



ANNUAL REPORT

2014-2015



IL&FS | Engineering Services

IL&FS Engineering and Construction Company Limited



Dense Bituminous Macadam (DBM) layer completed at
Cyber City area at DLF Road Project, Gurgaon

Sub structure work in progress at Km 26.184 Major Bridge at
Kiratpur – Ner Chowk Road Project, Himachal Pradesh





400 KV Double Circuit, Quad Moose Conductor and Suspension Tower at Cuddalore Transmission Line Project in Cuddalore District of Tamil Nadu

Anuppur Barrage Project at Son River, Anuppur District, Madhya Pradesh





Marbella Villas Residential Project, Gurgaon

Palm Garden Residential Project, Gurgaon



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Bankers

Allahabad bank	Indian overseas Bank
Bank of India	Punjab National Bank
Bank of Maharashtra	State Bank of Hyderabad
ICICI Bank Limited	State Bank of India
IDBI Bank Limited	Vijaya Bank

Registrar & Share Transfer Agent

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot no.31 & 32
Financial District, Nanakramguda, Serilingampally
Mandal, Hyderabad – 500 032
Telephone No. 040 – 67161500
Fax No. 040 – 23420814,
Email : einward.ris@karvy.com

Board of Directors

(As on May 29, 2015)

Ramchand Karunakaran
(Chairman)

Murli Dhar Khattar
(Managing Director)

Saleh Mohammed A BinLaden

El Mouhtaz El Sawaf

Akberali Mohemedali Moawalla
(Alternate Director to Mr. BinLaden)

Ahmad Mohamad Dabbous
(Alternate Director to Mr. Sawaf)

Ved Kumar Jain

Anil Kumar Agarwal

Dhananjay Narendra Mungale

Alpa Ramesh Sheth

Kanika Tandon Bhal

Company Secretary

G. Venkateswar Reddy

Auditors

S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration No: 101049W
Oval Office 18, I labs Centre
Hitech City, Madhupur
Hyderabad - 500 081.

Registered Office

CIN: L45201AP1988PLC008624*

Door.No. 8-2-120/113/3/4F, Sanali Info Park, Road No.2,
Banjara Hills, Hyderabad - 500 033
Tel. +91 40 40409333
Fax No. +91 40 40409444 Website: www.ilfsengg.com
E-mail id: cs@ilfsengg.com

*(yet to be changed by RoC to reflect Telangana State)

NOTICE

NOTICE is hereby given that the Twenty-Sixth **Annual General Meeting of the Members of IL&FS Engineering and Construction Company Limited** will be held on Saturday, the 19th day of September, 2015 at 11.00 A.M. at KLN Prasad Auditorium, 3rd Floor, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, FTAPCCI House, 11-6-841, Red Hills, Hyderabad – 500 004 to transact the following business:

ORDINARY BUSINESS:

- (1) To consider and adopt:
 - (a) the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statements of the Company and report of Auditors' thereon.
- (2) To appoint a Director in place of Mr. Saleh Mohammad Awad BinLaden (DIN – 03604752), who retires by rotation and, being eligible, offers himself, for re- appointment.
- (3) To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, the appointment of S. R. Batliboi & Associates LLP, Chartered Accountants, Institute of Chartered Accountants of India Registration Number 101049W, approved by the members in the 25th Annual General Meeting to hold office until the conclusion of 28th Annual General Meeting be and is hereby ratified in this Annual General Meeting till the conclusion of next Annual General Meeting, with a remuneration as may be determined by the Board of Directors of the Company”.

SPECIAL BUSINESS:

APPOINTMENT OF INDEPENDENT DIRECTORS

- (4) To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in terms of Section 149 read with Schedule IV of the Companies Act, 2013 together with applicable rules and provisions made thereunder, consent of the members of the Company be and is hereby accorded for appointment of Mr. Ved Kumar Jain (DIN – 00485623) as Independent Director of the Company for a period of 5 years with effect from August 08, 2014.”

