

Registered Office

D.No. 8-2-120/113/3
4th Floor, Sanali Info Park
Road No 2, Banjara Hills
Hyderabad - 500033

T +91 40 40409333

F +91 40 40409444

E info@ilfsengg.com

W www.ilfsengg.com

January 12, 2018

To

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

Sub: Letter from Paschimanhal Vidyut Vitran Nigam Limited, Meerut (PVVNL) purporting to terminate Rural Electrification Works Contract (Contract) between IL&FS Engineering and Construction Company Limited (Company) and PVVNL

Ref: Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

Dear Sir/Madam,

This is with reference to our letters dated September 8, 2017 and November 20, 2017 on the captioned subject

We wish to inform that, in response to the Letter from PVVNL purporting to terminate the Contract for rural electrification works of villages of Moradabad district, the Company initiated arbitration proceedings against PVVNL and pending the constitution of the Arbitral Tribunal, filed two petitions before the High Court of Delhi seeking interim relief against the operation of the said Letter of Termination

The Hon'ble Delhi High Court (DLHC) passed an order restraining PVVNL from giving effect to its Letter dated September 4, 2017 including *inter alia* with respect to termination of the contract, blacklisting of the Company and invocation and encashment of the Bank Guarantees (BGs). The foregoing stay against the operation of the Letter of Termination had been extended from time to time until January 2, 2018

In the meantime, it may be noted that : (i) The Arbitral Tribunal has been duly constituted and has assumed office to hear the dispute; and (ii) PVVNL filed an application to vacate the pending stay on the operation of the Letter of termination before the DLHC. Both the applications for interim relief and PVVNL's application to vacate the stay were heard on January 2, 2018. A Division Bench of the DLHC pronounced orders on January 8, 2018, the order copy of which was received by the Company on January 9, 2018. The main points of the order are:

- (a) With regard to the BGs, DLHC did not grant stay against invoking of BGs. However, the Hon'ble Court clarified that the invocation of BGs is limited to the balance amount recoverable under the said Bank Guarantees; and
- (b) With regard to the black listing, the Counsel for PVVNL undertook that they will not enforce the blacklisting until the next date of hearing.

Thereafter, the Company filed a Special Leave Petition on January 9, 2018, *inter alia* seeking to restrain PVVNL from encashing the Bank Guarantees provided by the Company. Upon evaluating the merits of the matter, the Hon'ble Supreme Court, ordered that the matter be heard at length. Accordingly, the Hon'ble Supreme Court has kept the matter in abeyance and posted it on January 15, 2018 with an undertaking given by the Counsel of PVVNL that there will be no effort by PVVNL to encash the BGs thereby maintaining status-quo until the next date of hearing

This is for your information and records

Thanking you,

Yours faithfully,

For IL&FS Engineering and Construction Company Limited


Sushil Dudeja
Company Secretary