

May 29, 2017

To

The General Manager
BSE Limited
P.J. Towers, Dalal Street,
Mumbai- 400 001

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra Kurla Complex,
Bandra (East), Mumbai-400 051
Scrip Code: IL&FSENGG

Scrip Code: 532907

Dear Sir/Madam,

Sub: **Audited Financial Results for the Quarter and Year Ended March 31, 2017**
Ref: **Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)**

With reference to the captioned subject, this is to inform that the Board of Directors of the Company in its Meeting held today approved the Audited Financial Results of the Company for the Quarter/Year Ended March 31, 2017

Accordingly, please find enclosed the following:

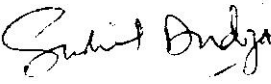
- (i) Audited Standalone Financial Results of the Company for the Quarter and Year ended March 31, 2017;
- (ii) Audited Consolidated Financial Results of the Company for the Year Ended March 31, 2017;
- (iii) Auditor's Reports issued by the Statutory Auditors, S R Batliboi & Associates LLP on:
 - (a) Standalone Financial Results for the Quarter and Year Ended March 31, 2017;and
 - (b) Consolidated Financial Results for the Year Ended March 31, 2017;
- (iv) Statement on Impact of Audit Qualifications (for audit report with modified opinion) on:
 - (a) Standalone Financial Results for the Quarter and Year Ended March 31, 2017;and
 - (b) Consolidated Financial Results for the Year Ended March 31, 2017;

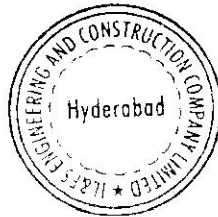
The Meeting of Board of Directors commenced at 8.00 pm and concluded at 10.15 pm

This is for your information and records

Thanking you,

Yours faithfully,
For IL&FS Engineering and Construction Company Limited


Sushil Dudeja
Company Secretary

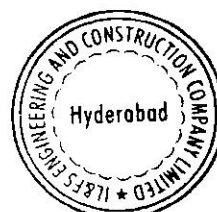


Encl: as above

IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2017

(Rs. in Lakhs, unless otherwise stated)					
S No	Particulars	Standalone as at		Consolidated as at	
		31-Mar-17 (Audited)	31-Mar-16 (Audited)	31-Mar-17 (Audited)	31-Mar-16 (Audited)
A	Equity and liabilities				
1	Shareholders' Funds				
	(a) Share capital	17,087	21,391	17,087	21,391
	(b) Reserves and surplus	(4,497)	(9,031)	(21,477)	(23,952)
	Sub-total - Shareholders' funds	12,590	12,360	(4,390)	(2,561)
				(11,094)	(9,416)
2	Minority Interest*				
3	Non current liabilities				
	(a) Long term borrowings	117,445	138,863	117,445	138,863
	(b) Other long term liabilities	91,458	41,307	94,415	44,867
	(c) Long term provisions	1,724	1,641	1,724	1,641
	Sub-total - Non current liabilities	210,627	181,811	213,584	185,371
4	Current liabilities				
	(a) Short term borrowings	52,619	47,038	65,632	59,419
	(b) Trade payables	55,734	73,880	71,068	102,883
	(c) Other current liabilities	88,779	51,992	90,548	58,746
	(d) Short term provisions	5,589	4,949	5,688	5,078
	Sub-total - Current liabilities	202,721	177,859	232,936	226,126
	TOTAL - EQUITY AND LIABILITIES	425,938	372,030	431,036	399,520
B	ASSETS				
1	Non - current assets				
	(a) Fixed Assets	18,338	19,668	18,393	20,602
	(b) Non - current investments	32,702	32,654	28,417	28,417
	(c) Deferred tax assets (net)	-	-	-	2
	(d) Long term loans and advances	74,057	66,937	75,906	68,411
	(e) Other non - current assets	153,051	88,037	154,640	89,905
	Sub-total - Non - current assets	278,148	207,296	277,356	207,337
2	Current assets				
	(a) Inventories	72,555	83,021	75,146	87,296
	(b) Trade receivables	40,375	44,977	42,134	59,438
	(c) Cash and cash equivalents	2,177	2,098	2,399	2,166
	(d) Short - term loans and advances	21,280	27,787	22,335	36,430
	(e) Other current assets	11,403	6,851	11,666	6,853
	Sub-total - Current assets	147,790	164,734	153,680	192,183
	TOTAL - ASSETS	425,938	372,030	431,036	399,520