“RESOLVED FURTHER THAT Mr. Murli Dhar Khattar, Managing Director of the Company, Dr. Sambhu Nath Mukherjee, Chief Financial Officer of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorized to do all the needful activities in this regard including any filings with the Registrar of Companies, Telangana and Andhra Pradesh.”
- (5) To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in terms of Section 149 read with Schedule IV of the Companies Act, 2013 together with applicable rules and provisions made thereunder, consent of the members of the Company be and is hereby accorded for appointment of Mr. Anil Kumar Agarwal (DIN – 00000100) as Independent Director of the Company for a period of 5 years with effect from August 08, 2014.”

“RESOLVED FURTHER THAT Mr. Murli Dhar Khattar, Managing Director of the Company, Dr. Sambhu Nath Mukherjee, Chief Financial Officer of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorized to do all the needful activities in this regard including any filings with the Registrar of Companies, Telangana and Andhra Pradesh.”

- (6) To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in terms of Section 149 read with Schedule IV of the Companies Act, 2013 together with applicable rules and provisions made thereunder, consent of the members of the Company be and is hereby accorded for appointment of Mr. Dhananjay Narendra Mungale (DIN – 00007563) as Independent Director of the Company for a period of 5 years with effect from August 08, 2014.”

“RESOLVED FURTHER THAT Mr. Murli Dhar Khattar, Managing Director of the Company, Dr. Sambhu Nath Mukherjee, Chief Financial Officer of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorized to do all the needful activities in this regard including any filings with the Registrar of Companies, Telangana and Andhra Pradesh.”
- (7) To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in terms of Section 149 read with Schedule IV of the Companies Act, 2013 together with applicable rules and provisions made thereunder, consent of the members of the Company be and is hereby accorded for appointment of Ms. Alpa Ramesh Sheth (DIN – 00461438) as Independent Director of the Company for a period of 5 years with effect from August 08, 2014.”

“RESOLVED FURTHER THAT Mr. Murli Dhar Khattar, Managing Director of the Company, Dr. Sambhu Nath Mukherjee, Chief Financial Officer of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorized to do all the needful activities in this regard including any filings with the Registrar of Companies, Telangana and Andhra Pradesh.”
- (8) To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in terms of Section 149 read with Schedule IV of the Companies Act, 2013 together with applicable rules and provisions made thereunder, consent of the members of the Company be and is hereby accorded for appointment of Dr. Kanika Tandon Bhal (DIN – 06944916) as Independent Director of the Company for a period of 5 years with effect from August 08, 2014.”

“RESOLVED FURTHER THAT Mr. Murli Dhar Khattar, Managing Director of the Company, Dr. Sambhu Nath

Mukherjee, Chief Financial Officer of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorized to do all the needful activities in this regard including any filings with the Registrar of Companies, Telangana and Andhra Pradesh."

REMUNERATION TO COST AUDITOR

- (9) To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
- "RESOLVED THAT** pursuant to the provisions of Section 148 and rules made thereunder and any other applicable provisions of Companies Act, 2013, the re-appointment of M/s. S. Mahadevan & Co, Cost Accountants as cost auditors for the Financial Year 2015-16 by the Board of Directors of the Company at a remuneration not exceeding Rs. 5 Lakhs per annum excluding out of pocket & other expenses and service tax, as may be incurred in the course of Audit be and is hereby ratified and approved."

ADOPTION OF NEW SET OF ARTICLES

- (10) To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
- "RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and are hereby replaced with the new set of Articles of Association, a draft of which has been initialed by the Chairman (and a copy of which has been annexed to the Explanatory Statement)."
- "RESOLVED FURTHER THAT** Mr. Murli Dhar Khattar, Managing Director of the Company, Dr. Sambhu Nath Mukherjee, Chief Financial Officer of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company, be and are hereby jointly and/or severally authorized by the Company to undertake such acts, deeds and matters, including but not limited to making requisite filings with the Registrar of Companies that may be required to give effect to the amendments to the Articles of Association of the Company in accordance with this resolution."

