

Registered Office

D.No. 8-2-120/113/3
4th Floor, Sanali Info Park
Road No 2, Banjara Hills
Hyderabad - 500033

T +91 40 40409333

F +91 40 40409444

E info@ilfsengg.com

W www.ilfsengg.com

February 13, 2016

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: Un-audited Financial Results for the Quarter and Nine Months ended December 31, 2015

Ref: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed Un-audited Financial Results of the Company for the Quarter and Nine Months ended December 31, 2015, as approved by the Board of Directors of the Company in their meeting held on February 13, 2016.

Also find enclosed herewith, the Limited Review Report on the Un-audited Financial Results for the Quarter and Nine Months ended December 31, 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



Murli Dhar Khattar
Managing Director



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 and nine months period ended December 31, 2015

(Rs. In Lakhs, unless otherwise stated)						
Particulars	Standalone					
	Three months ended			Nine Months ended		For the Year ended
	31-Dec-15 (Unaudited)	30-Sep-15 (Unaudited)	31-Dec-14 (Unaudited)	31-Dec-15 (Unaudited)	31-Dec-14 (Unaudited)	31-Mar-15 (Audited)
1. Income from operations						
(a) Income from operations	43,742	35,207	67,579	126,954	177,047	234,820
(b) Other operating income	-	-	384	-	587	1,170
Total Income from operations (net)	43,742	35,207	67,963	126,954	177,634	235,990
2. Expenses						
(a) Cost of materials consumed	21,046	16,674	18,822	56,392	48,995	67,324
(b) Employee benefits expenses	3,166	3,234	3,582	9,837	10,231	13,617
(c) Depreciation/ amortisation expenses	1,079	1,010	1,049	3,305	3,242	4,373
(d) Subcontracting expenses	14,942	11,832	31,339	46,649	94,483	121,724
(e) Other expenses	5,085	4,977	3,803	15,231	9,970	13,640
Total expenses	45,318	37,727	58,595	131,414	166,921	220,678
3. Profit/(Loss) from operations before other Income, finance costs and exceptional items (1-2)	(1,576)	(2,520)	9,368	(4,460)	10,713	15,312
4. Other Income	1,438	1,964	5,260	4,878	9,174	11,743
5. Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(138)	(556)	14,628	418	19,887	27,055
6. Finance costs	7,829	7,744	6,982	22,808	19,747	26,831
7. Profit/ (Loss) from ordinary activities before after finance costs but before exceptional items (5-6)	(7,967)	(8,300)	7,646	(22,390)	140	224
8. Exceptional items	-	-	-	-	-	-
9. Profit/ (Loss) from ordinary activities before tax (7-8)	(7,967)	(8,300)	7,646	(22,390)	140	224
10. Tax expense	-	-	-	-	-	-
11. Net Profit / (Loss) for the period (9-10)	(7,967)	(8,300)	7,646	(22,390)	140	224
12. Share of Profit from integrated joint ventures	110	113	6	251	42	43
13. Net Profit / (Loss) after taxes and share of profit of integrated joint ventures (13+14)	(7,857)	(8,187)	7,652	(22,139)	182	267
14. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each)	12,116	12,116	8,986	12,116	8,986	11,212
15. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	3,035
16. Earnings per share of Rs . 10/- each (not annualised):						
(a) Basic	(6.63)	(7.30)	8.01	(19.53)	(1.40)	(0.85)
(b) Diluted	(6.63)	(7.30)	8.01	(19.53)	(1.40)	(0.85)
See accompanying note to the Financial Results						

ML



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 February 13, 2016 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 ended June 30, 2015, the Company had 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 Limited and IL&FS Financial Services Limited on preferential basis to meet ongoing funding requirements. Accordingly, upon receipt of various approvals, the Company had allotted 89,00,000 equity shares to the above parties on September 08, 2015 at a price of Rs. 85.50 per share and had utilized the proceeds to redeem 3,750,000 6% Optionally Convertible Cumulative Redeemable Preference Shares of Rs 100 each and 675,000 6% Cumulative Redeemable Preference Shares of Rs 100 each at par on September 30, 2015 and balance towards meeting general corporate purpose. The Board had 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 raising of funds
- (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. 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 December 31, 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.

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 / quarter, the Statutory Auditors of the Company have drawn Emphasis of Matter in their Limited Review Report for the quarter and nine months period ended December 31, 2015

- (6) 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 December 31, 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 / quarter, the Statutory Auditors of the Company have drawn Emphasis of Matter in their Limited Review Report for the quarter and nine months period ended December 31, 2015

- (7) In the previous year, consequent to an arbitration award, the Company had accrued proportionate revenue to the extent of percentage of completion in case of a road project. 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 accrued amount of Rs. 12,904 lakhs (including interest of Rs. 3,290 lakhs). 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 and nine months period ended December 31, 2015
- (8) The financial results for the quarter and nine months period ended December 31, 2015 include the Company's share of profits (net) aggregating to Rs. 110 lakh and Rs. 251 lakh respectively 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
- (9) Securities and Exchange Board of India (SEBI) had passed an order on September 10, 2015 ordering the Company to disgorge Rs. 5,917 lakhs with simple interest @ 12% p.a. from January 7, 2009 till the date of payment within a period of 45 days from the date of the order in the matter of alleged insider trading by the Company during the management of its erstwhile promoters. However, SEBI order has dropped the proposal to debar the Company from accessing the capital market. Aggrieved by the disgorgement order, the Company has filed an appeal before the Securities Appellate Tribunal (SAT) and obtained stay order against the operation of the order of SEBI. During the current quarter, SEBI has filed an affidavit with SAT opposing the stay granted against the said order against which a rejoinder has been filed by the Company. Since the matter is sub-judice and based on internal

M R



assessment and legal opinion taken by the Company, management is confident that no adjustment is required to be made in the financial results of the Company

(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


Murli Dhar Khattar
Managing Director



Place: New Delhi
Date: February 13, 2016

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 and nine months period ended December 31, 2015 (the "Statement"). 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 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 applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Without qualifying our conclusion :
 - a) We draw attention to note no. 5 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. 6 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. 7 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. 12,904 lakhs (including interest accrued of Rs. 3,290 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.



S.R. BATLIBOI & ASSOCIATES LLP

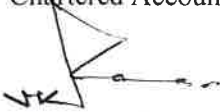
Chartered Accountants

5. The accompanying financial results include Company's share of profit (net) for the quarter and nine months period ended December 31, 2015 aggregating to Rs. 110 lakhs and Rs. 251 lakhs respectively, 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: February 13, 2016