

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

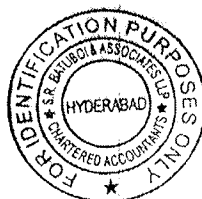
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Statement of Un-audited financial results for the quarter and six Months ended September 30, 2015

PART I	(Rs. In Lakhs, unless otherwise stated)					
	Particulars	Standalone			Standalone	
		Three months ended			Six Months ended	
	30-Sep-15 (Unaudited)	30-Jun-15 (Unaudited)	30-Sep-14 (Unaudited)	30-Sep-15 (Unaudited)	30-Sep-14 (Unaudited)	31-Mar-15 (Audited)
1. Income from operations						
(a) Income from operations	35,207	48,005	55,627	83,212	109,468	234,820
(b) Other operating income	-	-	59	-	203	1,170
Total Income from operations (net)	35,207	48,005	55,686	83,212	109,671	235,990
2. Expenses						
(a) Cost of materials consumed	16,674	18,672	16,872	35,346	30,173	67,324
(b) Employee benefits expenses	3,234	3,437	3,320	6,671	6,649	13,617
(c) Depreciation/ amortisation expenses	1,010	1,216	1,121	2,226	2,193	4,373
(d) Subcontracting expenses	11,832	19,875	30,111	31,707	63,144	121,724
(e) Other expenses	4,977	5,169	3,424	10,146	6,167	13,640
Total expenses	37,727	48,369	54,848	86,096	108,326	220,678
3. Profit from operations before Other income and Finance costs (1-2)	(2,520)	(364)	838	(2,884)	1,345	15,312
4. Other Income	1,964	1,476	2,043	3,440	3,914	11,743
5. Profit from ordinary activities before Finance costs (3+4)	(556)	1,112	2,881	556	5,259	27,055
6. Finance costs	7,744	7,235	6,682	14,979	12,765	26,831
7. Profit/ (Loss) from ordinary activities before tax (5-6)	(8,300)	(6,123)	(3,801)	(14,423)	(7,506)	224
8. Tax Expense	-	-	-	-	-	-
9. Net Profit / (Loss) from ordinary activities after tax (7-8)	(8,300)	(6,123)	(3,801)	(14,423)	(7,506)	224
10. Share of Profit / (loss) from integrated joint ventures	113	28	12	141	36	43
11. Net Profit / (Loss) after taxes (9+10)	(8,187)	(6,095)	(3,789)	(14,282)	(7,470)	267
12. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each)	12,116	11,226	8,986	12,116	8,986	11,212
13. Reserves excluding Revaluation Reserves as per balance sheet						3,035
14. Earnings per share of Rs. 10/- each (not annualised):						
(a) Basic	(7.30)	(5.65)	(4.72)	(12.90)	(9.41)	(0.85)
(b) Diluted	(7.30)	(5.65)	(4.72)	(12.90)	(9.41)	(0.85)
See accompanying note to the Financial Results						
PART II						
Select information for the quarter ended September 30,2015						
A. Particulars of Shareholding						
1. Public Shareholding						
- No. of shares	75,720,194	75,720,194	63,115,112	75,720,194	63,115,112	75,584,341
- Percentage of shareholding	62.50%	67.45%	70.24%	62.50%	70.24%	67.41%
2. Promoters and Promoter Group Shareholding						
a) Pledged/Encumbered						
- Number of shares	-	-	13,245,250	-	13,245,250	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	49.53%	-	49.53%	-
- Percentage of shares (as a % of the total share capital of the Company)	-	-	14.74%	-	14.74%	-
b) Non-encumbered						
- Number of Shares	45,438,477	36,538,477	13,497,381	45,438,477	13,497,381	36,538,477
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	50.47%	100.00%	50.47%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	37.50%	32.55%	15.02%	37.50%	15.02%	32.59%

