

IL&FS Engineering and Construction Company Limited

CIN:L45201AP1988PLC008624

Registered Office : Door No 8-2-120/113/3/4F, Sanali Info Park, Cyber Towers,
Road No. 2, Banjara Hills, Hyderabad – 500 033. Phone : 040 40409333 Fax: 040 40409444
E-mail:cs@ilfsengg.com, Website:www.ilfsengg.com

NOTICE OF POSTAL BALLOT UNDER SECTION 110 OF COMPANIES ACT, 2013

Dear Member,

NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act"), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended are proposed to be passed as Special Resolutions by way of Postal Ballot and E-Voting. The Explanatory Statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof are annexed hereto along with a Postal Ballot Form (the "Form") for your consideration. The Board of Directors of the Company (the "Board") has appointed Mr. Y Ravi Prasada Reddy, Practicing Company Secretary as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner

You are requested to carefully read the instructions printed on the Form, record your Assent (for) or Dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6.00 p.m. on August 24, 2015.

Members desiring to opt for E-Voting facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot(s) in this notice include votes received electronically

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman. The result of the Postal Ballot would be announced by Chairman or the person authorised by chairman of the Company on August 26, 2015 at the Registered Office of the Company. The aforesaid result would be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed and displayed along with the Scrutinizer's Report on the Company's website viz; www.ilfsengg.com

1. Issue of 89,00,000 Equity Shares of Rs. 10 each fully paid on Preferential Basis

To consider and approve, with or without any modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 42 and 62 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, including any statutory modification, amendment or re-enactment thereof ("Companies Act") and in accordance with any other applicable laws, regulations, policies, guidelines including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "SEBI Regulations"), Article 16 of the Articles of Association of the Company, the Equity Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited (together referred to as "Stock Exchanges") on which the Company's Equity Shares are listed, any Foreign Investment Law, Policy or Regulation in India, terms and conditions of any approval, permission, sanction of the Government of India ("GoI"), the Company Law Board ("CLB"), the Securities

and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Registrar of Companies ("RoC"), Hyderabad, and any other appropriate authorities, institutions or bodies, to the extent required, subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approval, permission and sanction which would be agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any duly authorized Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) consent, approval and sanction of the Company be and is hereby accorded to the Board (with powers to delegate all or any of the powers hereby conferred to any Committee thereof) to create, offer/issue and allot to below-mentioned proposed allottees (Promoter/Promoter Group"), as permitted under applicable laws, regulations, policies and/or guidelines, including the SEBI Regulations and other Laws in India, up to 89,00,000 Equity Shares of Rs. 10/- (Rupees ten only) each on preferential basis ("Issue")"

Sr. No.	Name of the Proposed Allottees	No. of Equity Shares
1.	Infrastructure Leasing & Financial Services Limited	44,08,045
2.	IL&FS Financial Services Limited	44,91,955
	Total	89,00,000

"RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted within a period of 15 (fifteen) days from the date of passing of this Special Resolution, provided that where any application for any approval or permission by any statutory or regulatory authority is pending, the period of fifteen days shall be counted from the date of such approval or permission, as the case may be or such other extended period as may be permitted under applicable SEBI Regulations, as amended from time to time"

"RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank paripassu with the existing Equity Shares of the Company in all respects"

"RESOLVED FURTHER THAT the said Equity Shares shall be listed on the Stock Exchanges on which the existing Equity Shares of the Company are listed"

"RESOLVED FURTHER THAT the Equity Shares to be allotted shall be subject to lock-in requirement as prescribed by the SEBI Regulations, from time to time"

"RESOLVED FURTHER THAT the 'Relevant Date' in accordance with the SEBI Regulations shall be July 27, 2015 being the date 30 days prior to the date of the declaration of result of Postal Ballot for passing of the Resolution by the Members of the Company for the proposed issue of Equity Shares"

"RESOLVED FURTHER THAT the Equity Shares be allotted at a price not less than the price to be determined in accordance with the SEBI Regulations"

