share capital</b>  | <b>11,226</b>                           | <b>11,212</b>                          | <b>8,986</b>             | <b>11,212</b>          |
| (Face Value of Shares is Rs. 10/- each)  |   |  |                          |                        |
| <b>13. Reserves excluding Revaluation Reserves as per balance sheet</b>                  | <b>-</b>                                | <b>-</b>                               | <b>-</b>                 | <b>3,035</b>           |
| <b>14. Earnings per share of Rs , 10/- each ( not annualised):</b>                       |   |  |                          |                        |
| (a) Basic (Rs.)  | (5.65)                                  | 0.55                                   | (4.69)                   | (0.85)                 |
| (b) Diluted (Rs.)  | (5.65)                                  | 0.55                                   | (4.69)                   | (0.85)                 |
| See accompanying note to the Financial Results   |   |  |                          |                        |
| <b>PART II</b>   |   |  |                          |                        |
| Select information for the quarter ended June 30,2015                                    |   |  |                          |                        |
| <b>A. Particulars of Shareholding</b>  |   |  |                          |                        |
| <b>1. Public Shareholding</b>  |   |  |                          |                        |
| - No. of shares  | 7,57,20,194                             | 7,55,84,341                            | 6,31,15,112              | 7,55,84,341            |
| - Percentage of shareholding   | 67.45%                                  | 67.41%                                 | 70.24%                   | 67.41%                 |
| <b>2. Promoters and Promoter Group Shareholding</b>                                      |   |  |                          |                        |
| <b>a) Pledged/Encumbered</b>   |   |  |                          |                        |
| - Number of shares   | -                                       | -                                      | 1,32,45,250              | -                      |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | -                                       | -                                      | 49.53%                   | -                      |
| - Percentage of shares (as a % of the total share capital of the Company)                | -                                       | -                                      | 14.74%                   | -                      |
| <b>b) Non-encumbered</b>   |   |  |                          |                        |
| - Number of Shares   | 3,65,38,477                             | 3,65,38,477                            | 1,34,97,381              | 3,65,38,477            |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00%                                 | 100.00%                                | 50.47%                   | 100.00%                |
| - Percentage of shares (as a % of the total share capital of the Company)                | 32.55%                                  | 32.59%                                 | 15.02%                   | 32.59%                 |

| Particulars                                    | Three months ended<br>30-Jun-2015 |
|--|-----------------------------------|
| <b>B. Investor Complaints</b>                  |                                   |
| 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                                 |

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**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 August 14, 2015 and were subjected to 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) During the quarter, the Company has allotted 1,35,853 equity shares of Rs. 10/- each at a price of Rs. 58.90 per share pursuant to exercise of Employee Stock Options
- (4) The Board of Directors of the Company in their meeting held on July 2, 2015 had resolved, subject to statutory and other approvals, to issue 89,00,000 equity shares of Rs.10/- each at an applicable price as per SEBI Regulations to Infrastructure Leasing & Financial Services Ltd. and IL&FS Financial Services Limited on preferential basis to meet ongoing funding requirements. Further the Board has also resolved to raise an amount of Rs. 50,000 lakhs by way of issue of Securities on QIP/Rights issue/Convertible Instruments or in any combination thereof. The Company is in the process of obtaining the approval of the shareholders on these proposals
- (5) The financial results include the Company's share of profits (net) aggregating to Rs. 28 lacs 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
- (6) Prior to April 1, 2009 the erstwhile promoters had given certain Inter Corporate Deposits (ICDs) to various companies aggregating to Rs. 34,378 lakhs. 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 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 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 June 30, 2015 continued to disclose as "Amounts Pending Investigation Suspense Account (Net) Rs. 123,040 lakhs" 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 their Audited Financial Results. The Company is confident of recovering the said ICDs together with compensation due thereon from SCSL/TML.

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Further, based on internal evaluation and/or expert advice, other developments, documentary evidences available 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. 142,500 lakhs was transferred to SCSL through the intermediary companies, out of which an amount of Rs. 123,040 lakhs continues to subsist with SCSL, Management is of the opinion that the Company's case on the recoverability of the aforesaid amounts is ultimately certain. In continuation to the previous year, the Statutory Auditors of the Company have drawn Emphasis of Matter in their Limited Review Report for the quarter ended June 30, 2015

- (7) 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 June 30, 2015, 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, the Statutory Auditors of the Company have drawn Emphasis of Matter in their Limited Review Report for the quarter ended June 30, 2015

- (8) Consequent to an arbitration award, the Company had accrued proportionate revenue to the extent of percentage of completion in case of a road project amounting to Rs.13,809 lakhs (including interest of Rs.3,630 lakhs). The customer had filed an appeal with the Honorable High Court of New Delhi against the said award. Based on internal evaluation and/or legal advice, the Management is confident on the realization of the same. In continuation to the previous year, the Statutory Auditors of the Company have drawn Emphasis of Matter in their Limited Review Report for the quarter ended June 30, 2015
- (9) The figures of quarter ended March 31, 2015 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2015 and the unaudited published year to date figures up to the third quarter ended December 31, 2014, which were subjected to a limited review

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(10) These financial results will be made available on the Company's Website viz., [www.ilfsengg.com](http://www.ilfsengg.com) and websites of BSE Limited and National Stock Exchange of India Limited viz., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively

(11) 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



M D Khattar  
Managing Director

Place: New Delhi  
Date: August 14, 2015





## **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, 2015 (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/ committee of 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 Engagements (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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 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 LLP**

Chartered Accountants

4. Without qualifying our conclusion:
- a) We draw attention to note no. 6 of the accompanying statements regarding Inter Corporate Deposits (ICDs) amounting to Rs. 34,378 lakhs which is under litigation. Based on internal evaluation, other developments and expert advice, Management is of the opinion that the Company has the ability to ultimately recover the aforesaid ICDs.
  - b) We draw attention to note no. 7 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.
  - c) We draw attention to note no. 8 of the accompanying statement regarding amount due from customer (project work-in-progress) to the extent of percentage completion in case of a road project amounting to Rs. 13,809 lakhs (including interest accrued of Rs. 3,630 lakhs) accounted based on an arbitration award, against which the customer had filed an appeal in the Honourable High Court of New Delhi, however, management is confident of ultimately realising the same.
5. The accompanying financial results include Company's share of profit (net) aggregating to Rs. 28 lakhs from integrated Joint Ventures (JVs) in which the Company is a Co-venturer, based on financial statements which have not been subjected to review by statutory auditors of the respective JVs, whose unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our conclusion, in so far as it relates to the Company's share of profits (net) from JVs, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the financial results.

**For S.R. BATLIBOI & ASSOCIATES LLP**

**ICAI Firm registration number: 101049W**

Chartered Accountants

  
**per Vikas Kumar Pansari**

Partner

Membership No.: 093649



Place: New Delhi

Date: August 14, 2015