* Losses applicable to the minority as per the binding obligation.



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 Standalone Audited financial results for the Quarter and Year ended March 31, 2017 and Consolidated Audited financial results for the year ended March 31, 2017

(Rs. In Lakhs, unless otherwise stated)

Particulars	Standalone				Consolidated		
	For Three Months ended			For the year ended		For the year ended	
	March 31, 2017 (Audited) Refer Note 9	Dec 31, 2016 (Unaudited)	March 31, 2016 (Audited) Refer Note 9	March 31, 2017 (Audited)	March 31, 2016 (Audited)	March 31, 2017 (Audited)	March 31, 2016 (Audited)
Income							
1. Revenue from operations	66,334	39,716	58,908	182,022	184,487	190,640	213,154
2. Other income	10,351	4,972	8,556	18,956	13,434	19,020	13,435
3. Total revenue (1+2)	76,685	44,688	67,464	200,978	197,921	209,660	226,589
4. Expenses							
a. Cost of materials consumed	15,538	10,771	20,803	53,207	77,195	54,827	100,600
b. Changes in inventories of work-in-progress	-	-	-	-	-	92	(160)
c. Employee benefits expenses	2,265	2,077	3,167	10,332	13,004	10,549	14,082
d. Subcontract expense	28,470	16,848	24,518	78,805	71,167	87,263	90,375
e. Other expenses	5,884	5,279	7,174	21,396	21,030	22,471	28,778
f. Finance costs	8,368	8,483	7,598	32,788	30,406	34,572	30,808
g. Depreciation and amortization expense	1,343	1,145	1,061	4,797	4,366	4,797	5,636
5. Total expenses	61,868	44,603	64,321	201,325	217,168	214,571	270,119
6. Profit/ (Loss) before tax from ordinary activities (3-5)	14,817	85	3,143	(347)	(19,247)	(4,911)	(43,530)
7. Tax expense							
a. Current tax (including taxes written back for earlier years Rs. 211 (March 31, 2016: Rs. Nil))	-	-	-	-	-	(11)	182
b. Deferred tax	-	-	-	-	-	2	-
8. Net Profit/ (Loss) after tax from ordinary activities (6-7)	14,817	85	3,143	(347)	(19,247)	(4,902)	(43,712)
9. Company's share of profit from integrated joint ventures	52	79	144	577	395	-	-
10. Minority Interest	-	-	-	-	-	(2,306)	(11,137)
11. Net Profit/ (Loss) after taxes, minority interest and share of profit/ (loss) of integrated joint ventures (8+9-10)	14,869	164	3,287	230	(18,852)	(2,596)	(32,575)
12. Paid-up equity share capital (Face Value of Shares Is Rs. 10/- each)	13,112	12,116	12,116	13,112	12,116	13,112	12,116
13. Reserves excluding Revaluation Reserves as per balance sheet				(4,497)	(9,031)	(21,477)	(23,952)
14. Earnings per equity share (of Rs . 10/- each) (not annualised):							
a. Basic	12.13	(0.00)	2.58	(0.05)	(16.65)	(2.38)	(28.35)
b. Diluted	12.13	(0.00)	2.58	(0.05)	(16.65)	(2.38)	(28.35)
See accompanying notes to the Financial Results							

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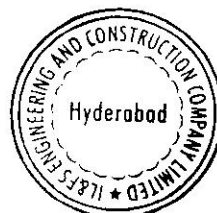


