

Dear Members,

NOTICE is hereby given that the 14th Extra-ordinary General Meeting of IL&FS Environmental Infrastructure and Services Limited (IEISL) will be held on Thursday, February 16, 2017 at 10:00 am at the Registered Office of the Company at 4th Floor, Dr. Gopal Das Bhawan, 28, Barakhamba Road, New Delhi – 110 001, to transact the following businesses:

Special Business:

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

“RESOLVED THAT in partial modification of the resolution passed by the members at the 8th Annual General Meeting of the Company held on September 30, 2016 for the appointment and terms of remuneration of Mr Mahesh Babu as the Managing Director of the Company and pursuant to Sections 196, 197, 198 and 203 of the Companies Act, 2013 and the Rules made there under, as amended from time to time, read with Schedule V to the Act and subject to approval of the Shareholders and Central Government the remuneration of Mr Mahesh Babu is revised to Rs 25 mn per annum (including perquisites and bonus, if any)”

“RESOLVED FURTHER THAT except for the aforesaid revision in remuneration, all other terms and conditions of his appointment as the Managing Director of the Company, as approved by the resolution passed at the Annual General Meeting of the Company held on September 30, 2015 shall remain unchanged”

“RESOLVED FURTHER THAT the Board of Directors and the Company Secretary be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to Sections 42, 62 and other applicable provisions of the Companies Act, 2013 and any other rules, regulations issued therein, as amended, and subject to all relevant provisions and Articles of Associations of the Company the Board of Directors of the Company be and is hereby authorized to create, offer, issue and allot, from time to time, in one or more tranches, Equity Shares aggregating upto Rs 1150 million to Infrastructure Leasing & Financial Services Limited (IL&FS), the Holding Company, pursuant to conversion of their debt into equity and additional equity



contribution, on such term and conditions as may be in the best interest of the Company, including pricing in accordance with the registered valuer's valuation report"

"RESOLVED FURTHER THAT such new Equity Shares as and when issued and allotted, shall rank pari-passu with the existing Equity Shares of the Company in all respects"

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, any Director of the Company or Chief Financial Officer or Company Secretary be and is hereby severally authorized to take such actions and to give such directions, or to do all such acts, deeds, matters, and things as may be necessary or desirable in this respect including but not limited to:

- Executing all deeds, documents, writings in this connection;
- making such modifications and alterations from time to time as it deems fit in the terms and conditions of issue of Equity Shares on preferential basis;
- completing all formalities in respect of allotment of Shares and issue of Share certificate(s);
- taking such steps to resolve all questions or difficulties incidental to the issue and allotment of Equity Shares in its absolute discretion without any fresh approval of the Members of the Company and the decision of the Board shall be final and conclusive"

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

"RESOLVED THAT pursuant to Section 179, 186 and other applicable provisions of the Companies Act, 2013 as amended from time to time read with the Companies Meeting of Board and its Powers) Rules, 2014 (including any amendment thereto or re-enactment thereof for the time being in force) the consent of Company be and is hereby accorded to the Board of Directors of the Company to make investment and/or purchase or otherwise, upto an aggregate amount not exceeding Rs 1400 mn"

"RESOLVED FURTHER THAT the Managing Director, Chief Financial Officer or the Company Secretary of the Company be and is hereby empowered and authorised to sign the share application form(s) and/or transfer deeds, share purchase/transfer agreement or any other deed, documents, paper and to do all other acts, deeds and thing other as may be necessary, proper, expedient or incidental for giving effect to this resolution."



