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August 30, 2019

To
The General Manager
BSE Limited
P.J. Towers, Dalal Street
Mumbai – 400 001

Scrip Code: 532907

Sub: **Non-Compliance with the provisions of Regulation 17(1), 18(1), 19(1)/(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Ref: 1. **Letter from BSE dated August 19, 2019 issued to IL&FS Engineering and Construction Company Limited (the “Company”)**

2. Our letter dated May 17, 2019

Dear Sir / Madam:

1. We refer to our previous communications to BSE viz. our letter dated May 17, 2019 (collectively “Response Letters”) in relation to non-compliance/delayed compliance by the Company in relation to Regulation 17(1), 18(1) and 19(1)/(2) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (“LODR”) which requires the listed company to appoint requisite number of women directors and independent directors.
2. The Company in the Response Letters has informed the BSE regarding the difficulties faced by the new board of Infrastructure Leasing and Financial Services Limited (“IL&FS”) in finding eminent/suitable independent/women director and retaining the existing personnel, for the board of the subsidiaries (which includes the Company), joint controlled entities, associates and joint control operation of IL&FS due to the precarious and critical financial conditions faced by IL&FS. As informed earlier the difficulty faced by the Company in retaining or inducting independent directors on account of potential risk of disqualification and reputational concerns has consequently lead to the non-compliance with the composition requirement of the board in accordance with the provisions of LODR.
3. As you are aware that the newly appointed directors of IL&FS, who exercise control, directly or indirectly, over the Company have been appointed by the National Company Law Tribunal (“NCLT”) on the recommendation of Central Government, and are performing function similar to that of the independent directors by discharging an important public duty of resolving the financial problems and other issues. Further, NCLT via order dated April 26, 2019 (“April Order”) has granted dispensation in relation to the requirement for appointment of independent directors and women directors in light of the difficulties faced by the new board of IL&FS. Further, please note that in April Order, NCLT has observed that the new directors nominated by the Central Government/Tribunal are independent directors and there is no requirement to appoint independent director during the pendency of stay order

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granted on October 15, 2018 by National Company Law Appellate Tribunal (“NCLAT”) on the institution or continuation of suits or any other proceedings by any party/person/bank/company etc. against ‘IL&FS’ and its group companies in any Court of Law/Tribunal/Arbitration Panel or Arbitration Authority (“October Order”).

4. We would like to draw your attention to paragraph 7 of SEBI Circular no. SEBI/HO/CFD/CM/CIR/2018/77 dated May 03, 2018, entitles the stock exchanges to keep in abeyance the action or withdraw the action in specific cases where specific exemption from compliance with the requirements under the Listing Regulations/moratorium on enforcement proceedings has been provided for under any Act, Court/Tribunal Orders etc. In light of April Order which grants exemption from the requirement of appointment of independent directors and women directors, and October Order which imposes stay on the institution or continuation of suits or any other proceedings by any party/person/bank/company etc. against ‘IL&FS’ and its group companies in any Court of Law/Tribunal/Arbitration Panel or Arbitration Authority, we request you to keep in abeyance and not initiate any adverse action against the Company.
5. As mentioned earlier, the Company has always endeavored to comply with the corporate governance requirement and shall make best efforts to appoint more independent director/women director.

We request you to please take note of the above submissions and submissions made in the earlier Response Letters and not initiate any adverse actions against the Company. We look forward for a favorable consideration given the special circumstances

We look forward to a favourable consideration at your end, given the special circumstances.

Thanking you,

Yours faithfully,
For IL&FS Engineering and Construction Company Limited


Naveen Kumar Agarwal
Chief Financial Officer