Notes to the financial results:

- (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 May 29, 2017. These financial results were audited 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) Employee Stock Options (ESOPs):
2,849,984 options were granted under ESOP-2009 as Grant-II on June 28, 2012. Out of which 218,716 options are outstanding as at March 31, 2017. No stock options were exercised during the year
- (4) The Board of Directors of the Company in its meeting held on August 11, 2016 has resolved, subject to statutory and other approvals, to raise by way of issue of preference shares on preferential basis and/or equity shares/convertible securities through QIP/Rights issue/public issue or in any combination thereof aggregating an amount up to Rs. 50,000 lakhs to meet general corporate requirements. The Members of the Company in their 27th Annual General Meeting held on September 23, 2016 have approved, subject to statutory and other approvals, issue of equity shares/convertible securities through QIP/Rights issue/public issue or in any combination thereof up to an amount of Rs.50,000 lakhs

In compliance of the provisions of Companies Act, 2013 and SEBI Issue of Capital and Disclosure Requirements Regulations, 2009 the Company has allotted 4,981,203 and 4,981,204 equity shares to Infrastructure Leasing & Financial Services Limited (Promoter) and IL&FS Financial Services Limited (Promoter Group) respectively on preferential basis at a price of Rs. 53.20 per share on March 24, 2017 and has utilized the proceeds to redeem 5,000,000 6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rs. 100 each and 300,000 6% Cumulative Redeemable Preference Shares (CRPS) of Rs. 100 each on March 28, 2017

- (5) As at March 31, 2017, the Company has made investment of Rs. 3,319 lakhs in an overseas subsidiary. Based on the latest available management certified financial statements of the aforesaid subsidiary as on March 31, 2017, the net worth of the subsidiary is fully eroded and the Company may have potential obligation to share further liabilities of the said subsidiary, which is presently under negotiation and hence undeterminable. Management is in discussion with the other shareholder of the subsidiary on various options and is confident to restore the carrying value of the investment and therefore no provision considered necessary for diminution in the value of such investment/potential obligations. Further, the Consolidated Financial Statements include aggregate assets of Rs. 1,223 lakhs and aggregate revenues of Rs. 33 lakhs of the aforesaid subsidiary, consolidated based on its unaudited financial statements. Management is of the view that adjustments, if any, that may have been required had the audited financial statements of the subsidiary been available would not be material. In respect of the aforesaid, the Statutory Auditors of the Company have qualified their audit report on Standalone and Consolidated financial results for the quarter/year ended March 31, 2017

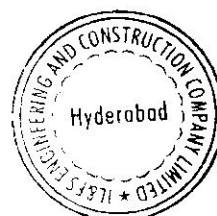


- (6) In the earlier years, pursuant to the Debt Restructuring Programme, the Company had settled an irrevocable trust, namely, Maytas Investment Trust (Trust). The objective of the Trust was to dispose certain underlying investments held and settle the liability towards the Pass Through Certificate (PTC) holders, wherein the Company was also a contributory. As at March 31, 2017, the Investment of the Company includes Rs. 25,967 lakhs contributed towards these PTCs and has receivables, loans and advances and investments aggregating to Rs. 19,983 lakhs which are dependent upon recovery of capacity charges and supplies/ availability of natural gas to a gas based power generating plant, increase in traffic on road investments, final award of the claim and positive outcome of the litigations in the investee companies, etc

Based on internal assessment, legal advice and fair valuation carried out by external experts of underlying investments held by the Trust, Management does not currently envisage any diminution in the value of aforesaid assets. In continuation to the previous year / quarter, the Statutory Auditors of the Company have drawn Emphasis of Matter in their audit report on Standalone and Consolidated financial results for the quarter/year ended March 31, 2017