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


“RESOLVED THAT in supersession of the earlier resolution passed by the Members in their meeting held on December 14, 2015, the consent of the Company be and is hereby accorded to authorise the Board of Directors of the Company under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, for borrowing, from time to time, any sum or sums of money on such terms and conditions and with or without security, as the Board of Directors may think fit, which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid up capital and free reserves of the Company, (reserves not set apart for any specific purpose), provided that the total amount of money so borrowed by the Board shall not at any time exceed the limit of Rs 5000 mn”

“RESOLVED FURTHER THAT pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded in terms of Section 180 (1) (a) and all other applicable provisions, if any of the Companies Act, 2013 to mortgage and or create charge/ provide security on all or any of the immovable and moveable assets of the Company, wherever situated, both present and future, on such terms and conditions and in such form and manner as the Board in its absolute discretion think fit, for securing any loans and / or advances already obtained or which may be obtained from any financial institutions/ banks / non-banking finance companies or any other finance companies or person/persons and to secure any debenture issued and / or that may be issued and all interest, compound/additional interest, commitment charges, costs, charges, expenses and all other money payable by the Company to the concerned lenders within the overall limits as approved under Section 180(1)(c) and altered from time to time”

“RESOLVED FURTHER that any Director or the Chief Financial Officer of the Company be and is hereby authorized to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required”

On behalf of the Board

For IL&FS Environmental Infrastructure and Services Limited

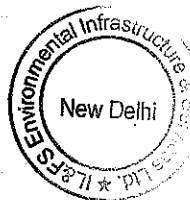

Preeti Panthri

Company Secretary

ACS-20336

Date: January 25, 2017

Place: Delhi



NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the company
2. Proxies in order to be effective must be received at the registered office of the company at any time but not less than 48 hours before the time of the meeting. A proxy form is enclosed
3. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013, is annexed hereto and forms part of the notice
4. Corporate members intending to send their authorized representatives to attend meetings are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on behalf at the meeting
5. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
6. Documents referred to in the Notice and Explanatory Statement is open for inspection at the Registered Office of the Company during the office hours on any working day, except Saturdays and Sundays, between 11.00 am to 6.00 pm
7. In case of Joint holders attending the meeting, only such joint holder who is higher in order of names will be entitle to vote
8. Members desirous of getting any information on Accounts or other items of Agenda are requested to forward his/her queries to the Company at least three working days prior to the date of Annual General Meeting so as to enable the Management to keep information ready
9. The notice will also be available on the website of the Company

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

Item No. 1

Mr. Mahesh Babu, First Director of the Company, is associated with the Company since its inception (August 22, 2007). His current tenure is upto August 25, 2018

Under the leadership of Mr Mahesh Babu, the Company has made significant progress and has established a position of leadership in the sector. Further, the Company has been able to influence many positive policy initiatives which would benefit the waste management industry as a whole.



Therefore, the Board of Directors on the recommendations of Nomination and Remuneration Committee has proposed to revise his remuneration limit from Rs 8.1 mn to Rs 25 mn for his current tenure i.e. till August 25, 2018. This will include PRP and increments as per his entitlements

Mr Babu, 57 years, is a Masters in International Economics and Relations, Johns Hopkins University, (School of Advanced International Studies). He holds an MBA from Xaviers's Labor Relations Institute, Jamshedpur, India

Mr Mahesh Babu holds only one share of the Company jointly with Infrastructure Leasing & Financial Services Limited (IL&FS). Details of other directorships and Committee membership of Mr Mahesh Babu is attached as Annexure to this Notice

The Board recommends the appointment of Mr Mahesh Babu as Managing Director of the Company. None of the Directors or any Key Managerial Personnel or their relatives, except Mr Babu, is in any way interested or concerned in this Resolution

The following information is provided pursuant to Third proviso of Section II of Part II of Schedule V of the Companies Act, 2013:

- I Mr Babu's remuneration is approved by Nomination and Remuneration Committee and Board of Directors of the Company
- II The Company has secured necessary approvals for the payment
- III The Special resolution is proposed at this General Meeting for payment of remuneration till the time of end of his current tenure i.e. upto August 25, 2018

IV GENERAL INFORMATION

- (i) Nature of industry : Municipal Solid Waste Management
- (ii) Date of commencement of commercial production: August 6, 2007
- (iii) In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: Not Applicable
- (iv) Financial performance based on given indicators: Based on the Audited Accounts for the year ended March 31, 2016

For the Financial Year Ended March 31	2016 (Rs mn)
Total Revenue	1350
Total Expenses	905
Earnings before Interest, Depreciation, Tax and Amortisation (EBIDTA)	445
Profit before Tax	5



