

MINUTES OF THE TWENTIETH ANNUAL GENERAL MEETING OF IFCI LIMITED (IFCI) HELD ON WEDNESDAY, NOVEMBER 13, 2013 AT 10:30 AM AT AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI – 110010

DIRECTORS PRESENT

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| 1. Shri S B Nayar | CEO & Managing Director |
| 2. Prof. Omprakash Mishra | Chairman, Audit Committee |
| 3. Ms. Kiran Sahdev | |

Ms. Rupa Sarkar, Company Secretary and Shri R. N. Roy, Partner, Ray & Ray, Chartered Accountants, Statutory Auditors of the Company, were also present.

In Attendance: 5415 Members in person and 130 Members through proxies.

Shri S B Nayar, CEO & MD informed the Members that as the Chairman of the Board had conveyed his inability to attend the Annual General Meeting (AGM), hence as per Article 94 of the Articles of Association of the Company, he shall act as the Chairman of the Meeting.

Thereafter, he welcomed the Members present and after ascertaining the presence of the requisite quorum, called the Meeting in order and commenced the proceedings.

He informed Members that the Register of Directors' and Directors' Shareholding and other necessary statutory records were available and open for inspection at the Meeting.

With the consent of the Members present, the Notice convening the 20th Annual General Meeting, dated September 19, 2013 was taken as read. The Chairman's speech, copies of which had been circulated amongst the Members present at the meeting, was also taken as read.

Thereafter, the agenda item no.1 relating to the Audited Balance Sheet as at March 31, 2013 and the Statement of Profit & Loss Account for the year ended as on that date and the Directors' Report and the Auditors' Report thereon was taken up.

As directed by the Chairman of the Meeting, Company Secretary read out the Auditors' Report on the Annual Accounts of the Company for the year 2012-13.

The Chairman invited questions from the Members, if any.

Thereafter, the Chairman put to vote the following resolution as an Ordinary Resolution:

"RESOLVED that the Audited Balance Sheet of the Company as at March 31, 2013 and the Statement of Profit & Loss Account for the year ended March 31, 2013,

together with the Directors' Report and the Auditors' Report thereon, be and are hereby approved and adopted."

Shri Indermohan Pandey, Member, proposed and Shri Yash pal Chopra, Member seconded the resolution and on show of hands, the resolution was declared by the Chairman as passed unanimously.

2. Next agenda item related to the confirmation of the interim dividend already paid on Preference shares as Final dividend.

The Chairman put to vote the following resolution as an Ordinary Resolution:

"RESOLVED that interim dividend of ₹26,38,431/- (Rupees Twenty six lac thirty eight thousand four hundred and thirty one only) @ 0.1% p.a. on 26,38,43,100 (Twenty six crore thirty eight lac forty three thousand one hundred) number of Outstanding Cumulative Redeemable Preference shares of ₹10 each for the year 2012-13, as declared by the Board of Directors at their Meeting held on February 12, 2013, be and is hereby declared as final dividend."

Proposed by Shri Ravi Shanker Kapoor, Member and seconded by Smt. Sushma Agarwal, Member, the resolution was put to vote and on show of hands, was declared by the Chairman, as passed unanimously.

3. The Chairman took up item no. 3 of the agenda relating to the declaration of the dividend on the Equity Shares and put to vote the following as an Ordinary Resolution:

"RESOLVED that the dividend @ 10% i.e. ₹1.00 per share as recommended by the Board of Directors of the Company at their Meeting held on May 20, 2013 on the 1,66,20,37,235 number of paid up equity shares of ₹10/- each, be and is hereby declared as dividend for the year 2012-13."

Shri Navin Chopra, Member proposed and Shri Pawan Khemka, Member, seconded the resolution and on show of hands, was declared by the Chairman, as passed unanimously.

4. Agenda item no. 4 pertaining to appointment of a Director in place of Prof. Omprakash Mishra, who was retiring by rotation and being eligible, had offered himself for re-appointment, was taken up for consideration. The following resolution was put to vote by the Chairman as an Ordinary Resolution:

"RESOLVED that Prof. Omprakash Mishra, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Shri Swaran Chopra, Member proposed and Shri Ravi Shanker Kapoor, Member, seconded the resolution and on show of hands, was declared by the Chairman, as passed unanimously.

5. Agenda item no. 5 pertaining to the fixation of the remuneration of the Statutory Auditor(s) as appointed by the Comptroller & Auditor general of India (CAG). The following resolution was put to vote by the Chairman as an Ordinary Resolution:

"RESOLVED that the Board/Audit Committee of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India (CAG) for the Financial Year 2013-14, as may be deemed fit."

Smt. Suman Kapoor, Member proposed the resolution which was seconded by Smt. Sushma Agarwala, Member, and on show of hands, was declared by the Chairman as passed unanimously.

