

August 24, 2018

To

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

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra Kurla Complex,
Bandra (East), Mumbai-400 051

Scrip Code: 532907

Scrip Code: IL&FSENGG

Sub: (1) Notice of 29th Annual General Meeting to be held on Monday, September 17, 2018
(2) Notice of Book Closure for the purpose of 29th Annual General Meeting

Ref: Regulation 30 read with Schedule III and Regulation 42 of the SEBI (Listing Obligations and Listing Requirements) Regulations, 2015 (Listing Regulations)

Dear Sir/ Madam,

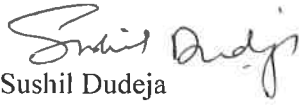
Pursuant to Regulation 30 read with Schedule III of the Listing Regulations, please find enclosed the Notice of 29th Annual General Meeting of the Members of the Company scheduled to be held on Monday, September 17, 2018 at 11.30 am at KLN Prasad Auditorium, 3rd Floor, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, FTAPCCI House, 11-6-841, Red Hills, Hyderabad-500004

Further, pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 10, 2018 till Monday, September 17, 2018 (Both days inclusive) for the purpose of 29th Annual General Meeting of the Members of the Company

This is for your information and records please

Thanking you,

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


Sushil Dudeja
Company Secretary

Encl: as above



IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED

CIN: L45201AP1988PLC008624

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

Phone – 040 40409333; Fax – 040 40409444; Email – cs@ilfsengg.com

Website – www.ilfsengg.com

NOTICE

NOTICE is hereby given that **Twenty-Ninth Annual General Meeting of the Members of IL&FS Engineering and Construction Company Limited** will be held at 11:30 am on Monday, September 17, 2018 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 Standalone Financial Statements of the Company for the Financial Year Ended March 31, 2018, the reports of the Board of Directors and Auditors' thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year Ended March 31, 2018 and report of Auditors' thereon
- (2) To appoint a Director in place of Mr Karunakaran Ramchand (DIN:00051769), 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 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of BSR & Associates LLP, Chartered Accountants (Firm Registration Number 116231W/W-100024) and M Bhaskara Rao & Co, Chartered Accountants (Firm Registration Number 000459S), as Joint Statutory Auditors of the Company, approved by the Members in their 28th Annual General Meeting to hold office for a period of 5 consecutive years until the conclusion of 33rd Annual General Meeting be and is hereby ratified from this Annual General Meeting till the conclusion of next Annual General Meeting and the Board of Directors of the Company be and is hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of Financial Statements of the Company”

“RESOLVED FURTHER THAT pursuant to the provisions of Companies (Amendment) Act, 2017 read with amended rules of the Companies (Audit and Auditors) Rules, 2014 effective from May 7, 2018, the appointment of BSR & Associates LLP, Chartered Accountants (Firm Registration Number 116231W/W-100024) and M Bhaskara Rao & Co, Chartered Accountants (Firm Registration Number 000459S) as Joint Statutory Auditors of the Company for the remaining period till the conclusion of 33rd Annual General Meeting, shall not be subject to ratification by the Members of the Company”

SPECIAL BUSINESS :

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

Remuneration to Cost Auditors :

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, Narasimha Murthy & Co, Cost Accountants (Firm Registration No. 000042), re- appointed as Cost Auditors by the Board of Directors of the Company to conduct audit of the Cost Records of the Company for the financial year ending March 31, 2019, be paid a remuneration of ₹ 7,50,000/- (Rupees Seven Lakh Fifty Thousand only) (excluding applicable taxes) in addition to reimbursement of out of pocket expenses and conveyance as may be incurred in the course of Audit”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to this resolution”

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

Approval of the IL&FS Engineering and Construction Company Limited Employees Stock Option Scheme – 2018 and Grant of Options to the Employees of the Company

“RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory laws / Guidelines / Circulars in that behalf and subject to such other approval(s), consent(s), permission(s), and sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed/imposed by the

appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s) and may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board or any other Committee constituted and empowered by the Board for the purpose, hereinafter referred to as 'the Committee') consent of the Members of the Company be and is hereby accorded to approve, formulate and implement "IL&FS Engineering and Construction Company Limited Employees Stock Option Scheme – 2018" ("scheme") and the Board be and is hereby authorised to create, grant, offer, issue and allot, in one or more tranches, a maximum of 2,00,00,000 (Two Crore) options (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) exercisable into 2,00,00,000 (Two Crore) equity shares of face value of ₹ 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of permanent employees whether working in India or outside India and directors whether a whole-time director or not (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company and its Present and Future Subsidiary Companies and such other employees as may be permitted under the applicable laws (hereafter collectively referred as "Identified Employees") and as may be approved by the Board, from time to time at such price or prices in one or more tranches and on such terms and conditions as may be determined by the Committee/Board in accordance with the applicable laws, and as per the terms of the Scheme and to provide for grant and subsequent vesting and exercise of options by Identified Employees in the manner and method as contained in the Scheme and described in the Explanatory Statement"

"RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari – passu in all respects with the then existing Equity Shares of the Company"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the Equity Shares allotted under the Scheme, from time to time, on the Stock Exchanges where the Equity Shares of the Company are listed"

"RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein"

"RESOLVED FURTHER THAT the Board of the Company, subject to compliance of the applicable laws and regulations be and is hereby authorized to modify, change, vary, alter, amend, suspend or terminate the scheme not prejudicial to the interests of the Identified Employees and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient

to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental to and ancillary thereof"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution"

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

Approval of Grant of Options to the Employees of Present and Future Subsidiary Company under the IL&FS Engineering and Construction Company Limited Employees Stock Option Scheme – 2018

"RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory laws / Guidelines / Circulars in that behalf and subject to such other approval(s), consent(s), permission(s), and sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s) and may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board or any other Committee constituted and empowered by the Board for the purpose, hereinafter referred to as 'the Committee') the consent of the Members of the Company be and is hereby accorded to extend the benefits of IL&FS Engineering and Construction Company Limited Employees Stock Option Scheme – 2018" ("scheme") to the permanent employees whether working in India or outside India and directors whether a whole-time director or not (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) of the present and future Subsidiary Company / ies of the Company, and such other employees as may be permitted under the applicable laws (hereafter collectively referred as ("Identified Employees") and as may be approved by the Board from time to time, on such terms and conditions, as contained in the Scheme and described in the Explanatory Statement"

"RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank paripassu in all respects with the then existing Equity Shares of the Company

“RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution”

By order of the Board

For IL&FS Engineering and Construction Company Limited

Sd/-

Sushil Dudeja

Company Secretary

(Membership No. A19265)

Place: Mumbai

Date: July 31, 2018

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. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER**
- (3) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of the Notice
- (4) Members / Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the Meeting
- (5) 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
- (6) 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. to 5:00 p.m. on all working days prior to the date of the Annual General Meeting (AGM)
- (7) The Register of Members and Share Transfer Books of the Company will be closed from Monday, September 10, 2018 to Monday, September 17, 2018 (both days inclusive) for the purpose of 29th AGM
- (8) 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), Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad –500 032 in respect of their physical share folios, if any
- (9) Members are requested to bring their copies of Annual Report to the AGM
- (10) 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
- (11) The Notice of the AGM along with the Annual Report is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member had requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode
- (12) Members may also note that the Notice of 29th AGM and the Annual Report for FY 2018 are also available on the Company's website at www.ilfsengg.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad 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 Members 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) 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 are also requested to submit their PAN to the Company/Karvy
- (15) 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
- (16) In terms of provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Section 160 of the Companies Act, 2013 and Secretarial Standard 2 on General Meetings, details of Director seeking re-appointment at 29th AGM of the Company to be held on Monday, September 17, 2018 are provided in Annexure 1 of this Notice
- (17) A Route map showing directions to reach the venue of 29th AGM is given at the end of this Notice as per the requirement of the Secretarial Standard-2 on General Meetings
- (18) Procedure of E-Voting –
 - (i) 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 from time to time and Listing Regulations, your Company is pleased to provide Members, facility to exercise their right to vote at 29th AGM by electronic means and the business may be transacted through Remote e-Voting Services provided by Karvy Computershare Private Limited