Profit after Tax	5
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- (v) Foreign investments or collaborators, if any. : NIL

V INFORMATION ABOUT THE APPOINTEE

- (i) Background details:

Mr. Babu specializes in project management, institutional and financial analysis, urban infrastructure planning and funding for projects developed under the Public Private Partnership format and has been efficiently managing overall affairs of the Company. Having led the Company for more than 8 year now, he has wide experience in the waste management and infrastructure sector within India and overseas

- (ii) Past remuneration:

The remuneration received from previous company i.e. IL&FS Ecosmart Limited was Rs. 562,500 per month

- (iii) Recognition or awards :

Mr. Mahesh Babu is Co-Chairman of FICCI Climate change task force and a member of FICCI Urban Infrastructure Committee. He is also president of Waste Management Association

- (iv) Job profile and his suitability:

Mr. Mahesh Babu, being the Managing Director, is in overall in-charge of running the affairs of the Company

His suitability to the Company lies in the vast experience he holds in Public Private Partnership organizations. With his consistent efforts, dedication and experience, IEISL expanded rapidly and setting benchmark in Integrated Waste Management. This is evident from the higher revenue and EBIDTA during the year in comparison to last year

- (v) Remuneration proposed :

A salary of Rs 25 mn (including perquisites and bonus, if any) with annual increments as may be decided by the Board of Directors or Nomination & Remuneration Committee of the Board of Directors of the Company (hereinafter referred to as 'the Board') from time to time provided the total salary does not exceed the aforesaid limits



- (vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) :

The remuneration paid to him is commensurate and compares favourably with the compensations paid to the business heads of like sized and similarly positioned businesses

- (vii) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. Mahesh Babu along with Infrastructure Leasing and Financial Services (IL&FS) jointly holds 1 (One) Equity Share in the Company. He is not a relative of any Director of the Company

VI Other information

- (i) Reasons of loss or inadequate profits:

During his leadership the Company rose significantly. Beginning with a 200 TPD facility in Okhla, the Company now manages approximately 10000 TPD of waste every day. Out of 20 plants, 4 major facilities are in and around Delhi

The operational profit of the Company was Rs 445 mn during the year; however, the Net Profit was low on account of higher finance costs. The Company is working actively on the steps to reduce the high finance cost

- (ii) Steps taken or proposed to be taken for improvement:

On an ongoing basis, the Company continues to take steps for cost reduction and improving the profitability. Following are some of the specific measures taken by it to control costs and improve its competitive position and performance:

- (a) Speedy completion of on-going projects
- (b) Optimize the capacity utilization of the manufacturing units
- (c) Overseas assignments of GIS advisory business
- (d) Increasing Retail sales resulting into higher Net Sales Realisation (NSR) of Compost
- (e) Sale of Refused Derived Fuel (RDF) has begun

- (iii) Expected increase in productivity and profits in measurable terms

The aforesaid measures instituted are expected to improve the Company's performance in future years which is evident from the performance of the Company in the previous financial year



The Company is also exploring the possibilities of increasing new service areas which may yield better performance of the Company

VII Disclosures:

The Company being an Unlisted Company, the details required to be given under the heading "Corporate Governance", is not applicable to the Company

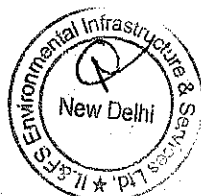
Item No. 2

Pursuant to discussions with Infrastructure Leasing & Financial Services Limited (IL&FS), it is proposed to convert IL&FS loan outstanding as at March 31, 2016 into Equity. Further, additional equity requirement of Rs 150 mn for South Delhi's C&T project had also been submitted to IL&FS by the Company

The Board of Directors in the meeting held on December 6, 2016 had decided that if approved by the IL&FS, the loan would be converted into equity. Therefore, the approval of the Shareholders is being proposed to issue shares aggregating up to Rs. 1150 million to IL&FS by way of preferential issue

