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November 10, 2014

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,

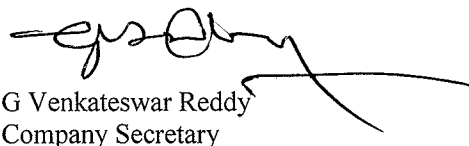
**Sub: Un-audited Financial Results for the Quarter and Half-year ended September 30, 2014****Ref: Clause 41 of the Listing Agreement.**

Pursuant to Clause 41 of the Listing Agreement, please find enclosed Un-audited Financial Results of the Company for the Quarter and Half-year ended September 30, 2014, as approved by the Board of Directors of the Company in their meeting held on November 10, 2014.

Also find enclosed herewith, the Limited Review Report on the Un-audited Financial Results for the Quarter and Half-year ended September 30, 2014 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



G Venkateswar Reddy  
Company Secretary

PART I Particulars	(Rs. In Lakhs, unless otherwise stated)					
	Three months ended			Six Months ended		Eighteen months ended
	30-Sep-14 (Unaudited)	30-Jun-14 (Unaudited)	30-Sep-13 (Unaudited)	30-Sep-14 (Unaudited)	30-Sep-13 (Unaudited)	31-Mar-14 (Audited)
<b>1. Income from operations</b>						
(a) Income from operations	55,627	53,841	45,331	109,468	93,496	325,888
(b) Other operating income	59	144	-	203	138	829
<b>Total Income from operations (net)</b>	<b>55,686</b>	<b>53,985</b>	<b>45,331</b>	<b>109,671</b>	<b>93,634</b>	<b>326,717</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	16,872	13,301	12,351	30,173	23,024	71,681
(b) Employee benefits expenses	3,320	3,329	3,302	6,649	6,207	16,671
(c) Depreciation/ amortisation expenses	1,121	1,072	1,340	2,193	2,832	8,532
(d) Subcontracting expenses	30,111	33,033	28,364	63,144	55,232	211,406
(e) Other expenses	3,424	2,743	2,478	6,167	4,926	16,327
<b>Total expenses</b>	<b>54,848</b>	<b>53,478</b>	<b>47,835</b>	<b>108,326</b>	<b>92,221</b>	<b>324,617</b>
<b>3. Profit / (Loss) from operations before Other income, Finance costs and Exceptional items (1-2)</b>	<b>838</b>	<b>507</b>	<b>(2,504)</b>	<b>1,345</b>	<b>1,413</b>	<b>2,100</b>
4. Other Income	2,043	1,871	2,635	3,914	5,106	15,711
<b>5. Profit / (Loss) from ordinary activities before Finance costs and Exceptional items (3+4)</b>	<b>2,881</b>	<b>2,378</b>	<b>131</b>	<b>5,259</b>	<b>6,519</b>	<b>17,811</b>
6. Finance costs	6,682	6,083	5,476	12,765	11,664	33,182
<b>7. Profit / (Loss) from ordinary activities before tax (5-6)</b>	<b>(3,801)</b>	<b>(3,705)</b>	<b>(5,345)</b>	<b>(7,506)</b>	<b>(5,145)</b>	<b>(15,371)</b>
8. Tax Expense	-	-	-	-	-	-
<b>9. Net Profit / (Loss) from ordinary activities after tax (7-8)</b>	<b>(3,801)</b>	<b>(3,705)</b>	<b>(5,345)</b>	<b>(7,506)</b>	<b>(5,145)</b>	<b>(15,371)</b>
10. Share of Profit from integrated joint ventures	12	24	20	36	129	273
<b>11. Net Profit / (Loss) after taxes (9+10)</b>	<b>(3,789)</b>	<b>(3,681)</b>	<b>(5,325)</b>	<b>(7,470)</b>	<b>(5,016)</b>	<b>(15,098)</b>
12. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each )	8,986	8,986	8,979	8,986	8,979	8,979
13. Reserves excluding Revaluation Reserves as per balance sheet						(7,861)
14. Earnings per share of Rs . 10/- each ( not annualised):						
(a) Basic	(4.72)	(4.69)	(6.41)	(9.41)	(6.56)	(19.72)
(b) Diluted	(4.72)	(4.69)	(6.41)	(9.41)	(6.56)	(19.72)
See accompanying note to the Financial Results						
<b>PART II</b>						
Select information for the quarter ended September 30,2014						
<b>A. Particulars of Shareholding</b>						
<b>1. Public Shareholding</b>						
- No. of shares	63,115,112	63,115,112	63,044,612	63,115,112	63,044,612	63,044,612
- Percentage of shareholding	70.24%	70.24%	70.22%	70.24%	70.22%	70.22%
<b>2. Promoters and Promoter Group Shareholding</b>						
<b>a) Pledged/Encumbered</b>						
- Number of shares	13,245,250	13,245,250	13,245,250	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%	49.53%	49.53%	49.53%
- Percentage of shares (as a % of the total share capital of the Company )	14.74%	14.74%	14.75%	14.74%	14.75%	14.75%
<b>b) Non-encumbered</b>						
- Number of Shares	13,497,381	13,497,381	13,497,381	13,497,381	13,497,381	13,497,381
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	50.47%	50.47%	50.47%	50.47%	50.47%	50.47%
- Percentage of shares (as a % of the total share capital of the Company )	15.02%	15.02%	15.03%	15.02%	15.03%	15.03%