APPROVAL FOR INVESTMENTS

- (11) To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
- "RESOLVED THAT** pursuant to Section 186 of the Companies Act, 2013 and rules made thereunder and applicable provisions of Foreign Exchange Management Act, 2000, and in terms of Clause 49 of the Listing Agreement, consent of the Company be and is hereby accorded for making investment of not exceeding SAR 13.75 Million towards Share Capital in Maytas Infra Saudi Arabia Company, subsidiary of the Company incorporated in Saudi Arabia, subject to compliance of the legal provisions as may be applicable."
- "RESOLVED FURTHER THAT** Mr. Murli Dhar Khattar, Managing Director of the Company, Dr. Sambhu Nath Mukherjee, Chief Financial Officer of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company, be and are hereby jointly and/or severally authorized by the Company to undertake such acts, deeds and matters, including but not limited to making requisite filings with the Registrar of

Companies, Reserve Bank of India and any statutory authority, in India or in the country of investment, that may be required in accordance with this resolution."

RELATED PARTY TRANSACTIONS

- (12) To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
- "RESOLVED THAT** pursuant to provisions of Clause 49 of the Listing Agreement between the Stock Exchanges and the Company (including any amendments, modifications or enactment/re-enactment thereof), consent of the members of the Company be and is hereby accorded to the transactions entered with Infrastructure Leasing and Financial Services Limited (IL&FS) for availing loans aggregating to Rs. 330 Cr from IL&FS, issuing of corporate guarantee of Rs. 125 Cr to IL&FS against the Bank Guarantee / Letter of Credits obtained/ to be obtained from the bank limits of IL&FS, and Brand Licensing fee of Rs.10 lacs p.a., which were entered into prior to October 01, 2014 and are continuing beyond March 31, 2015 on the terms as mentioned in the explanatory statement to this resolution."
- "RESOLVED FURTHER THAT** all the acts done by the Company in relation to the above transactions be and are hereby ratified and Mr. M.D. Khattar, Managing Director of the Company, Dr. Sambhu Nath Mukherjee, Chief Financial Officer of the Company and Mr. G. Venkateswar Reddy, Company Secretary be and are hereby severally authorized to do all the acts, deeds and things in relation to the said transactions."
- (13) To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
- "RESOLVED THAT** pursuant to provisions of Clause 49 of the Listing Agreement between the Stock Exchanges and the Company (including any amendments, modifications or enactment/re-enactment thereof), consent of the members of the Company be and is hereby accorded to the transaction entered with Hill County Properties Limited for execution of the Hill County Project which was entered into prior to October 01, 2014 and is continuing beyond March 31, 2015 on the terms as mentioned in the explanatory statement to this resolution."
- "RESOLVED FURTHER THAT** all the acts done by the Company in relation to the above transaction be and is hereby ratified and Mr. M.D. Khattar, Managing Director of the Company, Dr. Sambhu Nath Mukherjee, Chief Financial Officer of the Company and Mr. G. Venkateswar Reddy, Company Secretary be and are hereby severally authorized to do all the acts, deeds and things in relation to the said transactions."
- (14) To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
- "RESOLVED THAT** consent of the members is hereby accorded for the material related party transactions with Infrastructure Leasing and Financial Services Limited (IL&FS) during the year 2014-15 amounting to Rs. 670.95 Cr comprising of availing Term Loans of Rs. 480 Cr from IL&FS and issuing Corporate Guarantees on behalf of the Company amounting Rs. 190.95 Cr to IL&FS against the Bank Guarantee obtained /to be obtained from the bank limits of IL&FS during the year."

“RESOLVED FURTHER THAT the consent of members be and is hereby accorded for obtaining Letter of Comfort and / or Letter of Awareness from IL&FS in favour of the Lenders of the Company under CDR Scheme for an amount of Rs. 973 Crores (Rupees Nine Hundred Seventy Three Crores only) and retaining core funding of Rs. 400 Cr in the Company as agreed with the CDR Banks of the Company, in the manner as may be decided by the Board / its committee in consultation with the CDR Lenders / any other lenders of the Company from time to time.”

“RESOLVED FURTHER THAT all the acts done / to be done by the Company in relation to these transactions are hereby ratified and Mr. M.D. Khattar, Managing Director of the Company, Dr. Sambhu Nath Mukherjee, Chief Financial Officer of the Company and Mr. G. Venkateswar Reddy, Company Secretary be and are hereby severally authorized to do all the acts, deeds and things in relation to the said transactions.”