The other disclosures in accordance with the Companies Act, 2013 and the other applicable provisions of law, in relation to the Special Resolution set out in the accompanying Notice are as follows:

1. Objects of the Preferential Issue: Purpose of the proposed issue and allotment of the Equity Shares is to convert outstanding amount of Debt of IL&FS into Equity Shares and further investment in the Company for the new projects
2. Amount of the issue: The Equity Shares will be issued @ Rs 62.50 or at a fresh valuation, if required, for a value of upto Rs 1150 million in one or more tranches
3. Price or price band at/within which the allotment is proposed: The price of Equity Shares is based on the Valuation Report of M/s VMCA & Associates, Chartered Accountants. The copy of the Valuation Report will be placed at the meeting. Relevant date will be date of valuation report
4. Intention of promoters/directors or key managerial personnel to subscribe to the offer: Infrastructure Leasing & Financial Services Limited, the Promoter company, has proposed to subscribe, to all the Equity Shares under the Preferential Issue. The Directors and Key Managerial Personnel will not be offered any Equity Shares and therefore cannot subscribe to the offer
5. Proposed time of allotment: The allotment of Equity Shares shall be completed within a period of 12 months from the date of passing of the resolution by the shareholders provided that where the allotment is pending on account of pendency of any approval



from any regulatory authority / body, the allotment shall be completed by the Company within a period of 12 months from the date of such approvals.

6. Name of proposed allottee and percentage of post preferential offer: The Equity is proposed to be offered and allotted to IL&FS, the Promoters. It may be noted that there will be no change in the control of the company. The pre and post allotment shareholding pattern is provided below:

#	Name of the Shareholder	Pre issue		Post issue	
		No. of shares held	% of share holding	No. of shares held	% of share holding
	Promoters' holding				
1	Infrastructure Leasing and Financial Services Limited	40,779,248	96.59	59,179,248	97.62
2	IL&FS Employees' Welfare Trust	1,439,995	3.41	1,439,995	2.38
3	Infrastructure Leasing and Financial Services Limited & Preeti Panthri (Jt.)	1	0	1	0
4	Infrastructure Leasing and Financial Services Limited & Debashish Tripathy (Jt.)	1	0	1	0
5	Infrastructure Leasing and Financial Services Limited & Mahesh Babu (Jt.)	1	0	1	0
6	Infrastructure Leasing and Financial Services Limited & Sanjay Singh (Jt.)	1	0	1	0
7	Infrastructure Leasing and Financial Services Limited & Ashish Tyagi (Jt.)	1	0	1	0
8	Infrastructure Leasing and Financial Services Limited & Sandeep Malhotra (Jt.)	1	0	1	0
	Total (A)	42,219,249	100	60,619,249	100

7. The Company had allotted 800,000 Equity shares to IL&FS during the year

As per Section 42 and 62 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Companies (Share Capital and Debentures) Rules, 2014 a Company offering or making an invitation to subscribe to securities on a private placement / preferential allotment basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, for each of the offers and invitations.



The approval of the Members is accordingly being sought by way of a Special Resolution under Sections 42 and 62 of the Companies Act, 2013 read with the rules made there under, for the issue of Equity Shares aggregating an amount not exceeding Rs 1150 million and to offer and allot such Equity Shares on a private placement / preferential allotment basis.

None of the Directors, any other Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested in the said resolution.

Item No. 3

As a measure of achieving greater financial flexibility and to enable optimal financing structure, the permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors, for making investments for an amount not exceeding Rs 1400 mn

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any investment beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company

The investment(s), as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under. These investments are proposed to be made out of own /surplus funds/internal accruals and or any other sources including borrowings, if necessary, to achieve long term strategic and business objectives. The Board accordingly recommends to pass the Special resolution

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Item No. 4

Under Section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot, except with the consent of the Members in a General Meeting, borrow money, where the money to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the Company (reserves not set apart for a specific purpose)

Keeping in view the Company's existing and future financial requirements to meet the working capital requirements and long term funding needs of the Company of additional funds, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business)



may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs 5000 mn

The mortgage and / or charge on any of the movable and / or immovable or any other tangible and intangible assets / properties and / or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013

