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October 01, 2014

The Secretary
The BSE Limited
P.J. Towers, Dalal Street,
Mumbai- 400 001.
Tel:022-22721234 Fax-2272 3121.

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra Kurla Complex,
Bandra(East), Mumbai-400 051.
Tel:022 – 26598235, Fax-26598237/38

Scrip Code: 532907

Scrip Code: IL&FSENGG

Dear Sir,

Sub: Preference Shares Redemption**Ref: Clause 36 of the Listing Agreement**

This is to inform that the Company had proposed a Rights Issue for an amount of Rs 300 crores. Subsequently, the Company had filed Draft Letter of Offer to SEBI in March 2014 and has been awaiting observations from SEBI with regard to the foregoing Offer. One of the Objectives of the Rights Issue was to ensure redemption of Preference Shares falling due in September 2014 and March 2015.

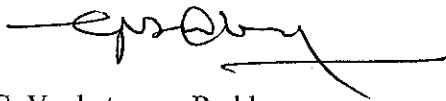
In view of the foregoing, the amount of Preference Shares aggregating to Rs 53 crores which was due for redemption on September 30, 2014 could not be redeemed.

The Company is exploring all avenues to meet its obligations including but not limited to extension of the redemption period of the said Preference Shares.

This is for your information and records.

Thanking you

For IL&FS Engineering and Construction Company Limited



G. Venkateswar Reddy
Company Secretary