6. Agenda item no. 6 pertaining to appointment of Smt. Savita Mahajan, as Director of the Company was taken up for consideration. The following resolution was put to vote by the Chairman as an Ordinary Resolution:

"RESOLVED that Smt. Savita Mahajan, who was appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and Article 130 of the Articles of Association of the Company, with effect from February 12, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member, in writing under Section 257 of the Companies Act, 1956, proposing her candidature as a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Shri Ashok Kumar, Member, proposed and Shri Surinder Nath Vohra, Member, seconded the resolution and on show of hands, was declared by the Chairman, as passed unanimously.

7. Agenda item no. 7 pertaining to appointment of Shri Anurag Jain, who was appointed as CEO & Managing Director of the Company with effect from May 31, 2013 to July 14, 2013 as Ordinary Resolution:

"RESOLVED that subject to the provisions of Sections 198, 269, 309, 311, read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, if any, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Article 162 of Articles of Association of the Company, Shri Anurag Jain, Government Director, be and is hereby appointed as the Chief Executive Officer and Managing Director (CEO & MD) of the Company w.e.f. May 31, 2013 to July 14, 2013."

Shri Prem Chachra, Member, proposed and Shri Rakesh Kumar, Member, seconded the resolution and on show of hands, was declared by the Chairman, as passed unanimously.

8. Agenda item no. 8 pertaining to appointment of Shri Ashok Kumar Jha, as Director of the Company was taken up for consideration. The following resolution was put to vote by the Chairman as an Ordinary Resolution:

"RESOLVED that Shri Ashok Kumar Jha, who was appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and Article 130 of the Articles of Association of the Company, with effect from July 15, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member, in writing under Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Shri Puran Chandra Mudgal, Member, proposed and Smt Asha Chachra, Member, seconded the resolution and on show of hands, was declared by the Chairman, as passed unanimously.

9. Since Shri Santosh B Nayar was interested in the next resolution, with the consensus of members Shri Nayar requested Prof. Omprakash Mishra, to occupy the Chair. Prof Mishra then took up the next agenda. The agenda related to appointment of Shri Santosh B Nayar, as CEO & MD of the Company and the following resolution was put to vote as an Ordinary Resolution.

"RESOLVED that Shri Santosh Balachandran Nayar, who was appointed as an Additional Director and Chief Executive Officer & Managing Director (CEO & MD) by the Board of Directors of the Company w.e.f. July 15, 2013 and who, as per the provisions of Section 260 of the Companies Act, 1956 holds office upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act 1956, received a notice from a member, in writing, proposing the candidature of Shri Nayar for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER that subject to the provisions of Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Article 162 of Articles of Association of the Company and such other approvals as may be required, and such modifications and conditions, if any, as any authority may impose while according approval, which the Board of Directors is hereby authorized to accept, consent of the Members, be and is hereby accorded for the appointment of Shri Santosh Balachandran Nayar, as CEO & Managing



CHAIRMAN'S INITIAL

Director of the Company for a period of three years w.e.f. July 15, 2013 and upto July 14, 2016, and to the payment of remuneration and other terms and conditions as set out hereunder:

(i) **Pay:** ₹80,000/- p.m.

(ii) **Dearness Allowance:** Applicable Central Government Dearness Allowance from time to time.

(iii) **City Compensatory Allowance:** Entitlement to City Compensatory Allowance in accordance with the following admissible rate:

Delhi, Mumbai, Chennai and Calcutta : ₹300/- per month

(iv) **Housing:**

(a) Rent free furnished accommodation to be provided by the Company. The cost of furniture/ furnishings shall not exceed ₹3.00 lakh.

Or

In case the stay is in own accommodation or private arrangements are made for stay, then entitled to a compensation comprising 10% of the pay and admissible House Rent Allowance @30% of actual pay drawn p.m. (If the stay is in Delhi).

(b) Charges incurred for water, electricity and fuel consumed is to be borne by self. The expenditure incurred on providing Security Guards, Servants, Gardner shall be borne by the Company.

(v) **Conveyance:** Entitled to free use of the Company's car for official purpose. Journeys from residence to office and back shall be treated as on duty.

(vi) **Travelling, Boarding and Lodging:** Actual expenditure to be reimbursed for outstation journeys undertaken for official work, as per rules of IFCI.

(vii) **Medical Benefits:** Actual expenses incurred for self and dependent family members, in India. For expenditure to be/incurred relating to treatment abroad, specific approval of the Board will be required.

(viii) **Personal Accident Insurance:** Forms part of Group Insurance of the Company, covering accidents also.