“RESOLVED FURTHER THAT the Board be entitled to vary, modify or alter any of the foregoing terms and conditions to conform to those as may be prescribed by CLB, SEBI, ROC, RBI, FIPB, Stock Exchanges or any other appropriate authority/ies or in such manner or otherwise as the Board may, in its absolute discretion, deem fit”

“RESOLVED FURTHER THAT the Board be and is hereby, authorized to finalize the form of application and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable to give effect to this resolution and to settle any matter, question, difficulty or doubt that may arise in regard to the issuance and allotment of Equity Shares of the Company and to negotiate, finalize and execute any other agreement(s) or document(s) and writings relating to the Issue as it may deem necessary, proper, desirable or expedient without requiring any further approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any such document so executed and delivered or acts and things done or caused to be done prior to the date here of are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be”

2. Issue of Securities of the Company for an amount of up to Rs 500 Crores

To consider and approve, with or without any modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 42, 62 and other applicable Provisions, if any, of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014 and all applicable rules made thereunder (including any amendments / modifications thereto or re-enactment thereof) (the “Act”) and pursuant to the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the “SEBI ICDR Regulations”), as amended, and subject to all the other rules, regulations, guidelines, notifications and circulars prescribed by the Securities and Exchange Board of India (“SEBI”), the applicable provisions of the Foreign Exchange Management Act, 1999, as amended (“FEMA”) and regulations made thereunder including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company’s equity shares are listed (“Listing Agreements”), and in accordance with the applicable regulations and/ or guidelines issued by any other competent authorities and/ or clarifications issued thereon, from time to time and subject to all such approvals, permissions, consents and / or sanctions as may be necessary from the Government of India (“GOI”), the Reserve Bank of India (“RBI”), SEBI, the Stock Exchanges, the Ministry of Finance (Department of Economic Affairs) and Ministry of Commerce & Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and / or all other ministries, departments or other statutory or local authorities of the GOI and/ or any other competent governmental or regulatory authorities as may be required, whether in India or outside India (hereinafter collectively referred to as Appropriate Authority’) and subject to such conditions and / or modifications as may be prescribed by any of them while granting such approvals, permissions, consents and / or sanctions (hereinafter referred to as “Requisite Approvals”), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include

any duly authorised Committee constituted or may hereinafter be constituted and/or any Director(s) of the Company, delegated with the powers necessary for the purpose, (including the powers conferred by this Resolution), consent of the Members of the Company be and is hereby accorded to the Board of Directors or Committee thereof to create, offer, issue and allot in one or more tranches, for a value of upto Rs. 500 Crores (Rupees Five Hundred Crores only), such number of Equity Shares, and/or Equity Shares through Convertible Securities, or Foreign Currency Convertible Bonds or any other financial instruments convertible into or linked to Equity Shares and/or any other instruments and/or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form including without limitation, the Securities as defined under the Securities Contract Regulation Act, 1956 and the rules made thereunder as amended from time to time (hereinafter collectively referred to as the “Securities”) whether, secured or unsecured, Listed on any stock exchange(s) in India, through an offer document and/or prospectus and/or offer letter and/or offering circular and/or placement document, and/or listing particulars, to any person including foreign / resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise), foreign institutional investors, venture capital funds, foreign venture capital investors, qualified foreign investors, alternative investment funds, multilateral and bilateral financial institutions, state industrial development corporations, insurance companies, provident funds, pension funds, insurance funds set up by army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, development financial institutions, Indian mutual funds, non-resident Indians, promoters, members of group companies, Indian public, bodies corporate, companies (private or public) or other entities, authorities, and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the “Investors”) including allotment in exercise of a green shoe option, if any, by the Company, through public issue(s), Rights Issue(s), private placement(s), and / or qualified institutional placement under Chapter VIII of the SEBI ICDR Regulations or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices, including discounts as permitted under applicable law, in such manner and on such terms and conditions including security, rate of interest and conversion terms, as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the lead managers, or other advisor(s) for such issue(s), as the Board in its absolute discretion may deem fit and appropriate”

“RESOLVED FURTHER THAT if any issue of Securities is made by way of a qualified institutional placement in terms of Chapter VIII of the SEBI ICDR Regulations, the allotment of the Securities, or any combination of Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time and the Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations”