The Board recommends these resolutions for the approval of the members as Special Resolutions. None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

By order of the Board

For IL&FS Environmental Infrastructure and Services Limited



Preeti Panthri

Company Secretary

ACS-20336

Date: January 25, 2016

Place: New Delhi



Annexure

S. No.	Directorships	Committee Memberships
1	IL&FS Environmental Infrastructure & Services Limited	Allotment Committee CSR Committee
2	RDF Power Projects Limited	Nomination and Remuneration Committee
3	Kanak Resources Management Limited	Nomination and Remuneration Committee Chairman of Committee of Directors (Business Development)
4	East Delhi Waste Processing Company Limited	Nomination and Remuneration Committee
5	Indraprastha Energy and Waste Management Company Limited	
6	IL&FS Technologies Limited	
7	PDCOR Limited	
8	Dakshin Dilli Swachh Initiative Limited	
9	IIDC Limited	
10	IL&FS Academy of Applied Development	



ATTENDANCE SLIP

Venue of the Meeting : IL&FS Environmental Infrastructure and Services Limited
 Board Room, 4th Floor, Dr. Gopaldas Bhawan,
 28, Barakhamba Road,
 New Delhi-110001

Date & Time : Thursday, February 16, 2017 at 10.00 am

Name	
Address	
Folio No./ DPID No.	
No. of shares held	

I certify that I am the registered shareholders/proxy for the registered shareholder of the Company. I hereby record my presence at the 14th Extra-ordinary General Meeting of the Company held on Thursday, February 16, 2017 at 10.00 a.m at the Board Room, 4th Floor, Dr. Gopaldas Bhawan, 28 Barakhamba Road, New Delhi-110001

Signature of Member / Proxy



ATTENDANCE SLIP

Venue of the Meeting : IL&FS Environmental Infrastructure and Services Limited
 Board Room, 4th Floor, Dr. Gopaldas Bhawan,
 28, Barakhamba Road,
 New Delhi-110001

Date & Time : Thursday, February 16, 2017 at 10.00 am

Name	
Address	
Folio No./ DPID No.	
No. of shares held	

I certify that I am the registered shareholders/proxy for the registered shareholder of the Company. I hereby record my presence at the 14th Extra-ordinary General Meeting of the Company held on Thursday, February 16, 2017 at 10.00 a.m at the Board Room, 4th Floor, Dr. Gopaldas Bhawan, 28 Barakhamba Road, New Delhi-110001



 Signature of Member / Proxy

FORM MGT-11 - Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U90001DL2007PLC1665554
 Name of the Company: IL&FS Environmental Infrastructure and Services Limited
 Registered Office: 4th Floor, Dr. Gopaldas Bhawan, 28 Barakhamba Road, New Delhi-110001

Name of the Member(s)	:	
Registered Address	:	
E Mail Id	:	
Folio No	:	

I/We being the member(s) of _____ shares of the above name Company, hereby appoint

1. Name
 Address and Email ID
 Signature _____, or failing him

2. Name
 Address and Email ID
 Signature _____, or failing him

3. Name
 Address and Email ID
 Signature _____, or failing him

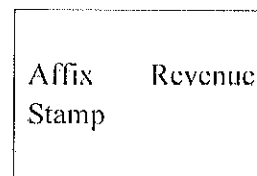
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Extraordinary General Meeting of the Company to be held on Thursday, February 17, 2017 at 10:00 am and at any adjournment thereof in respect of such resolutions as are indicated below:

- Resolution No 1: Revision in the remuneration of Managing Director
- Resolution No 2: Preferential issue of shares to IL&FS
- Resolution No 3: Approval of investment limits under section 186 of the Companies Act, 2013
- Resolution No 4: Increase in the borrowing powers of the Company under section 180 of the Companies Act, 2013