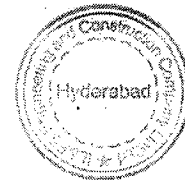
Particulars	Three months ended 30-Sep-2014
<b>B. Investor Complaints</b>	
Pending at the beginning of the Quarter	0
Received during the Quarter	0
Disposed off during the Quarter	0
Remaining unresolved at the end of the Quarter	0



**IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES AS AT September 30, 2014**

(Rs. In Lakhs, unless otherwise stated)

S No	Particulars	Standalone as at	
		30-Sep-14 (Unaudited)	31-Mar-14 (Audited)
<b>A</b>	<b>Equity and liabilities</b>		
<b>1</b>	<b>Shareholders' Funds</b>		
	(a) Share capital	33,972	33,965
	(b) Reserves and surplus	(15,547)	(7,861)
	<b>Sub-Total - Shareholders' funds</b>	<b>18,425</b>	<b>26,104</b>
<b>2</b>	<b>Non current liabilities</b>		
	(a) Long term borrowings	117,033	103,632
	(b) Other long term liabilities	34,771	32,159
	(c) Long term provisions	858	818
	<b>Sub-Total - Non current liabilities</b>	<b>152,662</b>	<b>136,609</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Short term borrowings	58,883	51,627
	(b) Trade payables	92,701	82,176
	(c) Other current liabilities	52,569	56,634
	(d) Short term provisions	3,688	3,880
	<b>Sub-Total - Current liabilities</b>	<b>207,841</b>	<b>194,317</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>378,928</b>	<b>357,030</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non current assets</b>		
	(a) Fixed Assets	16,862	17,408
	(b) Non current investments	32,599	32,614
	(c) Long term loans and advances	87,367	87,106
	(d) Other non current assets	45,195	43,439
	<b>Sub-Total - Non current assets</b>	<b>182,023</b>	<b>180,567</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	89,659	76,412
	(b) Trade receivables	69,276	60,278
	(c) Cash and cash equivalents	6,090	6,660
	(d) Short term loans and advances	25,539	27,484
	(e) Other current assets	6,341	5,629
	<b>Sub-Total - Current assets</b>	<b>196,905</b>	<b>176,463</b>
	<b>TOTAL - ASSETS</b>	<b>378,928</b>	<b>357,030</b>

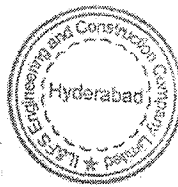
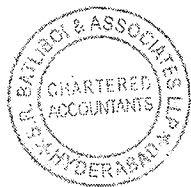


**Notes to the financial results:**

- (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 10, 2014 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) 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 was 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, 2014, the Investment of the Company includes Rs.25,967 Lakhs contributed towards these PTCs.