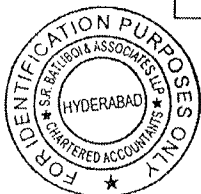
Particulars	Three months ended 30-Sep-2015
B. Investor Complaints	
Pending at the beginning of the Quarter	0
Received during the Quarter	0
Disposed off during the Quarter	0
Remaining unresolved at the end of the Quarter	0



IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2015

(Rs. In Lakhs, unless otherwise stated)

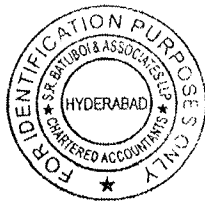
S No	Particulars	Standalone as at	
		30-Sep-15 (unaudited)	31-Mar-15 (Audited)
A	Equity and liabilities		
1	Shareholders' Funds		
	(a) Share capital	21,391	24,912
	(b) Reserves and surplus	(4,461)	3,035
	Sub-Total - Shareholders' funds	16,930	27,947
2	Non current liabilities		
	(a) Long term borrowings	101,565	147,176
	(b) Deferred tax liabilities (net)	-	-
	(c) Other long term liabilities	36,376	40,398
	(d) Long term provisions	713	484
	Sub-Total - Non current liabilities	138,654	188,058
3	Current liabilities		
	(a) Short term borrowings	42,396	35,128
	(b) Trade payables	74,480	90,509
	(c) Other current liabilities	116,967	53,196
	(d) Short term provisions	3,733	3,143
	Sub-Total - Current liabilities	237,576	181,976
	TOTAL - EQUITY AND LIABILITIES	393,160	397,981
B	ASSETS		
1	Non current assets		
	(a) Fixed Assets	20,072	16,920
	(b) Non current investments	32,730	32,592
	(c) Deferred tax assets (net)	-	-
	(d) Long term loans and advances	68,120	85,984
	(e) Other non current assets	56,823	58,005
	Sub-Total - Non current assets	177,745	193,501
2	Current assets		
	(a) Inventories	99,959	96,520
	(b) Trade receivables	50,349	70,295
	(c) Cash and cash equivalents	2,737	3,744
	(d) Short term loans and advances	52,150	27,989
	(e) Other current assets	10,220	5,932
	Sub-Total - Current assets	215,415	204,480
	TOTAL - ASSETS	393,160	397,981



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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 November 07, 2015 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) 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 has allotted 8,900,000 equity shares to the above parties on September 08, 2015 at a price of Rs. 85.50 per share and has 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.
- (4) The financial results for the quarter ended September 30, 2015 include the Company's share of profits (net) aggregating to Rs. 113 lacs 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
- (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 September 30, 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.



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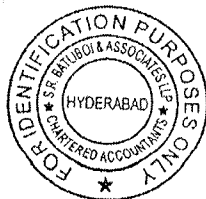
Further, based on internal evaluation and/or expert advice, other developments, documentary evidences available with the Company and in view of the observations of the Special Court in its verdict dated April 9, 2015 on the criminal case filed by the Central Bureau of Investigation, confirming that an 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 ended September 30, 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 September 30, 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 ended September 30, 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.13,818 lakhs (including interest of Rs.3,630 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 ended September 30, 2015

- (8) During the quarter, Securities and Exchange Board of India (SEBI) has 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. Since the matter is sub-judice and based on internal 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.

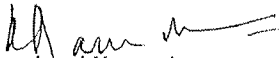


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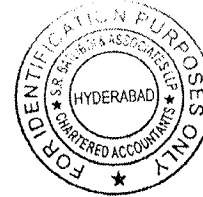
(9) These financial results will be made available on the Company's Website viz., www.ilfsengg.com and websites of BSE Limited and National Stock Exchange of India Limited viz., www.bseindia.com and www.nseindia.com respectively

(10) 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


Ramchand Karunakaran
Chairman

Place: Mumbai
Date: November 07, 2015



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 ended September 30, 2015 (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/ committee of 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 recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 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.
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. 13,818 lakhs (including interest accrued of Rs. 3,630 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) aggregating to Rs. 113 lakhs 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: Mumbai

Date: November 07, 2015