“RESOLVED FURTHER THAT in the event that Equity Shares are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the

Board decides to open the proposed issue of Equity Shares and at such price being not less than the price determined in accordance with the pricing formula (including any permitted discounts) provided under Chapter VIII of the SEBI ICDR Regulations”

“RESOLVED FURTHER THAT in the event the securities are proposed to be issued as FCCBs, the relevant date for the purpose of pricing the securities shall be the date of the meeting in which the Board decides to open the issue of such securities in accordance with the issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance”

“RESOLVED FURTHER THAT in the event that instruments which are convertible into Equity Shares of the Company are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and at such price being not less than the price determined in accordance with the pricing formula (including any permitted discounts) provided under Chapter VIII of the SEBI ICDR Regulations”

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the term of the Securities and the Board be and is hereby authorised in its absolute discretion to dispose off such of the Securities that are not subscribed in such manner as it may deem fit”

“RESOLVED FURTHER THAT the issue of Securities which are convertible into Equity Shares shall, inter alia, be subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro rata;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and

“RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint lead managers, co-managers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, lawyers, advisors, auditors, stabilizing agent and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on stock exchange(s), to seek consent, if required from lenders of the Company and parties with whom the Company has entered into various commercial and other agreements in connection with the issue and allotment of Securities and also to open one or more bank accounts in the name of the Company within or outside India, as may be required, subject to receipt of requisite approvals wherever required from the RBI or any regulatory authority, as applicable”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares including issue and allotment of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares that may be issued and allotted by the Company, including issue and allotment of equity shares upon conversion of any securities referred above, shall be issued and allotted in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall rank paripassu inter se with the existing Equity Shares of the Company in all respects except as provided otherwise under the terms of issue/offering and in accordance with the offer document and/or prospectus and/or offer letter and/or offering circular and/or listing particulars”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the issue(s), including the class of Investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, discount(s) permitted under applicable law (now or hereafter), premium amount on issue/conversion of Securities, listings on stock exchanges in India as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s)”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), placement document or offering circular, as the case may be, execution of various transaction documents as per the provisions of the Companies Act, 2013 and the Rules made thereunder, in respect of any Securities as may be required in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors or any executive director or directors or any other officer or officers of the Company to give effect to the aforesaid resolutions”

By order of the Board of Directors
For IL&FS Engineering and Construction
Company Limited

Place: Hyderabad

Date: July 22, 2015

G. Venkateswar Reddy

Company Secretary

Registered Office:

Door No: 8-2-120/113/3/4F, Sanali Info Park,

Cyber Towers, Road No. 2, Banjara Hills, Hyderabad – 500 033

CIN: L45201AP1988PLC008624

Phone – 040 40409333; Fax – 040 40409444;

Email – cs@iflfsengg.com; Website – www.iflfsengg.com;

NOTES:

1. The Explanatory Statement to the proposed resolutions mentioned above, pursuant to Section 102 of the Companies Act, 2013; setting out material facts is appended herein below
 2. The notice of postal ballot is being sent to all the members, whose names appear on the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on July 17, 2015 (Cutoff Date). The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on that date
 3. Members who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and to others are being sent by Registered Post / Courier along with Postal Ballot Form. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link www.ilfsengg.com or <https://evoting.karvy.com> or seek duplicate Postal Ballot Form from M/s Karvy Computershare Private Limited, Unit: IL&FS Engineering and Construction Company Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakaramguda, Serlingampally Mandal, Hyderabad - 500032. fill in the details and send the same to the Scrutinizer
Members are requested to read the instructions printed on the reverse of the Postal Ballot Form and return the Form duly completed in the attached self-addressed and postage prepaid envelope so as to reach the Scrutinizer on or before 6.00 p.m. August 24, 2015 at the following address:
Scrutinizer
Karvy Computershare Private Limited
UNIT: IL&FS Engineering and Construction Company Limited
Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakaramguda, Serlingampally Mandal, Hyderabad - 500032.
 4. Members who have not registered their e-mail addresses so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically
 5. **E-voting procedure:** In compliance with provisions of Section 110 of the Companies Act, 2013, Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of Listing Agreements with Stock Exchanges, your Company is pleased to provide members facility to exercise their right to vote on the resolutions by electronic means through e-Voting Services provided by Karvy Computershare Private Limited
The instructions for E-voting are as follows:
 - i. To use the following URL for e-voting:
<http://evoting.karvy.com>
 - ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date, may cast their vote electronically
 - iii. Enter the login credentials. Your Folio No/DP ID Client ID will be your user ID
 - iv. After entering the details appropriately, click on LOGIN
 - v. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
 - vi. You need to login again with the new credentials
 - vii. On successful login, the system will prompt you to select the EVENT i.e., IL&FS Engineering and Construction Company Limited
 - viii. On the voting page, enter the number of shares as on the cutoff date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN
 - ix. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account
 - x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution
 - xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently
 - xii. The Portal will be open for voting from 9.00 a.m. on July 25, 2015 to 6.00 p.m. on August 24, 2015.In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Toll Free No. 18003454001
6. Kindly note that the Members can opt for only one mode of voting i.e. either by Physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Postal Ballot also and vice versa. However, in case Members cast their vote by both Physical Postal Ballot and e-voting, then voting done through valid Physical Postal Ballot shall prevail and voting done by e-voting will be treated as invalid
 7. Members desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed business reply envelope to the Scrutinizer so as to reach the Scrutinizer on or before the close of working hours i.e., 6.00 p.m. on August 24, 2015. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. Assent / Dissent received after August 24, 2015 would be strictly treated as if reply from the Members has not been received
 8. The voting period ends on the close of working hours (i.e. 6.00 p.m.) on August 24, 2015. The e-voting module for voting shall be disabled by M/s Karvy Computershare Private Limited thereafter
 9. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of the Postal Ballot Forms and the result of Postal Ballot along with the Scrutinizer's Report will be displayed on the Company's website www.ilfsengg.com and also on the website of M/s Karvy Computershare Private Limited i.e. <https://evoting.karvy.com> and shall be communicated to the stock exchanges where the Company's shares are listed. In the event, the draft resolution is assented to by the requisite majority of Members by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution
 10. The Board of Directors has appointed Mr. G. Venkateswar Reddy, Compliance Officer and Company Secretary of the Company as the designated person responsible for the entire postal ballot process

11. A copy of each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company during office hours on all working days, except Saturday/Sunday and other holidays, between 9.00 a.m. and 11.00 a.m. up to the date of declaration of results of Postal Ballot.

Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (hereinafter referred to as "Act")

ITEM NO 1:

- (i) Your Company needs to raise equity amount to meet the ongoing funding requirements of the Company, including redemption of preference shares. In these circumstances, it is proposed to issue and allot Equity Shares as contemplated in the Resolution set out in Item No. 1 above ("Issue")
- (ii) The Equity Shares of the proposed allottees shall be subject to lock-in as per the provisions of Chapter VII of the SEBI Regulations
- (iii) The issue price of Equity Shares shall be in conformity with the provisions of the SEBI Regulations
- (iv) A copy of the Certificate to be issued by the Statutory Auditors to the effect that the issue of Equity Shares is being made in accordance with SEBI Regulations will be available at the Registered Office of your Company between 9 a.m. to 11 a.m. on any working day except Saturday/Sunday and other holidays, after the relevant date, during and till the date of completion of postal ballot. Further, a physical copy of the Certificate shall be provided, after the relevant date, to any member who requests for the same in writing addressing the undersigned at the Registered Office of the Company in the duration of the Postal Ballot

Pricing:

The price of the equity shares proposed to be allotted pursuant to this Resolution shall not be less than the higher of

- i) The average of the weekly high and low of the volume weighted average price of the equity shares quoted on the recognised stock

exchange (the stock exchange which has high turnover of the equity shares of the Company during the preceding 26 weeks) during the 26 weeks preceding the relevant date; or