Signed this _____ day of _____ 2017

Signature of shareholder _____

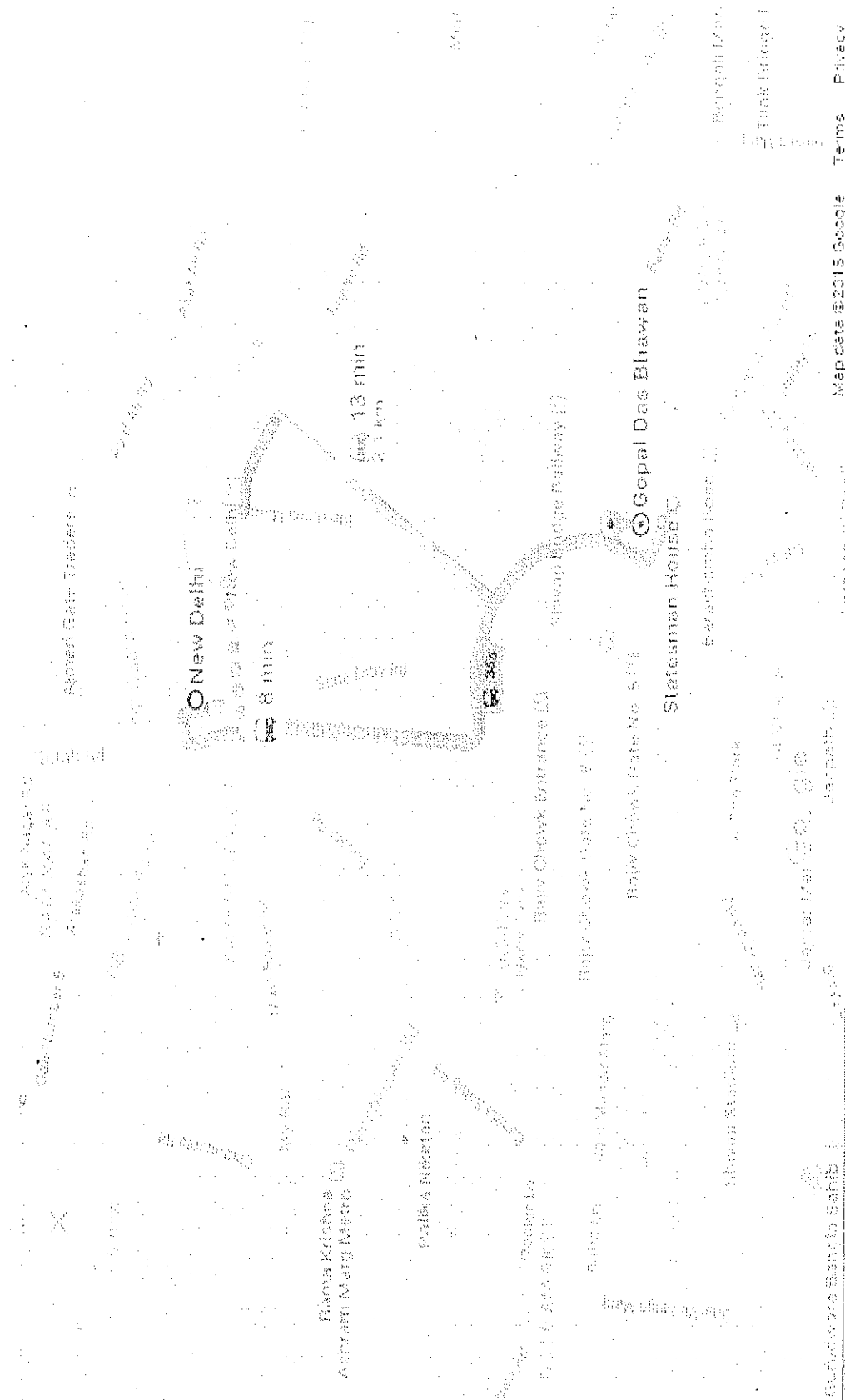
Signature of Proxy holder _____



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Route map of AGM venue of IL&FS Environmental Infrastructure Services Limited from New Delhi Railway Station



Map data ©2015 Google, Terms, Privacy

