



IL&FS Engineering and Construction Company Limited and Reduced

Registered Office : Door No 8-2-120/113/3/4F, Sanali Info Park, Cyber Towers,
Road No. 2, Banjara Hills, Hyderabad – 500 033

NOTICE

NOTICE is hereby given that an EXTRAORDINARY GENERAL MEETING of IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED ("Company") will be held on Monday, the 11th day of November, 2013 at 10.30 a.m. at KLN Prasad Auditorium, 3rd Floor, The Federation of Andhra Pradesh Chambers of Commerce and Industry, FAPCCI House, 11-6-841, Red Hills, Hyderabad – 500 004 to transact the following Special Business:

INCREASE IN AUTHORIZED SHARE CAPITAL AND ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY:

1. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT in accordance with the provisions of Section 16 and 94 and other applicable provisions, if any, of the Companies Act, 1956 read with the applicable provisions of Companies Act, 2013, the Authorized Share Capital of the Company be and is hereby increased from Rs. 500,00,00,000/- (Rupees Five hundred Crores only) divided into 15,00,00,000 (Fifteen Crores only) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 150,00,00,000/- (Rupees One hundred and Fifty Crores only) and 3,50,00,000 (Three Crores Fifty Lakhs only) Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating to Rs. 350,00,00,000/- (Rupees Three hundred and Fifty Crores only) - To - Rs. 700,00,00,000/- (Rupees Seven hundred Crores only) divided into 35,00,00,000 (Thirty-five Crores only) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 350,00,00,000/- (Rupees Three hundred and Fifty Crores only) and 3,50,00,000 (Three Crores Fifty Lakhs only) Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating to Rs. 350,00,00,000/- (Rupees Three hundred and Fifty Crores only) by further creation of additional 20,00,00,000 (Twenty Crores only) equity shares of Rs. 10/- (Rupees Ten only) each ranking pari passu with the existing equity shares of the Company in all respects and that existing Clause V (a) of the Memorandum of Association of the Company be altered accordingly by substituting following new Clause V(a) :

"The Authorised Share Capital of the Company is Rs. 700,00,00,000/- (Rupees Seven Hundred Crores only) divided into 35,00,00,000 (Thirty-five Crores only) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 350,00,00,000/- (Rupees Three hundred and Fifty Crores only) and 3,50,00,000 (Three Crores Fifty Lakhs only) Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating to Rs. 350,00,00,000/- (Rupees Three hundred and Fifty Crores only)"

"RESOLVED FURTHER THAT the Board of Directors of the Company or Committee thereof, be and is hereby authorized to

do and perform all such other acts, deeds and things as may be necessary or desirable to give effect to the foregoing resolution"

ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY

2. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT the following Article be inserted after Article 50 in Part I of the Articles of Association of the Company:

- 50 A. Notwithstanding anything to the contrary contained in these Articles, so long as monies remain owing by the Company to the Andhra Pradesh State Financial Corporation, (A.P.S.F.C.) Andhra Pradesh Industrial Development Corporation (A.P.I.D.C), Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), and Industrial Credit and Investment Corporation (ICICI) or to any other Financing Company or Body or Bank(s), including CDR Banks, out of any loans granted by them to the Company or so long as APSFC, APIDC, IDBI, IFCI, ICICI or any other Financial Corporation or Credit Corporation or any Financing Company or Body or Bank(s), including CDR Banks, ("hereinafter in this article referred to as the Corporation"), hold shares in the Company as a result of underwriting or Direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole time (which director or directors is/are hereinafter referred to as "Nominee Directors") on the Board of the Company and to remove from such office any such person or persons and appoint another or others in his or their places.

The Board of Directors of the Company shall have no power to remove the Nominee Director(s) from office. Also at the option of the Corporation, such Nominee Director(s) shall not be liable for retirement by rotation of directors. The nominee director(s) shall have the same rights and privileges and be subjected to the same obligations as any other director of the Company. The Nominee Director(s) so appointed shall hold the said office only so long as monies remain owing by the Company to the corporation or so long as the Corporation holds shares in the Company as result of underwriting or direct subscription or the liability of the company arising out of the guarantee is outstanding and the Nominee Director(s)

so appointed in exercise of the said power shall ipso facto vacate such office immediately the monies owing by the company to the corporation is paid off or on the Corporation ceasing to hold shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation. The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the meetings of the committee of which the nominee Director(s) is/are member(s) as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director(s) who are not whole-time directors, sitting fee and expenses which the other Directors of the Company are entitled, but if any other fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s) in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director(s).