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

G. Venkateswar Reddy
Company Secretary

Regd. Office:

Door No: 8-2-120/113/3/4F, Sanali Info Park,
Cyber Towers, Road No 2, Banjara Hills, Hyderabad – 500 033
CIN: L45201AP1988PLC008624
Email: cs@ilfsengg.com

Place: New Delhi

Date: May 29, 2015

NOTES:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. BLANK PROXY FORM IS ATTACHED.
- (2) A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
- (3) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out above is annexed hereto and forms part of the Notice.
- (4) Details required under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors seeking appointment / re-appointment at the Annual General Meeting forms part of this notice.
- (5) Members / Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the meeting.
- (6) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting.
- (7) Documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company during office hours between 11 a.m. and 5.00 p.m. on all working days prior to the date of the Annual General Meeting.
- (8) The Register of Members and Share Transfer Books of the Company will remain closed from September 16, 2015 to September 19, 2015 (both days inclusive) for the Annual General Meeting
- (9) Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Registrars of the Company i.e. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 in respect of their physical share folios, if any.
- (10) Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.
- (11) Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
- (12) Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.ilfsengg.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@ilfsengg.com.
- (13) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (14) Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 08, 2014 (date of last Annual General Meeting) on the website of the Company (www.ilfsengg.com), as also on the website of the Ministry of Corporate Affairs. Further, the unclaimed Share Application Money has been transferred to IEPF account during the year 2014-15
- (15) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Karvy.
- (16) 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.

- (17) Procedure of E-Voting – In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, your Company is pleased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted 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 date of book closure, 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 cut-off 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 September 16, 2015 to 5.00 p.m. on September 18, 2015
- xiii. 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

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Items No: 4,5,6,7 and 8

Section 149 (4) of the Companies Act, 2013 had mandated that Listed Companies are required to appoint at least one-third of the Board as Independent Directors. The Criteria of independence is explained in Section 149 (6) of the Act.

Your Company had already appointed Mr. Ved Jain, Mr. Anil Kumar Agarwal and Mr. Dhananjay Narendra Mungale as Independent Directors in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. However, with the emergence of the requirement under the Companies Act, 2013, the appointment of Independent Directors was formalized by issuing Letters of Appointment to the Existing Independent Directors by appointing them for a period of 5 years with effect from August 08, 2014.

Further, second proviso to Section 149 (1) read with applicable rule requires appointment of atleast one Women Director on the Board of the Company. Ms. Alpa Sheth and Dr. Kanika Tandon Bhal were appointed as Independent Women Directors on the Board of your Company for a period of 5 years with effect from August 08, 2014.

In terms of Clause IV (2) of Code of Conduct for Independent Directors in Schedule IV of the Companies Act, 2013, appointment of Independent Directors is required to be approved by the members of the Company. In the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in the Act and the rules made thereunder and are independent of the Management.

Accordingly, the Directors recommend these resolutions as Ordinary Resolutions for your approval. The information as per the Listing Agreement is mentioned as an Annexure to this Notice.

None of the Directors or Key Managerial Personnel or their relatives, except the proposed appointees to the extent of their appointments, are interested in the said resolutions. None of the directors of the Company are inter-se related to each other.

Item No: 9

APPOINTMENT OF COST AUDITOR:

The Board, on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s S Mahadevan & Co, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 as per the provisions of Section 148 of the Companies Act and Companies (Audit and Auditors) Rules, 2014. In accordance with these provisions, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

During the financial years 2011-12 and 2012-14, M/s S Mahadevan & Co., Cost Accountants, were appointed to issue cost compliance certificate to the Company as per the provisions rules under Companies Act, 1956 and for the Financial Year 2014-15, they were appointed as Cost Auditors of the Company. They are well experienced in the field of Cost Audit with highly experienced partners who shall undertake the Cost Audit. The fee prescribed is in line with the Standards in Industry based on the size of your Company.

