

May 19, 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, 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: Audited Financial Results for the quarter and year ended March 31, 2014

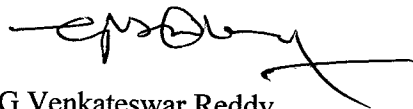
Ref: Clause 41 of the Listing Agreement.

Pursuant to Clause 41 of the Listing Agreement, please find enclosed Audited Financial Results of the Company for the quarter and year ended March 31, 2014, as approved by the Board of Directors of the Company in their meeting held on May 19, 2014.

Also find enclosed herewith, the Auditors' Report on the Audited financial results for the quarter ended March 31, 2014 received from the Statutory Auditors 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&S Engineering and Construction Company Limited and reduced

CIN: L45201AP1988PLC008624

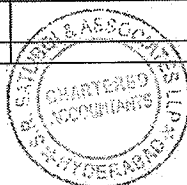
Regd. Office : D No 8-2-120/113/3/4F, Sanali Info Park, Cyber Towers, Road No 2, Banjara Hills, Hyderabad - 500033

Phone-040 40409333; Fax-040 40409444

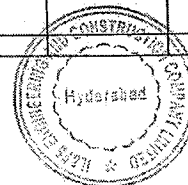
Website- www.ilfsengg.com; Email- cs@ilfsengg.com

Statement of Audited financial results for the 18 months ended March 31, 2014

PART I Particulars	(Rs. in Lakhs, unless otherwise stated)						
	Three months ended			Standalone for 18 months ended		Consolidated for 18 months ended	
	31-Mar-14 (Audited) Also refer Note 8	31-Dec-13 (Unaudited)	31-Mar-13 (Unaudited)	31-Mar-14 (Audited)	30-Sep-12 (Audited)	31-Mar-14 (Audited)	30-Sep-12 (Audited)
1. Income from operations							
(a) Income from operations	82,844	46,635	59,226	325,888	201,439	397,604	218,304
(b) Other operating income	181	-	89	829	2,817	1,506	2,140
Total Income from operations (net)	83,025	46,635	59,315	326,717	204,256	399,110	220,444
2. Expenses							
(a) Cost of materials consumed	16,099	11,342	13,094	71,681	52,803	97,999	55,623
(b) Changes in inventories of work-in-progress	-	-	-	-	-	(668)	(556)
(c) Employee benefits expenses	1,380	3,006	3,155	16,671	16,096	41,524	22,213
(d) Depreciation/ amortisation expenses	1,401	1,337	1,429	8,532	9,400	11,405	9,761
(e) Subcontracting expenses	56,417	29,575	40,341	211,406	115,954	222,544	123,824
(f) Other expenses	3,322	3,012	3,135	16,327	12,623	22,212	13,912
Total expenses	78,619	48,272	61,154	324,617	206,876	395,016	224,777
3. Profit/(Loss) from operations before Other income, Finance costs and Exceptional Items (1-2)	4,406	(1,637)	(1,839)	2,100	(2,620)	4,094	(4,333)
4. Other income	4,828	1,563	2,268	15,711	10,034	15,784	10,088
5. Profit/(Loss) from ordinary activities before Finance costs and Exceptional Items (3+4)	9,234	(74)	429	17,811	7,414	19,878	5,755
6. Finance costs	5,905	5,753	5,042	33,182	21,331	33,436	21,420
7. Profit/(Loss) from ordinary activities after Finance costs but before Exceptional Items (5-6)	3,329	(5,827)	(4,613)	(15,371)	(13,917)	(13,558)	(15,665)
8. Exceptional Items (Net)	-	-	-	-	1,026	-	1,026
9. Profit/(Loss) from ordinary activities before tax (7+8)	3,329	(5,827)	(4,613)	(15,371)	(12,891)	(13,558)	(14,639)
10. Tax Expense	-	-	-	-	890	426	1,025
11. Net Profit/(Loss) from ordinary activities after tax (9-10)	3,329	(5,827)	(4,613)	(15,371)	(13,781)	(13,984)	(15,664)
12. Share of Profit from integrated joint ventures	30	79	21	273	250	-	-
13. Net Profit/(Loss) after taxes (11+12)	3,359	(5,748)	(4,592)	(15,098)	(13,531)	(13,984)	(15,664)
14. Minority Interest*	-	-	-	-	-	521	(963)
15. Net Profit/(Loss) for the year/period after taxes minority interest and share of Profit/(Loss) of joint ventures (13-14)*	3,359	(5,748)	(4,592)	(15,098)	(13,531)	(14,505)	(14,701)
16. 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
17. Profit/(Loss) balance carried forward after adjustment of Scheme of arrangement	3,359	(5,748)	(4,592)	(15,098)	4,451	(14,505)	3,281
18. 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	8,979
19. Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	(7,861)	7,237	(7,687)	6,440
20. Earnings per share (before adjustment as per the scheme of arrangement) of Rs. 10/- each (not annualised):							
(a) Basic	3.27	(6.89)	(5.59)	(19.72)	(21.80)	(19.06)	(23.31)
(b) Diluted	3.27	(6.89)	(5.59)	(19.72)	(21.80)	(19.06)	(23.31)
See accompanying note to the Financial Results							
* Applicable in case of consolidated results							