- (ii) Mr Y Ravi Prasada Reddy (having CP number 5360), proprietor of RPR & Associates, Company Secretaries, who has consented to act as the Scrutiniser of the Company, has been appointed by the Board of Directors of the Company as the Scrutiniser for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner
- (iii) The procedure and instructions for E-voting are as follows:
 - i. To use the following URL for e-voting:
<http://evoting.karvy.com>
 - ii. Members of the Company holding shares either in physical form or in dematerialized form 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 (e-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 i.e. Friday, September 7, 2018 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. Members 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 Member, he/she shall not be allowed to change

it subsequently

- xii. The Portal will be open for voting from 9.00 a.m. on Thursday, September 13, 2018 to 5.00 p.m. on Sunday, September 16, 2018
 - xiii. The Members who have cast their vote by remote e-voting prior to the AGM may attend the Meeting but shall not be entitled to cast their vote again
 - xiv. Persons who have acquired shares and became Members of the Company after the dispatch of Annual Report but before the cut-off date i.e. Friday, September 7, 2018, may obtain their user id and password for e-voting from the Company's Registrar Karvy Computershare Pvt. Ltd
 - xv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download section of <http://evoting.karvy.com> or contact Toll Free No. 18003454001
- (iv) The Results of the remote e-voting and voting at AGM venue will be declared not later than 48 hours from the conclusion of the AGM. The declared Results along with the Scrutinizer's Report will be available on the Company's website at www.ilfsengg.com and on the website of Karvy Computershare Private Limited and will also be forwarded to the Stock Exchanges

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

Item No. 3 :

In terms of the provisions of Section 139(1) of the Companies Act, 2013 ("the Act") BSR & Associates LLP, Chartered Accountants (Firm Registration Number 116231W/W-100024) and M Bhaskara Rao & Co, Chartered Accountants (Firm Registration Number 000459S), were appointed as Joint Statutory Auditors of the Company at the 28th Annual General Meeting (AGM) held on 28th August, 2017 to hold office for a period of 5 consecutive years from the conclusion of the 28th AGM until the conclusion of the 33rd AGM of the Company. In terms of the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by the Members at every AGM. Accordingly, ratification of appointment of Joint Statutory Auditors of the Company from the conclusion of this AGM till the conclusion of next AGM by the Members is being sought in the resolution set out at item no. 3 of this Notice

Further, pursuant to the provisions of the Companies (Amendment) Act, 2017 read with amended rules of the Companies (Audit and Auditors) Rules, 2014 effective from May 7, 2018, the appointment of BSR & Associates LLP, Chartered Accountants (Firm Registration Number 116231W/W-100024) and M Bhaskara Rao & Co, Chartered Accountants (Firm Registration Number 000459S), as Joint Statutory Auditors of the Company for the remaining period till the conclusion of 33rd Annual General Meeting, shall not be subject to ratification by the Members of the Company

BSR & Associates LLP, Chartered Accountants and M Bhaskara Rao & Co, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section

141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014

The Board recommends the resolution set forth in Item No. 3 of the notice for approval of the Members of the Company

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 3 of the notice

Item No. 4 :

The Board of Directors, on the recommendation of the Audit Committee, approved the re-appointment as well as the remuneration of Narasimha Murthy & Co, Cost Accountants for conducting the audit of the cost records of the Company for the financial year ending on March 31, 2019 at a remuneration of ₹ 7,50,000/- (Rupees Seven Lakh Fifty Thousand only) (excluding applicable taxes) plus reimbursement of out of pocket expenses and other expenses as may be incurred in the course of audit

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditors is required to be ratified by the Members of the Company

The Board recommends the resolution set forth in Item No. 4 of the notice for approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 4 of the notice

Item No. 5 and 6:

In the present competitive scenario, the Board of Directors of the Company (hereinafter referred to as the “**Board**”) has identified the need to enhance the employee engagement, to reward the employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company and to create a sense of ownership and participation amongst them

In view of this, the Board has formulated a draft of the “IL&FS Engineering and Construction Company Limited Employees Stock Option Scheme – 2018” (hereinafter referred to as ‘Scheme’) for the permanent employees of the Company and its present and future Subsidiary Company(ies) (hereinafter referred to as ‘**employees**’ or ‘**said employees**’) in accordance with the applicable laws

Hence, in terms of the Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI (SBEB) Regulations, 2014”) and Section 62 and other applicable provisions of the Companies Act, 2013, issue of shares to employees under a scheme of employees’ stock option requires an approval of the existing Members by way of a Special Resolution

Accordingly, approval of the Members of the Company is being sought for the issue of further Equity Shares under the “IL&FS Engineering and Construction Company Limited Employees Stock Option Scheme – 2018”, to the employees, as may be determined by the Board of the Company by way of Special Resolutions set out at item no. 5 and 6

