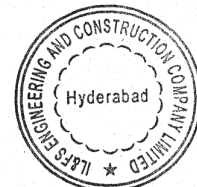
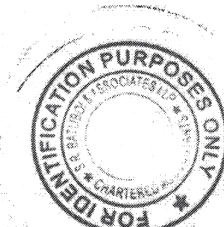


**IL&FS Engineering and Construction Company Limited and reduced**

Regd. Office : D No 8-2-120/113/3/4F, Sanali Info Park, Cyber Towers, Road No 2, Banjara Hills, Hyderabad - 500033  
Statement of un-audited financial results for the quarter and nine months ended June 30, 2013

Particulars	PART I					
	Three months ended			Nine months ended		Eighteen months ended
	30-Jun-13 (Unaudited)	31-Mar-13 (Unaudited)	30-Jun-12 (Unaudited)	30-Jun-13 (Unaudited)	30-Jun-12 (Unaudited)	30-Sep-12 (Audited)
<b>1. Income from operations</b>						
(a) Income from operations	48,165	59,226	34,662	151,078	127,160	201,439
(b) Other operating income	287	89	397	842	1,146	2,817
<b>Total Income from operations (net)</b>	<b>48,452</b>	<b>59,315</b>	<b>35,059</b>	<b>151,920</b>	<b>128,306</b>	<b>204,256</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	10,673	13,094	9,283	31,889	31,090	52,803
(b) Employee benefits expenses	2,905	3,155	2,990	8,983	8,156	16,096
(c) Depreciation/ amortisation expenses	1,492	1,429	1,580	4,454	4,587	9,400
(d) Subcontracting expenses	26,931	40,341	19,966	97,050	78,124	115,984
(e) Other expenses	2,534	3,195	2,374	7,739	6,602	12,623
<b>Total expenses</b>	<b>44,535</b>	<b>61,154</b>	<b>36,173</b>	<b>150,115</b>	<b>128,569</b>	<b>206,876</b>
<b>3. Profit / (Loss) from operations before Other income, Finance costs and Exceptional items (1-2)</b>	<b>3,917</b>	<b>(1,839)</b>	<b>(1,114)</b>	<b>1,805</b>	<b>(263)</b>	<b>(2,620)</b>
4. Other Income	2,471	2,268	1,768	6,715	4,847	10,034
<b>5. Profit / (Loss) from ordinary activities before Finance costs and Exceptional items (3+4)</b>	<b>6,388</b>	<b>429</b>	<b>654</b>	<b>8,520</b>	<b>4,584</b>	<b>7,414</b>
6. Finance costs	6,188	5,042	4,127	16,048	11,226	21,331
<b>7. Profit / (Loss) from ordinary activities after Finance costs but before Exceptional items (5-6)</b>	<b>200</b>	<b>(4,613)</b>	<b>(3,473)</b>	<b>(7,528)</b>	<b>(6,642)</b>	<b>(13,917)</b>
8. Exceptional items (Net)	-	-	-	-	(273)	1,026
<b>9. Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>200</b>	<b>(4,613)</b>	<b>(3,473)</b>	<b>(7,528)</b>	<b>(6,915)</b>	<b>(12,891)</b>
10. Tax Expense / (Credit)	-	-	-	-	-	890
<b>11. Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>200</b>	<b>(4,613)</b>	<b>(3,473)</b>	<b>(7,528)</b>	<b>(6,915)</b>	<b>(13,781)</b>
12. Share of Profit / (Loss) from integrated joint ventures	109	21	50	144	135	250
<b>13. Net Profit / (Loss) after taxes (11+12)</b>	<b>309</b>	<b>(4,592)</b>	<b>(3,423)</b>	<b>(7,384)</b>	<b>(6,780)</b>	<b>(13,531)</b>
14. 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)
- 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	-	-	-	-	-	29,696
<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>309</b>	<b>(4,592)</b>	<b>(3,423)</b>	<b>(7,384)</b>	<b>(6,780)</b>	<b>4,451</b>
16. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each)	8,979	8,979	7,737	8,979	7,737	8,979
17. Reserves excluding Revaluation Reserves as per balance sheet						7,237
18. Earnings per share (before adjustment as per the scheme of arrangement) of Rs. 10/- each (not annualised):						
(a) Basic	(0.14)	(5.59)	(5.15)	(9.68)	(10.95)	(21.80)
(b) Diluted	(0.14)	(5.59)	(5.15)	(9.68)	(10.95)	(21.80)
See accompanying note to the Financial Results						
<b>PART II</b>						
Select information for the quarter and nine months ended June 30, 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%

Particulars	Three months ended 30-Jun-2013
<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



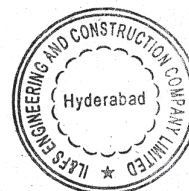
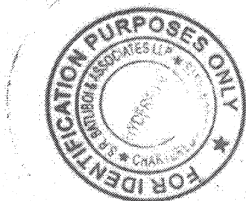
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Notes to the financial results:

- (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 August 4, 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. As at June 30, 2013, 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 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 June 30, 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 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. SCSL had accounted certain liability in its Audited Financial Results for the year ended March 31, 2013 as "Amounts Pending Investigation Suspense Account (Net) Rs.123,040 lakhs". Management is of the opinion that the claim made by the Company on SCSL is included in the aforesaid amount disclosed by them in their Audited Financial Results. During the Quarter, 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 is now transferred to TML. The Company through its subsidiaries preferred appeals 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. The Company is confident of recovering the Inter Corporate Deposits together with interest due thereon from SCSL/TML. In continuation of previous year/quarter, the Statutory Auditors of the Company have qualified their Limited Review Report for the Quarter ended June 30, 2013
- (5) The financial results include the Company's share of profits (net) aggregating to Rs 109 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



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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 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 June 30, 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 Nine months period ended June 30, 2013 with comparable figures for the Quarter and Nine months period ended June 30, 2012. The Figures for the nine months ended June 30, 2012 are the balancing figures between the published unaudited figures in respect of the 15 months ended June 30, 2012 and the published unaudited figures in respect of the 6 months ended September 30, 2011

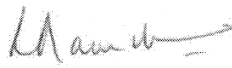
- (7) Exceptional items (Net)

(Rs in Lakhs)

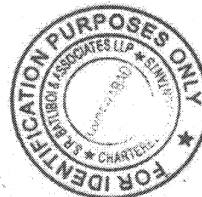
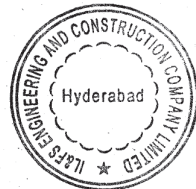
Particulars	Three months ended			Nine Months ended		18 months ended
	30-Jun-2013	31-Mar-2013	30-Jun-2012	30-Jun-2013	30-Jun-2012	30-Sep-2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Liabilities no longer required written back	-	-	-	-	-	318
2. Bad debts earlier written off now reversed	-	-	-	-	-	1,988
3. Write offs / Provision for Trade receivables and advances	-	-	-	-	(273)	(1,180)
4. Stock written off	-	-	-	-	-	(100)
<b>Total</b>	-	-	-	-	(273)	1,026

- (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*

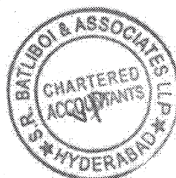
  
Ramchand Karunakaran  
Chairman

Place: New Delhi  
Date: August 04, 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 June 30, 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.109 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 one of the Joint ventures as they have not prepared financial results for the quarter ended June 30, 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 quarters ended December 31, 2012 and March 31, 2013 was also qualified in respect of the aforesaid matter.*
5. *As at June 30, 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 quarters ended December 31, 2012 and March 31, 2013 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.

**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: August 4, 2013