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(Rs. In Lakhs, unless otherwise stated)							
Particulars	Three months ended			Standalone for 18 months ended		Consolidated for 18 months ended	
	31-Mar-14	31-Dec-13	31-Mar-13	31-Mar-14	30-Sep-12	31-Mar-14	30-Sep-12
PART II							
Select information for the quarter and 18 months ended March 31, 2014							
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	63,044,612
- Percentage of shareholding	70.22%	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	-	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%	-
- Percentage of shares (as a % of the total share capital of the Company)	14.75%	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	13,497,381	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%	50.47%	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%	15.03%	29.78%

Particulars	Three months ended	
	31-Mar-2014	
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



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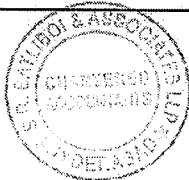


IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED *and reduced*

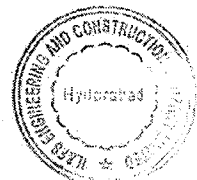
STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

(Rs. In Lakhs, unless otherwise stated)

S No	Particulars	Standalone as at		Consolidated as at	
		31-Mar-14 (Audited)	30-Sep-12 (Audited)	31-Mar-14 (Audited)	30-Sep-12 (Audited)
A	Equity and liabilities				
1	Shareholders' Funds				
	(a) Share capital	33,965	33,965	33,965	33,965
	(b) Reserves and surplus	(7,861)	7,237	(7,687)	6,440
	Sub-Total - Shareholders' funds	26,104	41,202	26,278	40,405
2	Minority Interest			2,956	2,102
3	Non current liabilities				
	(a) Long term borrowings	103,632	99,275	103,632	99,275
	(b) Deferred tax liabilities (net)	-	-	-	-
	(c) Other long term liabilities	32,159	18,357	35,192	20,547
	(d) Long term provisions	818	826	818	1,503
	Sub-Total - Non current liabilities	136,609	118,458	139,642	121,325
4	Current liabilities				
	(a) Short term borrowings	51,627	28,433	59,353	30,292
	(b) Trade payables	82,176	50,389	99,489	58,538
	(c) Other current liabilities	56,634	44,941	63,464	52,665
	(d) Short term provisions	3,880	8,111	4,214	8,628
	Sub-Total - Current liabilities	194,317	131,874	226,520	150,123
	TOTAL - EQUITY AND LIABILITIES	357,030	291,534	395,396	313,955
B	ASSETS				
1	Non current assets				
	(a) Fixed Assets	17,408	22,093	20,125	24,073
	(b) Non current investments	32,614	29,258	28,417	25,119
	(c) Deferred tax assets (net)	-	-	1	1
	(d) Long term loans and advances	87,106	102,267	88,490	105,044
	(e) Other non current assets	43,439	31,708	48,730	33,522
	Sub-Total - Non current assets	180,567	185,326	185,763	187,759
2	Current assets				
	(a) Current investments	-	70	-	70
	(b) Inventories	76,412	55,111	91,954	62,132
	(c) Trade receivables	60,278	22,050	73,647	25,605
	(d) Cash and cash equivalents	6,660	2,978	6,967	9,937
	(e) Short term loans and advances	27,484	20,893	31,436	23,346
	(f) Other current assets	5,629	5,106	5,629	5,106
	Sub-Total - Current assets	176,463	106,208	209,633	126,196
	TOTAL - ASSETS	357,030	291,534	395,396	313,955



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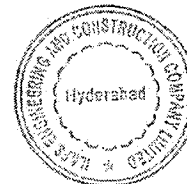
Notes to the financial results:

- (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 May 19, 2014. These financial results were audited 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) Employee Stock Options (ESOPs) :
 - (a) ESOP 2007:

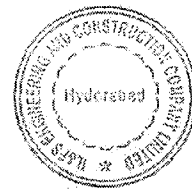
Out of the 6,44,967 options granted under ESOP-2007, 6,35,681 options expired as on March 31, 2014. No Stock options were exercised during the year. The entire ESOP Scheme 2007 has expired on April 13, 2014
 - (b) ESOP 2009 :
 - (i) Out of the 12,01,407 options granted under ESOP-2009 as Grant-I 8,30,530 options expired as at March 31, 2014. No Stock options were exercised during the year
 - (ii) Out of the 28,49,984 options granted under ESOP-2009 as Grant-II, 6,89,136 Options expired as at March 31, 2014. No stock options were exercised during the year
- (4) 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 March 31, 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, the Statutory Auditors of the Company have drawn Emphasis of Matter in their Standalone and Consolidated Audit Reports for the year ended March 31, 2014