Provided that if any such Nominee Director(s) is an officer of the Corporation, the sitting fee, in relation to such

Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

In the event of the Nominee Director(s) being appointed as whole-time Directors(s), such Nominee Director(s) shall exercise such powers and have such rights as are usually exercised or available to a whole-time Director in the Management of the affairs of the Company. Such whole-time Director(s) shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation."

3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT the Article 15 (2) in Part I of Articles of Association of the Company be is hereby altered as follows:

- 15 (2) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than the minimum number of days as prescribed by regulatory authorities, by means of any act or regulations or otherwise, from the date of the offer, and the offer if not accepted, will be deemed to have been declined.

By Order of the Board of Directors

Place: Mumbai
Date: October 9, 2013

G. Venkateswar Reddy
Company Secretary

NOTES:

- i. 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 FORM IS ATTACHED
- ii. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956, and Section 102 of Companies Act, 2013 in respect of resolutions set out hereinabove is annexed hereto and forms part of this notice.
- iii. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of board resolution on the letterhead of the company, signed by one of the directors, company secretary or any other authorized signatory named in the resolution, authorizing their representatives to attend and vote on their behalf at the meeting.
- iv. Members who hold shares in dematerialised form are requested to bring their CLIENT ID and DP ID numbers for easy identification of attendance at the meeting.
- v. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in order of the names will be entitled to vote.
- vi. Members / Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the meeting
- vii. 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 9.00 a.m. and 5.30 p.m. on all working days prior to the date of the Annual General Meeting
- viii. 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, Plot No. 17-24 Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 in respect of their physical share folios, if any
- ix. 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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956
READ WITH SECTION 102 OF THE COMPANIES ACT, 2013**

The following Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 ("the Act") read with the applicable provisions of Companies Act, 2013, sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 1

- i. The Authorized Capital of the Company as reflected in the Memorandum of Association of the Company is Rs.500,00,00,000/- (Rupees Five hundred Crores only) divided into 15,00,00,000 (Fifteen Crores only) Equity Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.150,00,00,000/- (Rupees One hundred and Fifty Crores only) and 3,50,00,000 (Three Crores Fifty Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each aggregating to Rs.350,00,00,000/- (Rupees Three hundred and Fifty Crores only). The Issued and Paid up Equity Share Capital of the Company comprised of 8,97,87,243, (Eight Crores Ninety-seven Lakhs Eighty-seven Thousand Two Hundred and Forty-three only) Equity Shares of Rs. 10/- each aggregating Rs. 89,78,72,430 (Rupees Eighty-nine Crores Seventy-eight Lakhs Seventy-two Thousand Four Hundred and Thirty only) and 2,49,85,780 (Two Crores Forty-nine Lakh Eighty-five thousand Seven hundred Eighty only) Preference Shares of Rs.100/- (Rupees One Hundred only) each aggregating Rs.249,85,78,000/- (Rupees Two Hundred Forty-nine Crores Eighty-five Lakh Seventy-eight Thousand only).
- ii. The Board of Directors of the Company in their Meeting held on October 9, 2013 resolved to offer Equity Shares to the existing Shareholders of the Company ("Rights Issue"). The present Authorized Capital of the Company is not sufficient to cater to the foregoing requirement. Hence, the Company wishes to increase the Authorized Capital from Rs.500 Crores (Rupees Five hundred Crores only) divided into 15,00,00,000 (Fifteen Crores only) Equity Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.150,00,00,000/- (Rupees One hundred and Fifty Crores only) and 3,50,00,000 (Three Crores Fifty Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each aggregating to Rs.350,00,00,000/- (Rupees Three hundred and Fifty Crores only) to Rs. 700 Crores (Rupees Seven Hundred Crores only) divided into 35,00,00,000 (Thirty-five Crores only) Equity Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.350,00,00,000/- (Rupees Three hundred and Fifty Crores only) and 3,50,00,000 (Three Crores Fifty Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each aggregating to Rs.350,00,00,000/- (Rupees Three hundred and Fifty Crores only) by further creation of 20,00,00,000 (Twenty Crores only) Equity Shares of Rs. 10/- (Rupees Ten only) each.
- iii. Your Directors recommend the resolution for approval of the shareholders of the Company. None of the Directors, Key Managerial Personnel and Relatives of the Directors/ Key Managerial Personnel of the Company are interested in the proposed Resolution except as holders of shares in general. A Copy of the Memorandum and Articles of Association together with the proposed alterations is available for inspection by the