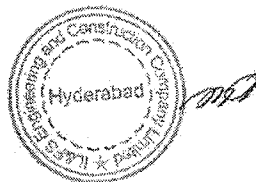
The aforesaid Trust portfolio includes an investment wherein the investee company has gas based power plant, which is facing concerns on account of continued lower supplies/availability of natural gas. However, based on evaluation of few alternates including representations/discussions with various government 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, 2014

- (4) 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 interest receivable had been lodged by the Company. During the previous year, 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 the 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 September 30, 2014 continued to disclose the same 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 interest due thereon from SCSL/TML. In continuation to the previous year/quarter, the Statutory Auditors of the Company have qualified their Limited Review Report for the Quarter ended September 30, 2014



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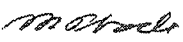
- (5) The financial results include the Company's share of profits (net) aggregating to Rs.12 lakhs from Integrated Joint Ventures in which the Company is a Co-Venturer, based on Management certified Financial Statements of the Joint Ventures as the Integrated Joint Ventures do not present reviewed financial 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 to the previous year/Quarter, the Statutory Auditors of the Company have qualified their Limited Review Report for the Quarter ended September 30, 2014
- (6) The Company extended its previous financial year (October 1, 2012 to 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 the Registrar of Companies, Andhra Pradesh. Accordingly, the Company prepared its annual accounts for a period of eighteen months commencing October 1, 2012 to March 31, 2014. The figures for the six months ended September 30, 2013 are the balancing figures between the published unaudited figures in respect of the twelve months ended September 30, 2013 and of the six months ended March 31, 2013
- (7) Effective April 01, 2014, the Company has revised the useful life of fixed assets based on schedule II to the Companies Act, 2013 for the purpose of providing depreciation on fixed assets. Accordingly, the carrying amount of the assets as on April 01, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Consequently, the depreciation and the loss before tax for the quarter and six months ended September 30, 2014 are lower to the extent of Rs.320 lakhs and Rs. 655 lakhs respectively. Further, an amount of Rs. 250 lakhs representing the carrying amount of assets with useful life as nil, has been charged to the opening balance of retained earnings i.e. deficit in the statement of profit and loss as on April 01, 2014 pursuant to the Companies Act, 2013
- (8) The Company has defaulted in redemption of 5,000,000 6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) and 300,000 6% Cumulative Redeemable Preference Shares (CRPS) which were due for redemption on September 30, 2014. The Company is exploring all avenues to meet its obligations including but not limited to extension of the redemption period of the said preference shares
- (9) 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 Draft Letter of Offer has been filed with Securities and Exchange Board of India, Chennai, on March 28, 2014. The Company has received in-principle approvals from BSE Limited and National Stock Exchange of India for the said Rights Issue of the Company. SEBI vide its Letter dated September 11, 2014 had issued its preliminary observations, for which the Company has submitted its reply



(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: November 10, 2014

**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 September 30, 2014 (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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *As detailed in Note no. 5 to the accompanying statement, the Company's share of profit (net) for the quarter ended September 30, 2014 from Integrated Joint Ventures (JVs) in which the Company is a co-venturer aggregates to Rs. 12 lakhs. 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 March 31, 2014 and Limited Review Report for the quarter ended June 30, 2014 were also qualified in respect of the aforesaid matter.*
4. *As at September 30, 2014, 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 March 31, 2014 and Limited Review Report for the quarter ended June 30, 2014 were also qualified in respect of the aforesaid matter.*
5. Based on our review conducted as above, *except for the possible effects, if any, of our observations in paragraphs 3 and 4 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 the Companies Act, 1956 (which are deemed to be applicable as per 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

- 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.

**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: November 10, 2014