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- (5) Prior to April 1, 2009 the erstwhile promoters had given certain Inter Corporate Deposits (ICDs) to various companies aggregating to Rs. 34,378 lakhs and Rs.36,236 lakhs at the stand-alone and consolidated financial statements level respectively. Of the foregoing, documentary evidences had been established that, for an amount of Rs. 32,378 lakhs and Rs.34,211 lakhs at standalone entity and consolidated level, 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 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 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 March 31, 2014 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 interest due thereon from SCSL/TML. In continuation of previous years, the Statutory Auditors of the Company have qualified their standalone and consolidated Audit Reports for the year ended March 31, 2014
- (6) (a) In continuation of previous year, the Statutory Auditors have qualified their standalone Audit Report for the quarter and year ended March 31, 2014, that the financial statements include company's share of profit to the extent of Rs. 25 lakhs and Rs. 220 lakhs respectively from joint ventures based on the un-audited Financial Statements of the Joint Ventures.
- (b) In continuation of previous year, the Statutory Auditors have qualified their consolidated Audit Report for the year ended March 31, 2014 stating that entities have been consolidated based on unaudited financial statements, with aggregate assets of Rs. 40,476 lakhs, revenues of Rs. 72,574 lakhs and cash out flows of Rs. 5,833 lakhs



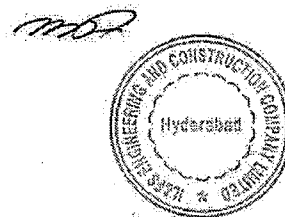
(7) Exceptional items (Net)

(Rs in Lacs)

Particulars	Three months ended			Standalone for eighteen months ended on		Consolidated for eighteen months ended on	
	31-Mar- 2014	31-Dec- 2013	31-Mar- 2013	31-Mar- 2014	30-Sep- 2012	31-Mar- 2014	30-Sep- 2012
	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1. Liabilities no longer required written back	-	-	-	-	318	-	318
2. Bad debts earlier written off now reversed	-	-	-	-	1,988	-	1,988
3. Write offs / Provision for Trade receivables, advances and stock	-	-	-	-	(1,280)	-	(1,280)
Total	-	-	-	-	1,026	-	1,026

(8) The Company extended its previous financial year by a period of six months i.e. up to September 30, 2012. Further, the Company has extended its current Financial Year (October 1, 2012 to September 30, 2013) by a period of Six months i.e. up to 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 Company prepared its annual accounts for a period of eighteen months commencing October 1, 2012 to March 31, 2014. The Company is publishing its Audited Financial Results for the Quarter and eighteen months period ended March 31, 2014. The figures for the quarter ended March 31, 2014 are the balancing figures between audited figures in respect of the year ended March 31, 2014 and the unaudited published year-to-date figures for fifteen months period ended December 31, 2013

(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 and has been awaiting the response of SEBI on the same



(10) These financial results will be made available on the Company's Website viz., www.ilfsengg.com and websites of BSE Limited and National Stock Exchange of India Limited viz., www.bseindia.com and 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 *and reduced*



M D Khattar
Managing Director

Place: New Delhi
Date: May 19, 2014



**Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company
Pursuant to the Clause 41 of the Listing Agreement**

To
Board of Directors of
IL&FS Engineering and Construction Company Limited and reduced,

1. We have audited the quarterly financial results of IL&FS Engineering and Construction Company Limited and reduced for the quarter ended March 31, 2014 and the financial results for the financial year ended March 31, 2014, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, 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 audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the financial year ended March 31, 2014 and the published year-to-date figures up to December 31, 2013, being the date of the end of the fifth quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended March 31, 2014 have been prepared on the basis of the financial results for the fifteen-month period ended December 31, 2013, the audited annual financial statements as at and for the financial year ended March 31, 2014, and the relevant requirements of Clause 41 of the Listing Agreement and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the fifteen-month period ended December 31, 2013 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the financial year ended March 31, 2014; and the relevant requirements of Clause 41 of the Listing Agreement.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

3. Without qualifying our opinion, we draw attention to note 4 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. *As at March 31, 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 financial results 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, September 30, 2013 and December 31, 2013 were also qualified in respect of the aforesaid matter.*
5. *The Statement includes the Company's share of profit (net) for the quarter and year ended March 31, 2014 to the extent of Rs.25 lakhs and Rs. 220 lakhs respectively from Integrated Joint Ventures (JVs) in which the Company is a co-venturer, based on their unaudited financial statements. The accompanying financial statements do not include the consequential impacts that may have been required had the audited financial statements of the joint ventures been made available. 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 September 30, 2013 and December 31, 2013 were also qualified in respect of the aforesaid matter.*
6. In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects, if any, on account of matters described in paragraphs 4 and 5, these quarterly financial results as well as the year to date results:*
 - i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2014 and of the net loss and other financial information for the financial year ended March 31, 2014.
7. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2014 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2014 and the published year-to-date figures up to December 31, 2013, being the date of the end of the fifth quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(I)(d) of the Listing Agreement.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

8. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W



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



Place: New Delhi
Date: May 19, 2014