



EXTRAORDINARY GENERAL MEETING
OF
IFCI LIMITED

DATE	:	December 05, 2012
DAY	:	Wednesday
TIME	:	10:30 A.M.
PLACE	:	Air Force Auditorium Subroto Park New Delhi - 110 010



NOTICE

Notice is hereby given that an Extraordinary General Meeting of the members of IFCI LIMITED (the "Company") shall be held at Air Force Auditorium, Subroto Park, New Delhi - 110 010 on Wednesday, the 5th day of December, 2012 at 10:30 A.M. to transact the following businesses:

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to provision of Sections 16, 94 and 97 and other applicable provisions if any, of the Companies Act, 1956 (the "Act") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Authorized Share Capital of the Company comprising 150,00,00,000 (One Hundred Fifty Crores) equity shares of ₹ 10/- (Rupees Ten Only) each and 150,00,00,000 (One Hundred Fifty Crores) preference shares of ₹ 10/- (Rupees Ten Only) each be and is hereby reclassified into 200,00,00,000 (Two Hundred Crores) equity shares of ₹ 10/- (Rupees Ten Only) each and 100,00,00,000 (One Hundred Crores) preference shares of ₹ 10/- (Rupees Ten Only) each aggregating to ₹ 30,00,00,00,000/- (Rupees Three Thousand Crores Only).

RESOLVED FURTHER THAT Memorandum of Association of the Company be altered by substituting the following for Clause V of the Memorandum of Association of the Company:

"The Authorized Share Capital of the Company is ₹ 30,00,00,00,000/- (Rupees Three Thousand Crores Only) divided into 200,00,00,000 (Two Hundred Crores) equity shares of ₹ 10/- (Rupees Ten Only) each and 100,00,00,000 (One Hundred Crores) preference shares of ₹ 10/- (Rupees Ten Only) each with rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the share in the capital for the time being in

several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) or provided by the Articles of Association of the Company for the time being."

RESOLVED FURTHER THAT the Board (hereinafter referred to as the "Board" which shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers conferred by this resolution) be and is hereby authorised to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Article 3 of the Articles of Association of the Company be and is hereby altered and substituted as follows:

"3. The Authorized Share Capital of the Company is ₹ 30,00,00,00,000/- (Rupees Three Thousand Crores Only) divided into 200,00,00,000 (Two Hundred Crores) equity shares of ₹ 10/- (Rupees Ten Only) each and 100,00,00,000 (One Hundred Crores) preference shares of ₹ 10/- (Rupees Ten Only) each."

RESOLVED FURTHER THAT the Board (hereinafter referred to as the "Board" which shall



be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers conferred by this resolution) be and is hereby authorised to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the relevant provisions of Section 81 of the Companies Act, 1956, as well as provisions of any other applicable laws, rules and regulations, if any, (including any amendment(s) to or re-enactment(s) thereof for the time being in force) and Article 80 of the Articles of Association of the Company and subject to such other approval, consent, permission and/or sanction, if any, as may be necessary or required and subject to such conditions and modifications as may be prescribed or imposed by any authorities, whether statutory or otherwise, while granting such approval, consent, permission and/or sanction and which may be agreed to by the Board of Directors (hereinafter referred to as “the Board” which shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers conferred by this resolution), the consent of the members, be and is hereby, accorded to the Board of Directors to issue and allot Optionally Convertible Debentures/Bonds (the “OCDs”) upto ₹ 523 crore (Rupees Five Hundred and Twenty Three Crore only) as the Board at its sole discretion may at any time hereinafter decide, to the Government of India (“GoI” or the “Subscriber”), in one or more tranches on following terms and conditions:

1. The OCDs shall be deemed to have been issued with effect from March 28, 2003 and would be unsecured.
2. The OCDs shall carry interest @0.1% p.a., payable on 31st day of March every year.
3. The OCDs would be redeemable on March 2023.

