

**IL&FS Engineering and Construction Company Limited and reduced**

Regd Office: 6-3-1186/1&2, IL&FS Engineering House, Begumpet, Hyderabad - 500016, India

**Statement of un - audited financial results for the quarter and six months ended March 31, 2013**

PART I						
Particulars	Three months ended			Six months ended		Eighteen months ended
	31-Mar-13	31-Dec-12	31-Mar-12	31-Mar-13	31-Mar-12	30-Sep-12
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income from operations</b>						
(a) Income from operations	59,226	43,687	50,773	102,913	92,498	201,439
(b) Other operating income	89	466	215	555	749	2,817
<b>Total Income from operations (net)</b>	<b>59,315</b>	<b>44,153</b>	<b>50,988</b>	<b>103,468</b>	<b>93,247</b>	<b>204,256</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	13,094	8,122	11,662	21,216	21,827	52,803
(b) Employee benefits expenses	3,155	2,923	2,779	6,078	5,176	16,096
(c) Depreciation/ amortisation expenses	1,429	1,533	1,417	2,962	3,007	9,400
(d) Subcontracting expenses	40,404	29,778	34,289	70,182	58,158	115,954
(e) Other expenses	3,072	2,070	2,408	5,142	4,228	12,623
<b>Total expenses</b>	<b>61,154</b>	<b>44,426</b>	<b>52,555</b>	<b>105,580</b>	<b>92,396</b>	<b>206,876</b>
<b>3. Profit / (Loss) from operations before Other income, Finance costs and Exceptional items (1-2)</b>	<b>(1,839)</b>	<b>(273)</b>	<b>(1,567)</b>	<b>(2,112)</b>	<b>851</b>	<b>(2,620)</b>
<b>4. Other income</b>	<b>2,268</b>	<b>1,976</b>	<b>1,474</b>	<b>4,244</b>	<b>3,079</b>	<b>10,034</b>
<b>5. Profit / (Loss) from ordinary activities before Finance costs and Exceptional items (3+4)</b>	<b>429</b>	<b>1,703</b>	<b>(93)</b>	<b>2,132</b>	<b>3,930</b>	<b>7,414</b>
<b>6. Finance costs</b>	<b>5,042</b>	<b>4,818</b>	<b>3,633</b>	<b>9,860</b>	<b>7,099</b>	<b>21,331</b>
<b>7. Profit / (Loss) from ordinary activities after Finance costs but before Exceptional items (5-6)</b>	<b>(4,613)</b>	<b>(3,115)</b>	<b>(3,726)</b>	<b>(7,728)</b>	<b>(3,169)</b>	<b>(13,917)</b>
<b>8. Exceptional items (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(273)</b>	<b>1,026</b>
<b>9. Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>(4,613)</b>	<b>(3,115)</b>	<b>(3,726)</b>	<b>(7,728)</b>	<b>(3,442)</b>	<b>(12,891)</b>
<b>10. Tax Expense / (Credit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>890</b>
<b>11. Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>(4,613)</b>	<b>(3,115)</b>	<b>(3,726)</b>	<b>(7,728)</b>	<b>(3,442)</b>	<b>(13,781)</b>
<b>12. Share of Profit / (Loss) from integrated joint ventures</b>	<b>21</b>	<b>14</b>	<b>53</b>	<b>35</b>	<b>85</b>	<b>250</b>
<b>13. Net Profit / (Loss) after taxes (11+12)</b>	<b>(4,592)</b>	<b>(3,101)</b>	<b>(3,673)</b>	<b>(7,693)</b>	<b>(3,357)</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)
- Less: Adjustment of balance lying in Securities premium account as on June 30, 2011	-	-	-	-	-	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
<b>Net of the above adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,982</b>
<b>15. Profit / (Loss) balance carried forward after adjustment of Scheme of arrangement</b>	<b>(4,592)</b>	<b>(3,101)</b>	<b>(3,673)</b>	<b>(7,693)</b>	<b>(3,357)</b>	<b>4,451</b>
<b>16. Paid-up equity share capital</b>	<b>8,979</b>	<b>8,979</b>	<b>7,737</b>	<b>8,979</b>	<b>7,737</b>	<b>8,979</b>
(Face Value of Shares is Rs. 10/- each )						
<b>17. Reserves excluding Revaluation Reserves as per balance sheet</b>	<b>-</b>	<b>-</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	(5.59)	(3.94)	(5.48)	(9.53)	(5.80)	(21.80)
(b) Diluted	(5.59)	(3.94)	(5.48)	(9.53)	(5.80)	(21.80)
See accompanying note to the Financial Results						
<b>PART II</b>						
Select information for the 3 months ended March 31,2013						
<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	50,627,394	63,044,612
- Percentage of shareholding	70.22%	70.22%	65.44%	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	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%	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%	34.56%	29.78%
<b>Particulars</b>						
<b>Three months ended 31-Mar-2013</b>						
<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

## STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2013

(Rs. In Lakhs, unless otherwise stated)			
S No	Particulars	As at 31-Mar-13 (Unaudited)	As at 30-Sep-12 (Audited)
<b>A</b>	<b>Equity and liabilities</b>		
<b>1</b>	<b>Shareholder's Funds</b>		
	(a) Share capital	33,965	33,965
	(b) Reserves and surplus	(455)	7,237
	<b>Sub-Total - Shareholders' funds</b>	<b>33,510</b>	<b>41,202</b>
<b>2</b>	<b>Non current liabilities</b>		
	(a) Long term borrowings	107,228	99,275
	(b) Deffered tax liabilities (net)	-	-
	(c) Other long term liabilities	17,789	17,791
	(d) Long term provisions	1,711	826
	<b>Sub-Total - Non current liabilities</b>	<b>126,728</b>	<b>117,892</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Short term borrowings	33,202	28,433
	(b) Trade payables	58,439	51,110
	(c) Other current liabilities	52,052	44,786
	(d) Short term provisions	3,310	8,111
	<b>Sub-Total - Current liabilities</b>	<b>147,003</b>	<b>132,440</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>307,241</b>	<b>291,534</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non current assets</b>		
	(a) Fixed Assets	20,143	22,093
	(b) Non current investments	32,309	28,973
	(c) Deferred tax assets (net)	-	-
	(d) Long term loans and advances	84,397	102,716
	(e) Other non current assets	31,772	31,346
	<b>Sub-Total - Non current assets</b>	<b>168,621</b>	<b>185,128</b>
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	-	70
	(b) Inventories	64,404	55,111
	(c) Trade receivables	33,393	22,412
	(d) Cash and cash equivalents	3,207	2,978
	(e) Short term loans and advances	33,787	20,729
	(f) Other current assets	3,829	5,106
	<b>Sub-Total - Current assets</b>	<b>138,620</b>	<b>106,406</b>
	<b>TOTAL - ASSETS</b>	<b>307,241</b>	<b>291,534</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 April 29, 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 wherein the Company was also a contributory. Hitherto, the Company was also liable for short fall, if any, in eventual settlement of the PTCs issued by the Trust to other contributories. During the quarter, the terms of the PTCs have been restructured and as per the revised arrangement, the Trust has issued fresh Pass Through Certificates (PTCs) in lieu of erstwhile PTCs wherein the Contributories would participate in the realization arising out of disposal of underlying investments in specified order and the Company is no longer liable for the shortfall, if any, towards settlement of PTCs held by other contributories. As at March 31, 2013, the Investment of the Company includes Rs 25967 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 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 March 31, 2013

- (4) Prior to April 1, 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/quarter, the Statutory Auditors of the Company have qualified their Limited Review Report for the Quarter ended March 31, 2013
- (5) The financial results include the Company's share of profits (net) aggregating to Rs 21 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 three of the Joint Ventures as the Joint Ventures have not



prepared its Financial Statements for the quarter. In continuation of previous year/quarter, the Statutory Auditors of the Company have qualified their Limited Review Report for the Quarter ended March 31, 2013

(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, the Company is publishing Quarterly Unaudited Financial Results for the Quarter and Six months period ended March 31, 2013 with comparable figures for the Quarter and Six months period ended March 31, 2012

(7) Exceptional items (Net)

(Rs in Lakhs)

Particulars	Three months ended			Six Months ended		18 months ended
	31-Mar-2013	31-Dec-2012	31-Mar-2012	31-Mar-2013	31-Mar-2012	30-Sep-2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Liabilities no longer required written back	-	-	-	-	-	318
2. Bad earlier written off, now written back	-	-	-	-	-	1,988
3. Write offs / Provision for advances, Debtors and Current assets	-	-	-	-	(273)	(1,180)
4. Stock and Work-in-progress written off	-	-	-	-	-	(100)
<b>Total</b>	-	-	-	-	<b>(273)</b>	<b>1,026</b>

(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: Dubai  
Date: April 29, 2013



**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 March 31, 2013 ("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 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. *The Statement includes the Company's share of profit (net) aggregating to Rs.21 lakhs from Integrated Joint Ventures (JVs) in which the Company is a co-venturer. 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. Further, the statement does not include the Company's share of profit/loss from three of the Joint ventures as they have not prepared financial results for the quarter ended March 31, 2013. 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 and Limited Review Report for the quarter ended December 31, 2012 was also qualified in respect of the aforesaid matter.*
5. *As at March 31, 2013, 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 and Limited Review Report for the quarter ended December 31, 2012 was also qualified in respect of the aforesaid matter.*



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W



per Vikas Kumar Pansari

Partner

Membership No.: 093649

Place: Dubai

Date: April 29, 2013