- (ix) **Leave Travel Concession:** Entitled to travel for self and family, by any mode, once in a block of two years for visiting any place in India as per entitled class as applicable for official tour.
- (x) **Entertainment:** Actual entertainment expenses subject to ceiling of ₹6,000/- p.a. (membership fee(s) of Club(s) adjustable within the above ceiling).
- (xi) **Gratuity:** At the rate of half-months' pay for every completed year of service or more than six months of service as CEO & MD.
- (xii) **Leave:** As per Staff Regulations of the Company.
- (xiii) **Encashment of Leave on Retirement:** Entitled to encash Earned Leave at the time of retirement/exit, which may be lying to his credit. The amount of leave salary shall be calculated on the basis of last pay drawn.
- (xiv) **Telephone:** The Company shall provide telephone at residence for office use. Mobile shall also be provided as per Company's rules.
- (xv) **Performance Linked Incentive:** As decided by the Board of Directors/HR and Compensation Committee of Directors, from time to time.
- (xvi) **Retirement Fare Concession/Shifting of Household Goods:** Single fare journey by entitled Class for self and family and cost of shifting of household goods to hometown at the time of retirement/exit from IFCI.
- (xvii) **Reimbursement of Travelling/Transportation Expenses:** Entitled to reimbursement of traveling expenses for himself and family members from the place of residence to the place of posting at the time of taking up the board level assignment and similarly from the place of posting to the place where he and his family is to settle down permanently (even if it is other than the declared home town).
- (xviii) **Other Perquisites:** Other benefits and like amounts to be paid as per rules of IFCI.
- (xix) **Pension and Provident Fund:** Pension and Provident Fund will be finalized in consultation with State Bank of India/Central Government.

(xx) **Foreign Visits:** To be undertaken with the prior approval of the Board.

(xxi) The Contract of employment can be terminated by either side by giving one month's notice or one month's basic pay in lieu thereof.

(xxii) Subject to the above, in all other matters, he will be governed by the Staff Regulations of IFCI and other rules and regulations, Administration/HR Circulars and Office Orders, as may be in force from time to time in IFCI.

RESOLVED FURTHER that in the event of absence or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to compliance of provisions of Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof for the time being in force.

RESOLVED FURTHER that the Board/HR and Compensation Committee of Directors be and is hereby authorized to alter and vary the aforesaid terms as to remuneration (including perquisites and other terms and conditions) within the ceiling limits in that behalf as laid down in Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof as in force from time to time.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit."

Shri Nand Kishore, Member proposed and Shri Santosh Bhutani, seconded the resolution and on show of hands, was declared, as passed unanimously.

Thereafter Prof Mishra handed over the Chair back to Shri Santosh B Nayar, for taking up the remaining Agenda Items.

10. Agenda item no. 10 pertaining to the alteration of Article 124 of the Articles of Association was taken up and the following resolution was put to vote as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the following new Sub-Article (ii) after Sub-Article (i) of Article 124 of the Articles of Association of the Company, be and is hereby inserted and the existing Sub-Article (ii) in the said Article is re-numbered as Sub-Article (iii) with marginal notes:"

<p>Article 124</p> <p>(ii) Subject to the provision of the Act, as long as Government of India continue to hold not less than 51% of the paid up equity share capital of the Company, Government of India shall be entitled to nominate up to one-third of the total number of existing Directors of the Company (excluding Government Director(s) under Sub-Article (i) of Article 124) and shall be entitled to remove any or all of the Directors so nominated by it from their office and to nominate any other person(s) thereto from time to time.</p>	Nomination of Directors
<p>(iii) Any trust deed covering the issue of debentures of the Company may provide for the appointment of a Director (in these presents referred to as "the Debenture Director") for and on behalf of the debenture holders for such period as is therein provided not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise for appointment of a Debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid but he shall be counted in determining the number of retiring directors.</p>	Debenture Director

Shri T N Jha, representing Life Insurance Corporation of India, Member, proposed and Shri Sunil Kumar Jain, Member, seconded the resolution and on show of hands, was declared by the Chairman, as passed unanimously.

11. The Chairman then took the agenda item no. 11 pertaining to the alteration of Article 162 of the Articles of Association and put to vote the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the existing Sub-Article (a) of Article 162 of the Articles of Association of the Company be and is hereby deleted and substituted with the marginal notes by the following new Sub-Article, as given below:"

<p>162 (a) Subject to the provisions of the Act and Article 124 of the Articles of Association of the Company, the Directors may, from time to time, appoint or reappoint one or more of their body to be the Managing Director or Directors or the Whole Time Director or Directors of the Company in consultation with the Central Government for such terms not exceeding five years and subject to such remuneration, terms and conditions as they may deem fit.</p>	Managing Director
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Shri Amandeep Singh, Member, proposed and Shri Gagan Kumar Kumar, Member, seconded the resolution and on show of hands, was declared by the Chairman, as passed unanimously.

The business of the Meeting having been transacted, the Chairman declared the Meeting as concluded with a vote of thanks to all the members present at the Meeting.

Place: New Delhi
Date: November 13, 2013



CHAIRMAN