- ii) The average of the weekly high and low of the volume weighted average price of the equity shares quoted on the recognised stock exchange (the stock exchange which has high turnover of the equity shares of the Company during the preceding 26 weeks) during the 2 weeks preceding the relevant date

Relevant Date – As per the definition of relevant date mentioned in regulation 71 under Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the relevant date shall be 30 days prior to the date of declaration of the results of the Postal Ballot which is July 27, 2015 in terms of the provisions of Companies Act, 2013 and rules made there under

Additional Disclosure Pursuant to Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

(a) Object of the Preferential Issue:

To raise equity amount to meet the ongoing funding requirements of the Company, including redemption of preference shares

(b) The Proposal of the Promoters, directors or key management personnel of the issuer to subscribe to the offer:

The Promoter / Promoter Group propose to subscribe to the issue up to an extent of number of shares proposed to be offered to them respectively

The Directors or Key Management Personnel of your Company do not intend to participate in the Issue

(c) The Shareholding Pattern of the issuer before and after the Preferential Issue:

The Pre-issue and Post-issue shareholding pattern of Equity Shares as on July 17, 2015 is as under:

SI No.	Category	Pre-Issue		Post-Issue*	
		No. of Equity Share	% of holding	No. of Equity Share	% of holding
(A)	Promoter(s), Promoter Group(s)				
(a)	Infrastructure Leasing & Financial Services Ltd	1,80,96,995	16.12%	2,25,05,040	18.57%
(b)	IL & FS Financial Services Ltd	1,84,41,482	16.43%	2,29,33,437	18.93%
	Total Promoter Shareholding (A)	3,65,38,477	32.55%	4,54,38,477	37.50%
(B)	Public Shareholding				
B 1	Institutions				
(a)	Mutual Funds/ UTI	1,20,000	0.10%	1,20,000	0.10%
(b)	Financial Institution/ Banks	1,32,32,318	11.79%	1,32,32,318	10.92%
(c)	Central Government / State Government	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors	360	0.00%	360	0.00%
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Foreign Companies	3,65,38,477	32.55%	3,65,38,477	30.16%
	Sub-Total (B)(1)	4,98,91,155	44.44%	4,98,91,155	41.18%
B 2	Non Institutions				
(a)	Bodies Corporate	1,27,11,642	11.32%	1,27,11,642	10.49%
(b)	Individuals & HUF	1,24,50,494	11.09%	1,24,50,494	10.28%
(c)	Any Other (Specify)				
(c-i)	Clearing Member	1,32,793	0.13%	1,32,793	0.11%
(c-ii)	Non Resident Indian	5,31,610	0.47%	5,31,610	0.44%
(c-iii)	Trusts	2,500	0.00%	2,500	0.00%
	Sub-Total (B) (2)	2,58,29,039	23.01%	2,58,29,039	21.32%
(B)	Total Public Shareholding (B) = B(1) + B(2)	7,57,20,194	67.45%	7,57,20,194	62.50%
	TOTAL (A) + (B)	11,22,58,671	100.00%	12,11,58,671	100.00%

* Immediately after this issue of Shares

(d) The time within which the Preferential Issue shall be completed:

Allotment pursuant to this Special Resolution shall be completed within a period of fifteen days from the date of passing the Resolution, provided that where any application for any approval or permission by any statutory or regulatory authority is pending, the period of fifteen days shall be counted from the date of such approval or permission, as the case may be

(e) The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue

Provided that if there is any listed company, mutual fund, bank or insurance company in the chain of ownership of the proposed allottee, no further disclosure will be necessary

Identity of proposed allottee	Category	Pre-Issue		Post-Issue*	
		No. of Equity Share	% of holding	No. of Equity Share	% of holding
(i) Infrastructure Leasing & Financial Services Limited	Promoter	1,80,96,995	16.12%	2,25,05,040	18.57%
(ii) IL&FS Financial Services Limited	Promoter Group	1,84,41,482	16.43%	2,29,33,437	18.93%

* Immediately after this issue of Shares

(i) The following is the ownership pattern of Infrastructure Leasing and Financial Services Limited (IL&FS):