Accordingly, your Directors recommend this resolution for your ratification and approval as an ordinary resolution.

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

Item No. 10:

ADOPTION OF NEW SET OF ARTICLES

The Government of India had promulgated Companies Act, 2013 and its rules (the Act) and majority of the provisions were made applicable with effect from April 01, 2014. The Act had repealed the provisions of the erstwhile Companies Act, 1956 and thereby requiring the Articles of Association (which are presently as per the provisions of the repealed Companies Act, 1956) to be changed in line with the Table F in Schedule I under the Companies Act, 2013. The same are included as "PART I" of the proposed Articles of Association of the Company.

Further, Articles of Association of your Company included "PART B – Specified Articles" consisting salient features of the Shareholders Agreement entered with SBG Projects Investments Limited, strategic investor. The "PART II – Specified Articles" are being adopted as stated in the earlier set of Articles of Association without any changes.

Your directors recommend the said resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives are in anyway, concerned or interested in this resolution.

(THE COMPANIES ACT, 2013) (COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION OF

IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED

Part-I

PRELIMINARY

1. The Regulations contained in Table F of the first schedule of the Act (as defined below) shall not apply to the Company (as defined below) except so far as such regulations are reproduced or contained in or expressly made applicable by these Articles or the Act. The regulations for the management of the Company and the observance of the Shareholders (as defined below) and their representatives shall, subject to any exercise of the Company's power to modify, alter, delete or add to its regulations, as prescribed by the Act, be such as are contained in these Articles.

INTERPRETATION

2. In the interpretation of these Articles, the following expressions shall have the following meanings unless repugnant to the subject or context thereof:

"Act" means the Companies Act, 2013, or any statutory modification or re-enactment thereof, for the time being in force.

"Applicable Law" means any statute, law, ordinance, rule, administrative interpretation, regulation, press note, order, writ, injunction, directive, judgment or decree issued by any government or any of its ministries, departments, secretariats, agencies or any legislative body, court and tribunal, whether at the central, state or municipal/local level.

"Articles" means these Articles of Association as amended, added or modified from time to time.

"Auditors" means and includes those persons appointed as such, for the time being, by the Company to dis-charge the duties of auditors under the Act.

"Beneficial Owner" means a beneficial owner as defined under Section 2(1) (a) of the Depositories Act.

"Board" means the Board of Directors of the Company.

"Central Government" means the Central Government of India acting through the Ministry of Corporate Affairs or such other ministry or department as the context may require.

"Company" means IL&FS Engineering and Construction Company Limited, a public limited company incorporated under the Act.

"Depositories Act" means the Depositories Act, 1996, or any statutory modification or re-enactment thereof, for the time being in force.

"Depository" means a depository as defined under Section 2(1)(e) of the Depositories Act.

"Director" means any director as per the provisions of Companies Act, 2013.

"General Meeting" means a general meeting of the Members of the Company, whether an annual general meeting or an extraordinary general meeting.

"Member" means the registered holder of Shares whose name is entered as such in the Register of Members and includes a Beneficial Owner of Shares in the records of any Depository of the Company.

"Memorandum of Association" means the Memorandum of Association of the Company as amended, added or modified from time to time.

"National Holiday" means Republic Day, Independence Day, Mahatma Gandhi Jayanthi and any day declared as national holiday by publishing in the Official Gazette of India by the Indian Government

"Postal Ballot" includes voting by shareholders by postal or electronic mode instead of voting personally by being present for transacting businesses in a General Meeting of the Company.

"Registrar of Companies" means the Registrar of Companies of the state in which the registered office of the Company is for the time being situated.

"The Seal" means Common Seal of the Company

"Securities" means securities as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956, as amended.

"Shareholder" means any person who is a holder of any class of Shares.

"Shares" mean all classes of shares in the capital of the Company or any class thereof, as the case may be, and includes any and all the rights conferred on a person by the ownership of such Shares.

3. References to the plural shall include the singular and vice-versa; references to one gender shall include other genders; references to companies shall include foreign companies, corporations and registered bodies; and references to persons shall include registered and unincorporated bodies.

4. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force.