- (7) As at March 31, 2017, the Company has accrued proportionate revenue to the extent of percentage of completion in case of various projects of which balance as at March 31, 2017 amounts to Rs. 29,224 lakhs (including claims accounted during the quarter and year amounting to Rs. 7,649 lakhs and Rs.10,944 lakhs respectively) and interest of Rs. 18,858 lakhs (including interest of Rs. 4,636 lakhs and Rs. 8,813 lakhs recognised during the quarter and year ended March 31, 2017 respectively) for non-payment of project dues, delays due to handing over of the land, drawings, etc. for project execution which are in various stages of arbitration/ appeal with Hon'ble High Court of New Delhi/ advanced stages of negotiations with customers and have been recognised based on Honorable Supreme Court order/ arbitration award/ completion of arbitration proceedings/ provisions in agreement and supported by the Extension of Time recommended by the Independent Engineers. Further, in one of the aforesaid projects, the customer had withheld an amount of Rs. 1,730 lakhs as liquidated damages for delays in project completion which is also dependent on the aforesaid judicial proceedings

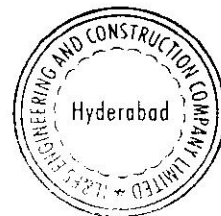
Since these claims are technical in nature and subject to judicial process, the Company has obtained legal opinion on the recoverability of such claims including interest from independent counsel. The Company has been legally advised that the amounts are good of recovery. On the basis of expert opinion and internal assessment, the Management is of the view that the claims including interest are tenable and there exist no uncertainty as to ultimate collection. Pending outcome of the judicial process, the above amounts are being carried as recoverable. In continuation to the previous year / quarter, the Statutory Auditors of the Company have drawn Emphasis of Matter in their audit report on Standalone and Consolidated financial results for the quarter/year ended March 31, 2017



- (8) Prior to April 1, 2009, the erstwhile promoters had given certain Inter Corporate Deposits (ICDs) to various companies aggregating to Rs. 34,378 lakhs and Rs. 36,236 lakhs at the standalone and consolidated financial statements level respectively. Of the foregoing, documentary evidences had been established that, for an amount of Rs. 32,378 lakhs and Rs. 34,211 lakhs at standalone entity and consolidated level respectively, 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 Andhra Pradesh. 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 March 31, 2017 continued to disclose as "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 its 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 audit report on Standalone and Consolidated financial results for the quarter/year ended March 31, 2017

- (9) The figures of the last quarter of standalone for the current year and previous year are the balancing figures between audited figures in respect of the full financial year up to March 31, 2017 and March 31, 2016 and the unaudited published year-to-date standalone figures up to December 31, 2016 and December 31, 2015 respectively, being the date of the end of the third quarter of the financial year which were subjected to limited review
- (10) These financial results will be made available on the Company's Website viz., www.ifsengg.com and websites of BSE Limited and National Stock Exchange of India Limited viz., www.bseindia.com and www.nseindia.com respectively



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(11) Other income for the period/year includes :

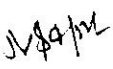
(Amount in Lakhs)

Particulars	Quarter Ended			Year Ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
Profit on sale of assets	4,233	1,424	-	6,169	-

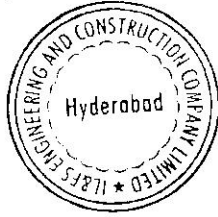
(12) Previous year/period figures have been regrouped and/or rearranged wherever necessary

By Order of the Board

For IL&FS Engineering and Construction Company Limited


Mukund Sapre
Managing Director

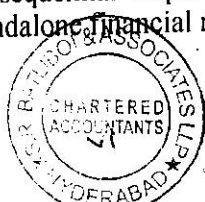
Place: Mumbai
Date: May 29, 2017



Auditor's Report On Quarterly Standalone Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
**Board of Directors of
IL&FS Engineering and Construction Company Limited.**