4. These OCDs are not transferable.
5. The OCDs are convertible at Par.
6. The OCDs shall be convertible at any time but before maturity of the OCDs at the option of the Subscriber.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary, or incidental thereto, proper or desirable, or to settle any question, difficulty or doubt that may arise in regard to the issue of the aforesaid OCDs and its subsequent conversion into equity shares under Section 81(3) of the Companies Act, 1956 and to finalise and execute all documents and writings as may be necessary, desirable or expedient.”

Registered Office: By Order of the Board of Directors

IFCI Tower
61 Nehru Place
New Delhi - 110 019

Dated : October 04, 2012

Rupa Sarkar
Company Secretary

NOTES:

1. Explanatory Statement as pursuant to provisions of Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. 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 A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY, HOWEVER, MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
3. This Notice is being sent to the members whose name is appearing on October 26, 2012 in the Register of Members of the Company. However members whose name shall appear in the Register of Members as on the date of the Extraordinary General Meeting shall be eligible to attend the Meeting and vote thereof.



4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 1100 hours and 1300 hours on any working day except Saturdays, Sundays and public holidays, upto the date of Extraordinary General Meeting.
5. Members are requested to bring the Attendance Slip with them duly filled in and hand over the same at the entrance.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item Nos. 1 and 2

The present authorized share capital of the Company is ₹ 3,000 crore divided into 150 crore equity shares of ₹ 10/- each and 150 crore preference shares of ₹ 10/- each. Government of India ("Government" or "GoI") had granted the Company financial assistance of ₹ 523 crore. Optionally Convertible Debentures ("OCDs") are to be issued to the Government of India as per the terms and conditions of this assistance. The OCDs are then to be converted into equity shares of the Company at par as decided by the Government.

The present authorised equity share capital is inadequate to accommodate additional shares proposed to be issued to Government at par in terms of the decision of the Government to convert the OCDs into equity shares of the Company at par.

Since, the Company is not having any proposal to issue any preference shares in near future, it is proposed to reclassify the authorized share capital of the Company into 200 crore equity shares of ₹ 10/- each and 100 crore preference shares of ₹ 10/- each aggregating to ₹ 3,000 crore.

The resolutions set out in Item Nos. 1 and 2 are for reclassifying the authorized capital as aforesaid and carrying out necessary changes in the Memorandum and Articles of Association of the Company in this respect.

None of the Directors are concerned or interested in the resolutions set out in Item Nos. 1 and 2, except for Shri Sanjeev Kumar Jindal and Shri V K Chopra, who have no personal interest in the resolutions except in their capacity as Directors nominated on the Board of the Company by the Government.

The Board of Directors recommends the resolution for the approval of the Shareholders.

Item No. 3

During the year 2002-03, Government of India ("GoI"), in consultation with the major stakeholders of IFCI, keeping in view the systemic implications of IFCI's defaults in its liabilities, sanctioned a package of assistance of ₹ 5,220 crore to meet a part of IFCI's liabilities servicing requirements in respect of Government guaranteed rupee and foreign currency liabilities and liabilities to retail investors. Out of this package, the first tranche of ₹ 523 crore was paid by the Government as loan on March 28, 2003 and through letter dated June 23, 2003 of GoI, the purpose of the loan was stated to be financial restructuring of IFCI in the form of Optionally Convertible Debentures ("OCDs") of 20 years with the rate of interest being 0.1% per annum with a right of recompense on par with other stakeholders. The Debenture Certificates for the aforementioned loan were not issued at that time.

Based on the letter dated December 12, 2007 and further communication from the Government, the matter of issue of OCDs against ₹ 523 crore of loan was placed before the Board at the meeting held on December 17, 2007 where the cut-off date was to be the date of the Extraordinary General Meeting of shareholders for the purpose of capital infusion by strategic investor or April 1, 2008, whichever was later. As the strategic investor did not materialize on which the issue of OCDs were contingent, the OCDs did not come into existence.