SI No	Name of the Shareholder	Percentage
1	Life Insurance Corporation of India	25.34
2	ORIX Corporation, Japan	23.54
3	Abu Dhabi Investment Authority	12.56
4	Housing Development Finance Corporation Limited	9.02
5	Central Bank of India	7.67
6	State Bank of India	6.42
7	UTI-Unit Linked Insurance Plan – UTI Asset Management Co Pvt Ltd	0.82
8	India Discovery Fund Limited	0.86
9	Bay Capital Investment Managers Private Limited - A/c PMS Client Account	0.05
10	IL&FS Employees' Welfare Trust & Others	13.72
	Total	100.00

(ii) IL&FS Financial Services Limited is the wholly owned subsidiary of IL&FS. For the ownership details of IL&FS, please refer to the table above

None of the Directors or Key Managerial Personnel or their relatives are interested in this resolution

- There shall be no change in Management and/or Control of the Company subsequent to the allotment

ITEM NO. 2

(f) The Company hereby undertakes that the price of the Equity Shares shall be re-computed in terms of provision of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 where it is required to do so;

Given the Company's future growth plans, the Board, considers it necessary to augment the long term resources of the Company by way of issuing Securities to eligible investors, subject to an aggregate maximum limit of up to an amount of Rs 500 Crores subject to the prevailing market conditions and other relevant considerations. The Board intends to deploy the net proceeds from the issue, post payment of all offering related fees and expenses, of the above mentioned securities for funding any one or more of the following: (i) augmenting long term finance for funding growth and capital expenditure (ii) pre-payment/ repayment of debt (iii) Redemption of Preference Share Capital of the Company (iv) working capital requirements and (v) general corporate purpose

(b) The Company also undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Equity Shares shall continue to be locked-in till the time such amount is paid by the allottees

Accordingly, the Company proposes to create, offer, issue and allot such number of Equity Shares, or Foreign Currency Convertible Bonds, or any other financial instruments convertible into or linked to Equity Shares and/or any other instruments and/or combination of

The Directors recommend the resolution set out at Item No.1 of the accompanying Notice for the approval of the Members in terms of relevant provisions of the Companies Act, 2013 by way of Postal Ballot/ E-Voting

instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form or any combination of Securities through qualified institutional placement, Rights Issue or a combination thereof as per SEBI ICDR Regulations

The Board may in their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company

The pricing of the Securities that may be issued to qualified institutional buyers pursuant to a qualified institutional placement shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. The Company may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board or the Committee of the Board thereof decides to open the qualified institutional placement for subscription

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The offer/issue/allotment/conversion would be subject to the availability of regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Listing Agreement

Section 62(1)(c) of the Companies Act 2013 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing Members of such company in the manner laid down in Section 62 of the Companies Act, 2013 unless the Members in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice may result in the issue of Equity Shares of the Company to persons other than Members of the Company, consent of the Members is being sought pursuant to the provisions of Sections 42, 62 and other applicable provisions of the Companies Act, 2013 as well as applicable Rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Listing Agreement executed by the Company with the stock exchanges where the Equity Shares of the Company are listed

The Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot Securities to the Investors, who may or may not be the existing Members of the Company

None of the Directors and Key Managerial Personnel and any of their relatives are concerned or interested in the resolution

The Directors recommend the resolution set out at Item No. 2 of the accompanying Notice for the approval of the Members, as Special Resolution, in terms of relevant provisions of the Companies Act, 2013 by way of Postal Ballot/ E-Voting

By order of the Board
For IL&FS Engineering and Construction
Company Limited

Place: Hyderabad
Date: July 22, 2015

G. Venkateswar Reddy
Company Secretary

Registered Office:

Door No: 8-2-120/113/3/4F, Sanali Info Park,
Cyber Towers, Road No. 2, Banjara Hills, Hyderabad – 500 033
CIN: L45201AP1988PLC008624
Phone – 040 40409333; **Fax** – 040 40409444;
Email – cs@ilfsengg.com; **Website** – www.ilfsengg.com;

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if undelivered, please return to :

 Engineering Services

IL&FS Engineering and Construction Company Limited
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