1. We have audited the accompanying statement of quarterly standalone financial results of IL&FS Engineering and Construction Company Limited ('the Company') for the quarter ended March 31, 2017 and for the year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The quarterly Standalone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The Standalone financial results for the quarter ended March 31, 2017 and year to date ended March 31, 2017 have been prepared on the basis of the standalone financial results for the nine-month period ended December 31, 2016, the audited annual financial statements as at and for the year ended March 31, 2017, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended December 31, 2016 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under the Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2017; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. As more fully explained in Note 5 of the accompanying statement, as at March 31, 2017, the Company has investment amounting to Rs. 3,319 lakhs made in an overseas subsidiary. Based on the latest available unaudited financial statements of the aforesaid subsidiary as on March 31, 2017, the net worth of the subsidiary is fully eroded and the Company may have potential obligation to share further liabilities of the said subsidiary, which is presently under negotiation and hence undeterminable. Based on the reasons fully explained in the aforesaid note, the management is of the view that no provision is required for diminution in the value of such investment/potential obligation, as the Company is evaluating options to restore the carrying value of the investment. However, in the absence of sufficient and appropriate audit evidence, we are unable to comment on the carrying value of such investment, potential obligation and other consequential impacts, if any, that may be required in this regard in these accompanying standalone financial results.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

4. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects, if any, on account of the matter described in paragraph 3 above, these quarterly Standalone financial results as well as the year to date results:
- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2017 and for the year ended March 31, 2017.
5. We draw attention to:
- a) Note 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") and receivables, loans and advances and investments aggregating to Rs. 19,983 lakhs which are dependent upon recovery of capacity charges and supplies/ availability of natural gas to a gas based power generating plant, increase in traffic on road investments, final award of the claim and positive outcome of the litigations in the investee companies, etc. Based on internal assessment, legal advice and fair valuation, management does not currently envisage any diminution in the carrying value of aforesaid assets.
 - b) Note 7 of the accompanying statement regarding amount due from customers (project work-in-progress). The Company had recognised claims in case of various projects of which balance as at March 31, 2017 aggregates to Rs. 29,224 lakhs (including claims accounted during the quarter and year amounting to Rs. 7,649 lakhs and Rs. 10,944 lakhs respectively) and interest of Rs. 18,858 lakhs (including interest of Rs. 4,636 lakhs and Rs. 8,813 lakhs recognised during the quarter and year ended March 31, 2017 respectively) for non-payment of project dues, delays due to handing over of the land, drawings, etc. for project execution which are in various stages of arbitration/ appeal with Honorable High Court of New Delhi/ advanced stages of negotiations with customer and have been recognised based on Honorable Supreme Court order/ arbitration award/ completion of arbitration proceedings/ provisions in agreement and supported by the Extension of Time recommended by the Independent Engineers. Further, in one of the aforesaid projects, the customer has withheld an amount of Rs. 1,730 lakhs as liquidated damages for delays in project completion which is also dependent on the aforesaid judicial proceedings. Based on expert opinion and internal assessment, the management is of the view that the claims including interest are tenable and there exist no uncertainty as to ultimate collection.
 - c) Note 8 of the accompanying statement 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.

The ultimate outcome of the above matters cannot presently be determined, pending approvals, acceptances, legal interpretations, conclusion of legal proceedings, resolution of uncertainty around availability of gas, achievement of traffic projections, favourable settlement of claims and ultimate realisation etc., as referred to in the relevant notes to the accompanying statement referred above, accordingly no adjustment has been made in the carrying value of the aforesaid assets. Our opinion is not qualified in respect of the aforementioned matters.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2017 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vikas Kumar Pansari

Partner

Membership No.: 093649



Place: Mumbai

Date: May 29, 2017

Auditor's Report On Consolidated Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
IL&FS Engineering and Construction Company Limited,