On August 23, 2012, in the press release issued by Press Information Bureau, GoI stated that the Union Cabinet had approved the proposal to exercise the option by the Government to convert ₹ 400 crore and ₹ 523 crore OCDs held by the Government in IFCI into equity at par. The conversion option is to be exercised immediately. It further stated that post conversion, the holding of the Government will become 55.57%, making IFCI a Government Company. This would ensure compliance with the Cabinet decision of 1992. Subsequently, vide letter dated August 27, 2012, the Department of Financial Services, Ministry of Finance, citing the Cabinet decision, gave notice to convert the OCDs of ₹ 523 crore sanctioned by the Central Government into equity shares at par.



On September 24, 2012, Securities and Exchange Board of India (SEBI) granted exemption to GoI from making an open offer in respect of conversion of debt into equity amounting to ₹ 923 crore.

On September 26, 2012 a letter was received by IFCI from the Department of Financial Services enclosing the SEBI order dated September 24, 2012, requesting the Company to convene meetings of the Board of Directors and shareholders immediately and take appropriate action for the issuance of the debenture certificate and allotment of equity shares to the Central Government. Further, it was requested to make allotment of shares on conversion of OCDs within forty-five days from the date of issue of notice.

The matter was considered by the Board of Directors of IFCI on October 4, 2012, wherein the Board decided to proceed with the conversion of the financial assistance of ₹ 523 crore provided by GoI to IFCI subject to the necessary statutory approvals. It is, therefore, proposed to issue OCDs to GoI and subsequently convert the same into equity shares of the Company at par.

Since, the conversion of the said OCDs is being made under Section 81(3) of the Companies Act, 1956, the provision of Chapter VII (Preferential Issue) of the

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 are not applicable for conversion of OCDs into equity shares by GoI.

Post conversion of ₹ 400 crore OCDs and ₹ 523 crore financial assistance into equity shares of the Company at par, the holding of GoI in the Company would become 55.57%.

None of the Directors are concerned or interested in the resolutions set out in Item No. 3 except for Shri Sanjeev Kumar Jindal and Shri V K Chopra, who have no personal interest in the resolution except in their capacity as Directors nominated on the Board of the Company by the Government.

The Board of Directors recommends the resolution for the approval of the Shareholders.

Registered Office: **By Order of the Board of Directors**

IFCI Tower
61 Nehru Place
New Delhi - 110 019

Dated : October 04, 2012

Rupa Sarkar
Company Secretary





ATTENDANCE SLIP

Registered Office : IFCI Tower, 61 Nehru Place, New Delhi - 110 019

(Please complete this Attendance Slip and hand it over at the registration counter)

DP. Id.*	
Client Id.	

Folio No.*

I hereby record my presence at the EXTRAORDINARY GENERAL MEETING of the Company being held on Wednesday, December 05, 2012 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110 010.

NAME OF THE SHAREHOLDER.....

NAME OF PROXY #.....

#To be filled in case proxy attends instead of Shareholder

SIGNATURE OF THE SHAREHOLDER/PROXY*

*Strike out whichever is not applicable

NOTE : NO GIFTS OR COUPONS WOULD BE GIVEN TO THE SHAREHOLDERS FOR ATTENDING THE EXTRAORDINARY GENERAL MEETING.



PROXY FORM

Registered Office : IFCI Tower, 61 Nehru Place, New Delhi - 110 019

DP. Id.*	
Client Id.	

Folio No.*

I/We.....
of.....being a member/members
of IFCI Ltd. hereby appoint,
of..... or failing
him/her.....
of..... as
my/our proxy to vote for me/us and on my/our behalf at the EXTRAORDINARY GENERAL MEETING of IFCI Ltd to be held on Wednesday, December 05, 2012 or at any adjournment thereof.

Signed this.....day of.....2012

* Strike out whichever is not applicable



Affix
Revenue
Stamp
Signature

NOTE : The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a shareholder of the Company.

BOOK-POST

If undelivered, please return to:

IFCI LIMITED
IFCI Tower
61 Nehru Place
New Delhi - 110 019

