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IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED

POLICY ON MATERIAL SUBSIDIARIES

I. Preface:

This Policy on Material Subsidiaries of IL&FS Engineering and Construction Company Limited has reference to Regulation 16(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and shall be applicable to the Company and its subsidiaries, whether in India or outside India

II. Definitions

- a. “Act” shall mean the Companies Act, 2013 read with Rules made there under, as may be amended from time to time;
- b. “BSE” shall mean BSE Limited;
- c. “Company” shall mean IL&FS Engineering and Construction Company Limited;
- d. “Listing Regulations” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- e. “NSE” shall mean the National Stock Exchange of India Limited;
- f. “SEBI” shall mean the Securities and Exchange Board of India;
- g. “Stock Exchanges” shall mean BSE Limited and National Stock Exchange of India Ltd. together;
- h. “Subsidiaries” means a subsidiary as defined under the Act and Rules made there under;
- i. All other words or expressions used but not defined in the Policy, but defined under the Act read with Rules made there under, the Listing Regulations, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the regulations made by SEBI shall have the same meaning as respectively assigned to them in such Acts, or rules or regulations, including any statutory amendments or re-enactments made thereto;



III. Material Subsidiaries:

Material Subsidiary shall mean a subsidiary as defined under the Listing Regulations as amended from time to time

IV. Policy:

- 1) At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of a Unlisted Material Subsidiary Company whether incorporated in India or not

For this purpose, the Independent Director longest on the Board of the Company, subject to the maximum number of Directorships and disqualifications as provided in the Act, shall be nominated to act as Director on the Board of the Material non-listed Subsidiary. In case, the said Independent Director is not eligible or is not willing to act as Director on the Board of Subsidiary Company, the Board of Directors of the Company may nominate any other Independent Director at its choice on the Board of the Material Unlisted Subsidiary Company

- 2) The minutes of the Board meetings of the Unlisted Subsidiary Company shall be placed at the meeting of the Board of Directors of the Company
- 3) The Board of Directors of the Company shall periodically review statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary

Explanation: the term “significant transaction or arrangement” shall mean as defined in Regulation 24 of Listing Regulations

- 4) The company shall not dispose of shares in its material Subsidiary resulting in reduction of shareholding (either on its own or together with other Subsidiaries) to less than 50% or cease the exercise of control over the Subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- 5) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of Shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

v. **Policy Review:**

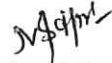
This Policy shall be subject to review as may be deemed necessary by the Board of Directors and in accordance with any regulatory amendments

vi. **Scope and Limitations :**

In the event of any conflict between the provisions of this policy and the Listing Regulations/ Act or any other statutory enactments, the provisions of such Listing Regulations/ Act or statutory enactments shall prevail over the policy

This policy has been amended by the Board of Directors of the Company in its Meeting held on July 31, 2018

For and on behalf of the Board of
IL&FS Engineering and Construction Company Limited


Mukund Sapre
Managing Director

Date: July 31, 2018