1. We have audited the consolidated financial results of IL&FS Engineering and Construction Company Limited ('the Company'), comprising its subsidiaries (together, 'the Group'), its associate and jointly controlled entities, for the year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial results for the year ended March 31, 2017 have been prepared on the basis of the audited annual consolidated financial statements as at and for the year ended March 31, 2017 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated financial statements as at and for the year ended March 31, 2017 which are prepared in accordance with the applicable accounting standards and other accounting principles generally accepted in India; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. As detailed in Note 5, the accompanying statement includes aggregate assets of Rs. 1,223 lakhs and aggregate revenues of Rs. 33 lakhs of an overseas subsidiary, consolidated based on its unaudited financial statements. The accompanying Consolidated Financial Statements do not include adjustments, if any that may have been required had the audited financial statements of the subsidiary for the year ended March 31, 2017 been available and accordingly we are unable to comment on the same.
4. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects, if any, on account of the matter described in paragraph 3 above, these consolidated financial results for the year:
 - a. include the year-to-date results of the following entities (list of entities included in consolidation are stated in Annexure);
 - b. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 in this regard; and
 - c. give a true and fair view of the consolidated net loss and other financial information for the consolidated year to date results and for the year ended March 31, 2017.



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5. We draw attention to.

- a. Note 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”) and receivables, loans and advances and investments aggregating to Rs.19,983 lakhs which are dependent upon recovery of capacity charges and supplies/ availability of natural gas to a gas based power generating plant, increase in traffic on road investments, final award of the claim and positive outcome of the litigations in the investee companies, etc. Based on internal assessment, legal advice and fair valuation, management does not currently envisage any diminution in the carrying value of aforesaid assets.
- b. Note 7 of the accompanying statement regarding amount due from customer (project work-in-progress). The Company had recognised claims in case of various projects of which balance as at March 31, 2017 aggregates to Rs. 29,224 lakhs (including claims accounted during the quarter and year amounting to Rs. 7,649 lakhs and Rs. 10,944 lakhs respectively) and interest of Rs. 18,858 lakhs (including interest of Rs. 4,636 lakhs and Rs. 8,813 lakhs recognised during the quarter and year ended March 31, 2017 respectively) for non-payment of project dues, delays due to handing over of the land, drawings, etc. for project execution which are in various stages of arbitration/ appeal with Honorable High Court of New Delhi/ advanced stages of negotiations with customer and have been recognised based on Honorable Supreme Court order/ arbitration award/ completion of arbitration proceedings/ provisions in agreement and supported by the Extension of Time recommended by the Independent Engineers. Further, in one of the aforesaid projects, the customer has withheld an amount of Rs. 1,730 lakhs as liquidated damages for delays in project completion which is also dependent on the aforesaid judicial proceedings. Based on expert opinion and internal assessment, the management is of the view that the claims including interest are tenable and there exist no uncertainty as to ultimate collection.
- c. Note 8 of the accompanying statement regarding Inter Corporate Deposits (ICDs) amounting to Rs. 36,236 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.

The ultimate outcome of the above matters cannot presently be determined, pending approvals, acceptances, legal interpretations, conclusion on legal proceedings, resolution of uncertainty around availability of gas, achievement of traffic projections, favourable settlement of claims and ultimate realisation etc., as referred to in the relevant notes to the accompanying consolidated financial statements referred above, accordingly no adjustment has been made in the carrying value of the aforesaid assets. Our opinion is not qualified in respect of the aforementioned matters.



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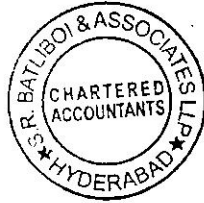
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6. We did not audit financial statements and other financial information in respect of 6 subsidiaries and 6 jointly controlled entities whose financial statements include total assets of Rs. 25,660 lakhs and net assets of Rs. (1,596) lakhs as at March 31, 2017, total revenues of Rs. 8,565 lakhs for the year ended March 31, 2017 and net cash inflows of Rs. 162 lakhs for the year ended on that date. The financial statements and other financial information of the above subsidiaries and jointly controlled entities have been audited by other auditors whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries and jointly controlled entities is based solely on the report of other auditors. Our opinion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants



per Vikas Kumar Pansari
Partner
Membership No.: 093649



Place : Mumbai
Date: May 29, 2017

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 4(a) to our Auditor's Report)
Re: IL&FS Engineering and Construction Company Limited**

