

February 12, 2013

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 December 31, 2012**

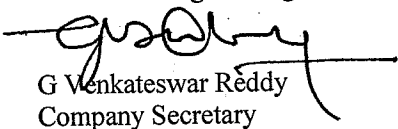
**Ref: Clause 41 of the Listing Agreement.**

Pursuant to Clause 41 of the Listing Agreement, please find enclosed Un-audited Financial Results of the Company for the quarter and period ended December 31, 2012, as approved by the Board of Directors of the Company in their meeting held on February 12, 2013.

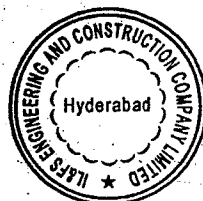
Also find enclosed herewith, the Limited Review Report on the Un-audited financial results for the quarter ended December 31, 2012 received from the Statutory Auditors M/s. S.R. Batliboi and Associates, Chartered Accountants.

Thanking you,

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

  
G Venkateswar Reddy  
Company Secretary

<b>IL&amp;FS Engineering and Construction Company Limited and reduced</b>				
Regd Office: 6-9-1186/1&2, IL&FS Engineering House, Begumpet, Hyderabad - 500016, India				
Statement of Un-Audited Financial Results for the Quarter ended December 31, 2012				
PART I (Rs. in Lakhs, unless otherwise stated)				
Particulars	Three months ended			18 months ended
	31-Dec-12 (Unaudited)	30-Sep-12 (Unaudited)	31-Dec-11 (Unaudited)	30-Sep-12 (Audited)
<b>1. Income from operations</b>				
(a) Income from operations	43,687	26,378	41,726	201,439
(b) Other operating income	466	226	534	2,817
<b>Total Income from operations (net)</b>	<b>44,153</b>	<b>26,604</b>	<b>42,260</b>	<b>204,256</b>
<b>2. Expenses</b>				
(a) Cost of materials consumed	8,122	5,108	10,164	52,803
(b) Employee benefits expenses	2,923	3,257	2,396	16,096
(c) Depreciation/ amortisation expenses	1,533	1,734	1,591	9,400
(d) Subcontracting expenses	29,871	15,547	23,869	115,954
(e) Other expenses	1,977	2,449	1,828	12,623
<b>Total expenses</b>	<b>44,426</b>	<b>28,095</b>	<b>39,848</b>	<b>206,876</b>
<b>3. Profit /(Loss) from operations before Other Income, Finance costs and Exceptional Items (1-2)</b>	<b>(273)</b>	<b>(1,491)</b>	<b>2,412</b>	<b>(2,620)</b>
<b>4. Other Income</b>	<b>1,976</b>	<b>3,089</b>	<b>1,611</b>	<b>10,034</b>
<b>5. Profit /(Loss) from ordinary activities before Finance costs and Exceptional Items (3+4)</b>	<b>1,703</b>	<b>1,598</b>	<b>4,023</b>	<b>7,414</b>
<b>6. Finance costs</b>	<b>4,818</b>	<b>4,711</b>	<b>3,466</b>	<b>21,331</b>
<b>7. Profit /(Loss) from ordinary activities after Finance costs but before Exceptional Items (5-6)</b>	<b>(3,115)</b>	<b>(3,113)</b>	<b>557</b>	<b>(13,917)</b>
<b>8. Exceptional Items (Net)</b>	<b>-</b>	<b>1,500</b>	<b>(272)</b>	<b>1,026</b>
<b>9. Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>(3,115)</b>	<b>(1,613)</b>	<b>285</b>	<b>(12,891)</b>
<b>10. Tax Expense / (Credit)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>890</b>
<b>11. Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>(3,115)</b>	<b>(1,612)</b>	<b>285</b>	<b>(13,781)</b>
<b>12. Share of Profit / (Loss) from Integrated Joint ventures</b>	<b>14</b>	<b>33</b>	<b>32</b>	<b>250</b>
<b>13. Net Profit / (Loss) after taxes (11+12)</b>	<b>(3,101)</b>	<b>(1,579)</b>	<b>317</b>	<b>(13,531)</b>
<b>14. Adjustments as per the Scheme of Arrangement as approved by Hon'ble High Court of Andhra Pradesh</b>				
- 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
<b>Net of the above adjustments</b>	<b>-</b>	<b>17,982</b>	<b>-</b>	<b>17,982</b>
<b>15. Profit / (Loss) balance carried forward after adjustment of Scheme of arrangement</b>	<b>(3,101)</b>	<b>16,403</b>	<b>317</b>	<b>4,451</b>
<b>16. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each)</b>	<b>8,979</b>	<b>8,979</b>	<b>7,737</b>	<b>8,979</b>
<b>17. Reserves excluding Revaluation Reserves as per balance sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,237</b>
<b>18. Earnings per share ( before adjustment as per the scheme of arrangement ) of Rs. 10/- each ( not annualised):</b>				
(a) Basic	(3.94)	(2.04)	(0.33)	(21.80)
(b) Diluted	(3.94)	(2.04)	(0.33)	(21.80)
See accompanying note to the Financial Results				



