

February 28, 2019

To  
 Kautuk Upadhyay,  
 Chief Manager  
 National Stock Exchange of India Limited  
 Exchange Plaza, 5<sup>th</sup> Floor,  
 Bandra Kurla Complex,  
 Bandra (East), Mumbai-400 051

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**Scrip Code: IL&FSENGG**

Dear Sir/Ma'am,

**Re: Your letter (Ref No: NSE/LIST/74200) dated February 18, 2019 issued to IL&FS Engineering and Construction Company Limited (the "Company") for non-compliance with Regulation 33 of the LODR Regulations for the quarter ended December 31, 2018 (the "Letter")**

The Company hereby acknowledges the receipt of your Letter, with respect to non-compliance with Regulation 33 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015, as amended (the "**LODR Regulations**") due to non-submission of financial results of the Company for the quarter ended December 31, 2018, and levy of fine in respect thereof.

With respect to the foregoing, we hereby submit as follows:

1. As you would be aware, pursuant to the proceedings filed by the Union of India under Sections 241 and 242 of the Companies Act, 2013, the National Company Law Tribunal, Mumbai bench ("**NCLT**"), by way of an order of October 1, 2018, suspended the board of directors of Infrastructure Leasing and Financial Services Limited ("**IL&FS**") and re-constituted the same with persons proposed by the Union of India. Pursuant to the ongoing legal proceedings, IL&FS, the Company and certain other group companies of IL&FS have reconstituted/are reconstituting their respective boards, after September 30, 2018. The board of directors of the Company has also recently approved appointment of a new Chief Financial Officer, w.e.f. January 1, 2019.
2. Further, in order to address the existing financial situation of IL&FS and its group companies (which includes the Company), the newly appointed board of directors of IL&FS is in the process of implementing a roadmap (as submitted to the NCLT), which will require the Company to, *inter alia*, undertake divestment, restructuring and/or consolidation of its investments and assets, as the case may be, in accordance with the roadmap. This is likely to have an impact on the accounting and financial aspects of the Company. In addition, the Company and its management is primarily engaged in the efforts to implement the roadmap set out by the new IL&FS board. The aforesaid has resulted in delay in completion of the financial results for the quarter ended December 31, 2018, and filing thereof.

We would like to submit that the National Company Law Appellate Tribunal, New Delhi (the "**NCLAT**") has passed an order of moratorium on October 15, 2018 in respect of actions (*as set out therein*) that cannot be taken against IL&FS and its group companies (including the Company), which includes, amongst others, institution or continuation of suits or any other proceedings by any party or person or bank



company, etc. against 'IL&FS' and its group companies in any Court of Law/Tribunal/Arbitration Panel or Arbitration Authority and any action by any party or person or bank or company, etc. to foreclose, recover or enforce any security interest created the assets of 'IL&FS' and its group companies. This has been done taking into consideration the nature of the case, larger public interest and economy of the nation, and interest of IL&FS and its group companies. This moratorium has subsequently been modified by the NCLAT order dated January 11, 2019.

4. In a recent development, please also note that the NCLT passed an order dated January 1, 2019 pursuant to an application filed by MCA under Section 130 of the Companies Act, 2013 permitting reopening and recasting of accounts of (a) IL&FS; (b) IL&FS Financial Services Limited and (c) IL&FS Transportation Networks Limited, for the past 5 financial years (i.e. FY 13 to FY 18), on the ground that there was mismanagement in the affairs of these companies.
5. We also submit that due to the current financial situation faced by the Company, the Company is facing serious constraints in making payment and the Company is working towards the same.
6. We would also like to draw your attention to Clause 7 of the Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018, issued by the Securities and Exchange Board of India (the "SEBI Circular"), which empowers the stock exchanges to keep in abeyance the action or withdraw an action in case of moratorium pursuant to a court order. Clause 7 is reproduced below, for your case of reference-

*"The recognized stock exchanges may keep in abeyance the action or withdraw the action in specific cases where specific exemption from compliance with the requirements under the Listing Regulations/moratorium on enforcement proceedings has been provided for under any Act, Court/Tribunal Orders etc."*

7. In light of the existing moratorium on IL&FS and its group companies (including the Company), we request and urge you to not take any of the actions (including imposing penalty) against the Company, as set out in your Letter. In light of the facts and the submissions set out above, and the special circumstances of this case, we hereby humbly request you to waive the penalty imposed on the Company pursuant to the Letter, in terms of the SEBI Circular, and to not levy any further penalty on the Company for delay in filing of the financial results for the quarter ended December 31, 2018, under the requirements set out in the LODR Regulations.

We assure you that we are working earnestly to finalize and submit the financial results for the quarter ended December 31, 2018, at the earliest.

We look forward to a favorable consideration at your end, given the special circumstances.

Thanking You  
For IL&FS Engineering and Construction Company Limited

  
Naveen Kumar Agrawal  
Chief Financial Officer