S. No.	Name of Entities	Relationship
1	Maytas Infra Assets Limited (MIAL)	Subsidiary
2	Maytas Vashista Varadhi Limited	Subsidiary
3	Maytas Metro Limited	Subsidiary
4	Angeerasa Greenfields Private Limited	Subsidiary
5	Saptaswara Agro - Farms Private Limited	Subsidiary
6	Ekadanta Greenfields Private Limited	Subsidiary
7	Maytas Infra Saudi Arabia Company (Limited liability Company) (MISA)	Subsidiary
8	NCC-Maytas (JV)	Joint Ventures (AOPs)
9	NEC-NCC-Maytas(JV)	Joint Ventures (AOPs)
10	Maytas-NCC (JV)	Joint Ventures (AOPs)
11	NCC-Maytas (JV) (Singapore Class Township)	Joint Ventures (AOPs)
12	Maytas-CTR (JV)	Joint Ventures (AOPs)
13	NCC-Maytas-ZVS (JV)	Joint Ventures (AOPs)

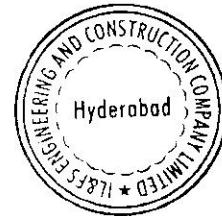
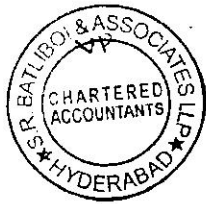


ANNEXURE I

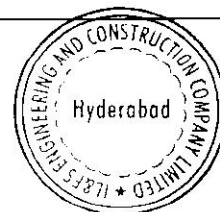
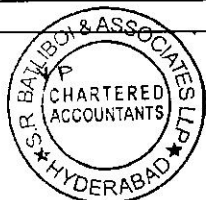
Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Standalone Financial Results

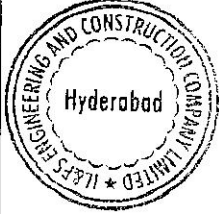
<u>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017</u>				
<u>[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]</u>				
I.	#	Particulars	Audited Figures (as reported before adjusting for qualifications) (Amount in Rs. lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Amount in Rs. lakhs)
	1.	Turnover / Total income	182,022	182,022
	2.	Total Expenditure*	201,325	201,325
	3.	Net Profit/(Loss)	230	230
	4.	Earnings Per Share	(0.05)	(0.05)
	5.	Total Assets	425,938	425,938
	6.	Total Liabilities	413,348	413,348
	7.	Net Worth	12,590	12,590
	8.	Any other financial item(s) (as felt appropriate by the management)	Refer EOM's given in the audit report	

* Refer Sl. No. 5 of the Annual Audited Standalone Financial Results.



II.	Audit Qualification (each audit qualification separately):
	<p>a. Details of Audit Qualification:</p> <p>As more fully explained in Note 5 of the accompanying statement, as at March 31, 2017, the Company has investment amounting to Rs. 3,319 lakhs made in an overseas subsidiary. Based on the latest available unaudited financial statements of the aforesaid subsidiary as on March 31, 2017, the net worth of the subsidiary is fully eroded and the Company may have potential obligation to share further liabilities of the said subsidiary, which is presently under negotiation and hence undeterminable. Based on the reasons fully explained in the aforesaid note, the management is of the view that no provision is required for diminution in the value of such investment/potential obligation, as the Company is evaluating options to restore the carrying value of the investment. However, in the absence of sufficient and appropriate audit evidence, we are unable to comment on the carrying value of such investment, potential obligation and other consequential impacts, if any, that may be required in this regard in these accompanying standalone financial results.</p>
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of qualification: First time reported in the year ended March 31, 2016.
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Not Applicable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>Any adverse effect on financials of the Company is unlikely.</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>Management is in discussion with the other shareholder of the subsidiary on various options and is confident to restore the carrying value of the investment and therefore no provision is required for diminution in the value of such investment/potential obligation.</p>
	<p>(iii) Auditors' Comments on e (i) or e (ii) above:</p> <p>As stated in Point II(a) above.</p>