Further, as per Regulation 6(3)(c) of SEBI (SBEB) Regulations, 2014 and Section 62 and other applicable provisions of the Companies Act, 2013, approval of the Members by way of separate Special Resolution is also required for grant of Employee Stock Options to the employees of present and future Subsidiary Company(ies), hence the Special Resolution at Item No. 6 seeks your approval for the said purpose

The IL&FS Engineering and Construction Company Limited Employees Stock Option Scheme – 2018 will be administered by the Nomination and Remuneration Committee (hereinafter referred to as “Committee”) of the Company. The Committee for the said purpose has been designated as Compensation Committee in compliance with SEBI (SBEB) Regulations, 2014

The main features and other details of the Scheme as required under Regulation 6(2) of SEBI (SBEB) Regulations, 2014, are as under:

1. Brief description of the Scheme

The Scheme shall be called as the “IL&FS Engineering and Construction Company Limited Employees Stock Option Scheme – 2018” or “the scheme” and shall extend its benefits to the permanent employees of the Company and its present and future Subsidiary Company (ies), in accordance with the applicable laws

The scheme will be implemented via Direct Route wherein the Company will allot fresh Equity Shares of the Company to eligible employees upon successful exercise of their vested options

2. Total number of Options to be granted under the Scheme

The maximum number of options to be granted under Scheme shall not exceed 2,00,00,000 (Two Crore) options convertible into equal number of Equity Shares of the Company of face value ₹ 10/- each

3. Identification of classes of employees entitled to participate and be beneficiaries in Scheme

- I. A permanent employee of the Company, its Subsidiary (existing & future) who has been working in India or outside India, or
- II. A director of the Company, its Subsidiary (existing & future), whether a whole time director or not but excluding an independent director;

But does not include:

- I. An employee or Director who is a promoter or a person belonging to the promoter group; or
- II. A director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company

4. Requirement of Vesting and period of Vesting

The options granted under Scheme shall vest, subject to completion of minimum 1 (One) year and maximum 3 (Three) years from the date of Grant and Date of Vesting

The Actual vesting may further be linked with the performance of the Grantees as well as performance of the organisation, as determined by the Committee and mentioned in the Grant Letter

5. Maximum period within which the options shall be vested

The maximum period within which the Options shall be vested shall be 3 (Three) years from the date of Grant of Options

6. Exercise Price or Pricing Formula:

The Exercise price of the Shares will be based on the Market Price of the Shares one day before the date of the meeting of the Committee wherein the grants of options will be approved

Since the shares of the Company are listed on more than one Stock Exchange, the price of the Stock Exchange

where there is highest trading volume shall be considered as the market price

The Committee has a power to provide suitable discount upto 40% on such price as arrived above. However, in any case the Exercise price shall not go below the par value of Equity Share of the Company which is ₹ 10/- per share

7. Exercise period and process of Exercise:

Under the Scheme, the Exercise period for the vested options will be 1 (One) year from the date of last vesting

The mode and manner of the Exercise of the Options shall be communicated to the employees individually. On exercise of the Options, the employee shall forthwith pay to the Company the price which includes the grant price and applicable taxes. The options shall lapse if not exercised within the specified exercise period

8. Appraisal process for determining the eligibility of the Employees to Scheme:

The appraisal process for determining the eligibility of the employees will be in accordance with the Scheme or as may be determined by the Committee at its sole discretion

The employees would be granted options under the Scheme based on various parameters including but not limited to:

- i. Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company. The Period of probation shall be excluded from the tenure of employment of the employee in the company
- ii. Performance: Employee's performance during the financial year on the basis of the parameters decided by the management
- iii. Designation: All Employees employed in the permanent capacity at all levels are eligible to participate
- iv. The present and potential contribution of the Employee to the success of the Company
- v. Employment Terms

9. The Maximum number of Options to be granted per employee and in aggregate

The maximum number of Options that can be granted to any eligible employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of options. The Committee may decide to grant such number of options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the shareholders in a general meeting

The maximum number of options to be granted under this scheme shall not exceed 2,00,00,000 (Two Crore)

10. The Maximum quantum of benefits to be provided per Employee under the scheme

The maximum quantum of benefit that will be provided to every eligible Employee under the Scheme will be the difference between the Market value of Company's Share on the Stock Exchange as on the date of exercise of options and the Exercise Price paid by the employee to the Company

11. Implementation and administration of the scheme

The scheme shall be implemented by Direct Route and will be administered by the Nomination and Remuneration Committee (hereinafter referred to as "Committee") of the company. The Board of Directors for the purpose of

said administration has designated the Nomination and Remuneration Committee as Compensation Committee in compliance with SEBI (SBEB) Regulations, 2014

12. Whether the scheme involves new issue of shares by the company or secondary acquisition by the Trust or both

The scheme is implemented by direct route, wherein the Company will allot fresh Equity Shares of the Company to its Employees and Employees of its Subsidiary (existing & future) who successfully exercised their vested options.