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Particulars	Three months ended			18 months ended
	31-Dec-12 (Unaudited)	30-Sep-12 (Unaudited)	31-Dec-11 (Unaudited)	30-Sep-12 (Audited)
<b>PART II</b>				
Select Information for the 3 months ended December 31, 2012				
<b>A. Particulars of Shareholding</b>				
<b>1. Public Shareholding</b>				
- No. of shares	63,044,612	63,044,612	50,627,394	63,044,612
- Percentage of shareholding	70.22%	70.22%	65.44%	70.22%
<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
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	29.78%	29.78%	34.56%	29.78%

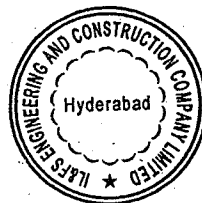
Particulars	Three months
<b>B. Investor Complaints</b>	
Pending at the beginning of the Quarter	0
Received during the Quarter	1
Disposed off during the Quarter	1
Remaining unresolved at the end of the Quarter	0



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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 February 12, 2013. The financial results for the Current Quarter were subjected to a 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 is to dispose certain underlying investments held and settle the liability towards the Pass Through Certificate (PTC) holders. As per the arrangement, the Company is liable for short fall, if any, that may arise in eventual settlement of the PTCs issued by the Trust. Based on internal assessment and fair valuation of the underlying investments held by the 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 impact on the valuation of the investment. 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 December 31, 2012
- (4) Prior to April 01, 2009 the erstwhile promoters had given certain Inter Corporate Deposits(ICDs) aggregating 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 Financial Statements as at March 31, 2012 as "Amounts Pending Investigation Suspense Account (Net) Rs.12,304 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 of the Company have qualified their Limited Review Report for the Quarter ended December 31, 2012

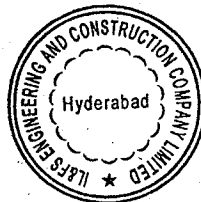


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- (5) The financial results include the Company's share of profits (net) aggregating to Rs.14 Lakhs from Integrated Joint Ventures in which the Company is a Co-Venturer, based on Management certified Financial Statements of the Joint Ventures as the 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. Further, the aforesaid results do not include Company's share of profit/(loss) from one of the Joint Ventures as the Joint Venture has not prepared its Financial Statements for these periods. In continuation of previous year/period, the Statutory Auditors of the Company have qualified their Limited Review Report for the quarter ended December 31, 2012
- (6) The Company extended its previous financial year by a period of six months i.e. up to September 30, 2012 in order to give effect to the Scheme of Arrangement for restructuring of the capital of the Company. Accordingly, Quarter ended December 31, 2012 is considered as the first quarter and therefore publication of cumulative period figures are not applicable. The figures for the quarter ended September 30, 2012 are the balancing figures between the audited figures in respect of 18 months ended September 30, 2012 and the published unaudited year to date figures for 15 months period ended June 30, 2012
- (7) Exceptional items (Net)

(Rs in Lakhs)

Particulars	Three months ended			18 months ended
	31-Dec-2012	30-Sep -2012	31-Dec-2011	30-Sep-2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Liabilities no longer required written back	-	-	-	318
2. Bad debts written back	-	1,500	-	1,988
3. Write offs / Provision for Advances, Debtors and Current Assets	-	-	(272)	(1,180)
4. Stock and Work-in-progress (written off)/written back	-	-	-	(100)
<b>Total</b>	-	<b>1,500</b>	<b>(272)</b>	<b>1,026</b>



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(8) 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*



Ramchand Karunakaran  
Chairman

Place: New Delhi

Date: February 12, 2013



# S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

Oval Office, 16, ILabs Centre  
Hitech City, Madhapur  
Hyderabad-500 081, India  
Tel: +91 40 6736 2000  
Fax: +91 40 6736 2200

## Limited Review Report

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

1. We have reviewed the accompanying statement of unaudited financial results of IL&FS Engineering and Construction Company Limited and reduced ('the Company') for the quarter ended December 31, 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 3 of the accompanying statement regarding eventual settlement of the Pass Through Certificate holders by the Maytas Investment Trust ('the 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 temporary in nature. Based on the 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.14 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 December 31, 2012. Accordingly, the Statement does not include adjustments, if any, that may have been required had the reviewed financial statements of the joint ventures been made available. Our audit report on the financial statements for the 18 months ended September 30, 2012 was also qualified in respect of the aforesaid matter.*
5. *As at December 31, 2012, 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 September 30, 2012 was also qualified in respect of the aforesaid matter.*

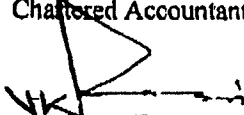


# **S.R. BATLIBOI & ASSOCIATES**

Chartered Accountants

6. Based on our review conducted as above, *except for the effects, 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

  
per Vikas Kumar Pansari  
Partner  
Membership No.: 093649



Place: New Delhi  
Date: February 12, 2013