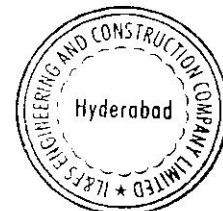


III.	<p><u>Signatories:</u></p> <ul style="list-style-type: none"> • Mr Mukund Sapre - Managing Director <i>MKS</i> • Dr S N Mukherjee - CFO <i>S N Mukherjee</i> • Mr Debabrata Sarkar - Audit Committee Chairman <i>Debabrata Sarkar</i> <p>• Statutory Auditor: For S.R. BATLIBOI & ASSOCIATES LLP Chartered Accountants ICAI Firm Registration no. 101049W/E300004</p> <p><i>Vikas Kumar Pansari</i> Vikas Kumar Pansari Partner Membership No. 093649</p> <p>Place: Mumbai</p> <p>Date: May 29, 2017</p>	

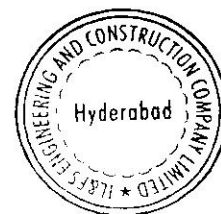
ANNEXURE I

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Consolidated Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year Ended March 31, 2017				
I.	#	Particulars	Audited Figures (as reported before adjusting for qualifications) (Amount in Rs. Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Amount in Rs. Lakhs)
	1.	Turnover / Total income	190,640	190,640
	2.	Total Expenditure *	214,571	214,571
	3.	Net Profit/(Loss)	(2,596)	(2,596)
	4.	Earnings Per Share	(2.38)	(2.38)
	5.	Total Assets	431,036	431,036
	6.	Total Liabilities	446,520	446,520
	7.	Net Worth	(4,390)	(4,390)
	8.	Any other financial item(s) (as felt appropriate by the management)	Refer EOM's given in the Audit Report	
* Refer Sl. No. 5 of the Annual Audited consolidated Financial Results.				
II.	Audit Qualification (each audit qualification separately):			
	<p>a. Details of Audit Qualification:</p> <p>As detailed in Note 5, the accompanying statement includes aggregate assets of Rs. 1,223 lakhs and aggregate revenues of Rs. 33 lakhs of an overseas subsidiary, consolidated based on its unaudited financial statements. The accompanying Consolidated Financial Statements do not include adjustments, if any that may have been required had the audited financial statements of the subsidiary for the year ended March 31, 2017 been available and accordingly we are unable to comment on the same.</p>			
	<p>b. Type of Audit Qualification : Qualified Opinion</p>			



	<p>c. Frequency of qualification: First time reported in the year ended March 31, 2016.</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>Not Applicable</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>Any adverse effect on financials of the Company is unlikely.</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>Management is of the view that adjustments, if any, that may have been required had the audited financial statements of the subsidiary been available would not be material.</p>
	<p>(iii) Auditors' Comments on e (i) or e (ii) above:</p> <p>As stated in Point II(a) above.</p>



III.	<p><u>Signatories:</u></p> <ul style="list-style-type: none"> • Mr Mukund Sapre - Managing Director <i>Mukund Sapre</i> • Dr S N Mukherjee – CFO <i>S N Mukherjee</i> • Mr Debabrata Sarkar - Audit Committee Chairman <i>Debabrata Sarkar</i> <p>• Statutory Auditor: For S.R. BATLIBOI & ASSOCIATES LLP Chartered Accountants ICAI Firm Registration no. 101049W/E300004</p> <p><i>Vikas Kumar Pansari</i> Vikas Kumar Pansari Partner Membership No. 093649</p> <p>Place: Mumbai</p> <p>Date: May 29, 2017</p>	