

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;

Email – cs@ilfsengg.com; **Website** – www.ilfsengg.com;

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

Dear Member(s),

NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the “Act”), read together with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”), including any statutory modification or re-enactment thereof for the time being in force, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other applicable laws and regulations as amended from time to time that the following resolution is proposed to be passed as an Ordinary Resolution, by way of Postal Ballot and E-voting. The Explanatory Statement pertaining to the Resolution setting out the material facts is 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 (having CP No: 5360), as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner

Please note that in compliance with the provisions of Section 108 of the Act read with Rule 20 of the Rules and Regulation 44 of the Listing Regulations, the Company has engaged the services of Karvy Computershare Private Limited to provide the Members with the facility of E-voting. A Member may opt to cast his/her vote by electronic mode instead of casting the vote through the Postal Ballot form (enclosed herewith)

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

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 business reply envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.00 p.m. on Saturday, May 12, 2018

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 or before Monday, May 14, 2018 at

the Registered Office of the Company. The aforesaid result shall be 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 and also on the website of Karvy Computershare Private Limited i.e. <https://evoting.karvy.com>

SPECIAL BUSINESS:

(1) Material Related Party Transaction with Infrastructure Leasing and Financial Services Limited, the Promoter of the Company:

To consider and approve the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** in supersession of earlier resolution passed by the Members of the Company on October 6, 2017 by way of postal ballot and e-voting, pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and Rules issued thereunder and any other applicable statutory provisions, (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for entering into material related party transaction with Infrastructure Leasing and Financial Services Limited (IL&FS), Promoter of the Company for obtaining sponsor support in such form as may be required by Lender(s) (Existing as well as prospective) for an aggregate amount of upto Rs 25,000 million for the purpose of borrowing by the Company by way of Non-Convertible Debentures/ Term Loan/ Derivatives / Working Capital facilities/ or any other mode from time to time”

“**RESOLVED FURTHER THAT** the fee as per the following details be paid to IL&FS for obtaining the sponsor support :

- (a) One time administrative fee of Rs 2 million plus applicable taxes

- (b) Fee of 0.50% to 0.75% p.a of the outstanding Principal and interest payable under the facility plus applicable taxes

“RESOLVED FURTHER THAT the Audit Committee and/ or the Board of Directors of the Company be and are hereby severally authorized to change/revise the fees to be paid to IL&FS from time to time, settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto”

For IL&FS Engineering and Construction Company Limited

Sushil Dudeja
Company Secretary
(Membership No. A19265)

Place: Hyderabad
Date: April 5, 2018

NOTES:

1. The Explanatory Statement to the proposed resolution 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 Friday, April 6, 2018 (Cut-off 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 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 Karvy Computershare Private Limited, Unit: IL&FS Engineering and Construction Company Limited, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally

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 5.00 p.m., Saturday, May 12, at the following address:

The Scrutiniser
Karvy Computershare Private Limited
UNIT: IL&FS Engineering and Construction Company Limited
Plot No: 31 & 32, Financial District, Nanakramguda, Serilingampally 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:**
 - (i) In compliance with provisions of Section 110 of the Companies Act, 2013, Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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
 - (ii) Mr Y Ravi Prasada Reddy (CP No. 5360), Practicing Company Secretary, who has consented to act as the Scrutinizer of the Company, has been appointed by the Board of Directors of the Company as the Scrutinizer for conducting the e-voting and the voting process in a fair and transparent manner
 - (iii) The procedure and instructions for E-voting are as follows:
 - i. To use the following URL for e-voting:
<http://evoting.karvy.com>
 - ii. Members 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 number, 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. Members 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, Members can login any number of times till they have voted on the resolution
- xi. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently
- xii. The Portal will be open for voting from 9.00 a.m. on Friday, April 13, 2018 to 5.00 p.m. on Saturday, May 12, 2018
- 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., 5.00 p.m. on Saturday, May 12, 2018. 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 5.00 pm on Saturday, May 12, 2018 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. 5.00 p.m.) on Saturday, May 12, 2018. The e-voting module for voting shall be disabled by 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 declared on or before Monday, May 14, 2018 and displayed on the Company's website www.ilfsengg.com and also on the website of 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.
10. In the event, the draft resolution is assented 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
11. The Board of Directors has appointed Mr. Sushil Dudeja, Compliance Officer and Company Secretary of the Company as the designated person responsible for the entire Postal Ballot process

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download

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

ITEM NO 1:

The Members of the Company had earlier approved the resolution on October 6, 2017 by way of Postal Ballot and E-voting for obtaining sponsor support in such form as may be required by lender(s) (existing as well as prospective) from Infrastructure Leasing and Financial Services Limited (IL&FS), the Promoter of the Company for an aggregate amount up to Rs 14,000 million for the purpose of borrowings by the Company by way of Non- Convertible Debentures or Term Loan or Derivatives or Working Capital facilities or any other mode from time to time. The Company has already utilized the significant portion of the said limit of Rs 14,000 million

For the purpose of meeting the additional fund requirements for debt servicing, working capital requirements, Capex and other general corporate purpose, the Company is in the process of availing incremental borrowing facilities from Banks or Financial Institutions or any other Body Corporates for which the Lenders may request for sponsor support from IL&FS

Therefore, it is proposed to enhance the limit for obtaining sponsor support from IL&FS from Rs 14,000 million to Rs 25,000 million

Further, it is proposed to pay the fees to the IL&FS as per the following details for obtaining sponsor support from IL&FS:

- (i) One time administrative fee of Rs 2 million plus applicable taxes
- (ii) Fee of 0.50% to 0.75% p.a of the outstanding Principal and interest payable under the facility plus applicable taxes

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the aforementioned transaction with IL&FS is a related party transaction. A related party transaction as defined in Listing Regulations is "a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged". Further, in terms of the provisions of Regulation 23 of Listing Regulations, all related party transactions shall require prior approval of the Audit Committee of the Board of Directors of the Company and material related party transactions shall require approval of Members of the Company and the related parties shall abstain from voting

"Material Related Party Transactions" mean a transaction(s) with a related party to be entered individually or taken together with previous transactions during a financial year, exceeds ten

percent of the annual consolidated turnover of the Company as per the last audited financial statement of the Company

Since, the aforementioned transaction with IL&FS exceeds 10% of annual consolidated turnover of FY 2017 of the Company (the latest available Audited Financial Statements of the Company), the transaction with IL&FS is a material related party transaction and accordingly approval of the Members of the Company is required for resolution set out at Item no. 1

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 1 of the Notice of Postal Ballot of the Company

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 1

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

Sushil Dudeja
Company Secretary
(Membership No. A19265)

Regd. Office:
Door No: 8-2-120/113/3/4F,
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Banjara Hills, Hyderabad – 500 033
CIN: L45201AP1988PLC008624
Email: cs@ilfsengg.com
Website: www.ilfsengg.com
Place: Hyderabad
Date: April 5, 2018