13. The amount of loan to be provided for implementation of the scheme by the company to the trust, its tenure, utilization, repayment terms, etc.;

Not Applicable

14. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme

Not Applicable

15. Disclosure and accounting policies:

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB) Regulations, 2014 or as may be prescribed by regulatory authorities from time to time

16. The method which the Company shall use to value its Options

Fair Value Method

17. Statement with regard to Disclosure in Director's Report

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report

In terms of Section 62 of the Act and Regulation 6 of the SEBI SBEB Regulations, the approval of the Members is sought by way of Special Resolution for the approval of the "IL&FS Engineering and Construction Company Limited Employees Stock Option Scheme – 2018" and issuance of shares under this scheme to the employees of the Company and its present and future Subsidiary Company (ies). The Board of Directors recommended passing of the Special Resolutions as set out at Item No. 5 and 6 for approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 5 and 6 of the Notice

Annexure 1

Information of Director seeking re-appointment under Section 152 of the Companies Act, 2013, Regulation 36(3) of the SEBI (Listing Obligations and Requirements) Regulations, 2015 and Secretarial Standard-2

Item No.: 2 Director seeking re-appointment:

Mr. Karunakaran Ramchand (DIN – 00051769) :

Mr. Karunakaran Ramchand has been appointed as Chairman of the Board of IL&FS Engineering and Construction Company Limited effective November 14, 2011. He is the Managing Director of IL&FS Transportation Networks Limited (ITNL). He holds a Bachelor’s degree in Civil Engineering from Madras University and a Post Graduate Degree in Development Planning from the School of Planning, Ahmedabad and has over 34 years of experience in urban and transport infrastructure development sector. Mr Karunakaran Ramchand has been involved in a number of private infrastructure initiatives including the commissioning of various toll road projects in the country. He has been with the IL&FS Group for more than 25 years and is on the Board of Directors of various companies within the IL&FS Group

Mr Ramchand holds 40,000 equity shares of the Company

Directorships of Mr. Karunakaran Ramchand:

(I) Directorships in other Public Limited Companies:

1. Gujarat International Finance Tec-City Co. Ltd
2. IL&FS Transportation Networks Limited
3. IL&FS Maritime Infrastructure Company Ltd
4. IL&FS Township & Urban Assets Limited
5. Noida Toll Bridge Company Limited
6. IL&FS Energy Development Company Limited
7. IL&FS Water Limited
8. Road Infrastructure Development Company of Rajasthan Limited

(II) Directorships in Foreign Companies :

1. IL&FS Maritime Offshore Pte. Ltd.,
2. Land Registration Systems Inc (LARES),

3. Elsamex S.A,
4. ITNL International Pte Limited,
5. ITNL Offshore Pte. Ltd.,
6. ITNL Offshore Two Pte. Limited,
7. ITNL Offshore Three Pte. Limited,
8. ITNL International DMCC
9. IL&FS Prime Terminals FZC, Dubai
10. Chongqing YuHe Expressway Company Limited, China
11. IIPL USA LLC
12. Elsamex International SL
13. Sharjah General Services Company LLC
14. Kukuza Project Development Company
15. IIPL LAOS Pte Ltd.
16. IL&FS Africa Infrastructure Development Company
17. ITNL Infrastructure Developer LLC

(III) Trusteeship held in Trust :

1. IL&FS Transportation Networks Limited-Superannuation Trust
2. IL&FS Transportation Networks Limited-Group Gratuity Scheme
3. IL&FS Employees Welfare Trust

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

Sd/-
Sushil Dudeja
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@ilfseng.com

Date: July 31, 2018
Place: Mumbai

Route Map to 29th AGM Venue

Venue :	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
Landmark :	Next to Birla Mandir
Date & Time :	Monday, September 17, 2018 at 11.30 am



Distance from Rajiv Gandhi International Airport



Distance from Secunderabad Junction Railway Station