Members at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days from the date hereof up to the date of the Meeting

Item No. 2:

- i. The Company has availed various credit facilities from Banks / Financial Institutions / others and shall do so in the course of its business. The Banks / Financial Institutions / others may nominate their representatives on the Board of Directors of your Company who shall act as the Nominee Directors of the Lenders and participate in the affairs and governance of the Company
- ii. The Articles of Association of the Company are required to be amended to include the appointment of Nominee Directors of the Banks / Financial Institutions / others on the Board of the Company. The draft of the Amended Articles of Association is placed at the Registered Office of your Company for inspection between 11 a.m. to 1 p.m. on any working day up to date of the Extraordinary General Meeting.

Your Directors recommend the resolution for approval of the shareholders of the Company. None of the Directors, Key Managerial Personnel and Relatives of Directors/ Key Managerial Personnel of the Company are interested in this resolution.

Item No. 3:

- i. The Articles of Association of the Company, in Part I Clause 15 (2), provides that the duration of offer of shares to the existing shareholder shall be available for not less than 30 days from the date of the offer. The Companies Act, 1956 as reenacted by the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended) provides for time not being less than fifteen days and not exceeding thirty days from the date of offer.
- ii. The Company is in the process of evaluating many options for raising funds including issue of Equity Shares. The Board of Directors had approved issue of Equity Shares to the existing Equity Shareholders on Rights basis in their meeting held on October 9, 2013.
- iii. In this context, the aforementioned article shall create undue hardship and delay the process of raising capital through issue of Equity Shares on Rights basis.
- iv. The approval of shareholders is requested to alter the Articles of Association of the Company for changing the minimum duration of offer under the Rights Issue to such period as prescribed by regulatory authorities, by means of any act or regulations or otherwise from the date of offer.
- v. Your Directors recommend the resolution for approval of the shareholders of the Company. None of the Directors, Key Managerial Personnel, Relatives of Directors / Key Managerial Personnel of the Company are interested in the above resolution. The draft of the Amended Articles of Association is placed at the Registered Office of your Company for inspection between 11 a.m. to 1 p.m. on any working day up to date of the Extraordinary General Meeting.

IL&FS Engineering Services

IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED AND REDUCED
Registered Office : Door No 8-2-120/113/3/4F, Sanali Info Park, Cyber Towers,
Road No. 2, Banjara Hills, Hyderabad – 500 033

ATTENDANCE SLIP

I/we hereby record my/our presence at the Extraordinary General Meeting being held on Monday, the 11th day of November, 2013 at 10.30 a.m. at KLN Prasad Auditorium, 3rd Floor, the Federation of Andhra Pradesh Chambers of Commerce and Industry, FAPCCI House, 11-6-841, Red Hills, Hyderabad – 500 004

Name of the Shareholder / Proxy*

No. of Shares held.....

Folio No.:

Client Id:

DP Id:

Signature of Shareholder	
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*Strikeout whichever is not applicable

Note:

1. Shareholder/Proxy intending to attend the meeting must bring the duly signed Attendance Slip to the Meeting and handover at the entrance.
2. Shareholder/Proxy should bring his/her copy of the Notice.

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Registered Office : Door No 8-2-120/113/3/4F, Sanali Info Park, Cyber Towers,
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PROXY

I/we of in the District of being a Member(s) of the above named Company, hereby appoint of in the District of or failing him/ her of in the District of as my/our Proxy to vote and for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on Monday, the 11th day of November, 2013 at 10.30 a.m. at KLN Prasad Auditorium, 3rd Floor, the Federation of Andhra Pradesh Chambers of Commerce and Industry, FAPCCI House, 11-6-841, Red Hills, Hyderabad – 500 004 and at any adjournment thereof.

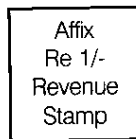
Signed this the day of 2013

Folio No.:

Client Id:

DP Id:

No. of Shares Signature



Note : The Proxy in order to be effective must reach duly filled at least 48 (fortyeight) hours before the Commencement of the aforesaid meeting