

India Infrastructure Finance Company Limited

Regd. Office : 8th Floor, Hindustan Times House, 18 & 20, Kasturba Gandhi Marg, New Delhi -110001
CIN : U67190DL2006GOI144520 Website : www.iifcl.org Email : info@iifcl.org
Phone No. : 0091-11-23708263-64

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED WILL BE HELD ON WEDNESDAY, THE 30TH DAY OF SEPTEMBER 2015 AT 11 A.M. AT CONFERENCE HALL, DEPARTMENT OF FINANCIAL SERVICES, MINISTRY OF FINANCE, GOVERNMENT OF INDIA, JEEVAN DEEP BUILDING, SANSAD MARG, NEW DELHI-110001

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the tenth Audited Balance Sheet as on 31st March 2015 and the Profit and Loss Account for the year ended 31st March 2015 and the Director's Report thereon.
- 2) To declare Interim Dividend @ 8% (eight percent) (i.e. ₹0.80 per equity share of face value of ₹10/- each) on the paid-up equity share capital of ₹ 3900 crore amounting to ₹ 282,54,24,658 (Rupees Two Hundred Eighty Two Crores Fifty Four Lacs Twenty Four Thousand Six Hundred and Fifty Eight Only) as Final Dividend during Financial Year 2014-15.
- 3) Pursuant to Section 139(5) of Companies Act, 2013, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in terms of Section 142(1) of the Companies Act, 2013, their remuneration has to be fixed by the Company in Annual General Meeting.

The Members of the Company in the 9th Annual General Meeting held on 17th September 2014 had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the financial year 2014-15. Accordingly, the Board of Directors had fixed audit fee of ₹ 6 lacs (Rupees Six lacs only) plus service tax for audit of the Financial Year 2014-15 and ₹ 1.50 lacs (Rupees One lac fifty thousand only) (plus service tax) @ 25% of the proposed audit fees of ₹6 lacs (Rupees Six lacs only) towards audit of consolidated annual accounts of company for the year 2014-15 for the Statutory Auditors aggregated as the Statutory audit fee of ₹ 7.5 lakh plus service tax. The Office of the Comptroller and Auditor General of India General of India, 10, Bahadur Shah Zafar Marg, New Delhi, vide letter no. CA. V/COY/CENTRAL GOVERNMENT, IIFCL (1)/98 Dated 9th July 2015, has appointed M/s K.M. Aggrawal & Co. (DE0320), Chartered Accountants, 36, Netaji Subhash Marg, Darya Ganj, New Delhi-110002, as statutory auditors of IIFCL for the Financial Year 2015-16, pursuant to the provisions of Section 139 of the Companies Act 2013, regarding the appointment of Statutory Auditors in a Government Company. The members may authorize the Board of Directors to fix an appropriate remuneration of Auditors as may be deemed fit by the Board.

SPECIAL BUSINESS:

- 4) **To Convene the Annual General meeting at shorter notice.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT the requisite consent of the shareholders of the Company as per proviso to Section 101(1) of the Companies Act 2013 is accorded to the Notice dated 29th September, 2015 calling for this Annual General Meeting under Section 101(1) of the Companies Act, 2013, at Conference Hall, Department of Financial Services, Ministry of Finance, Government of India, Jeevan Deep Building, Sansad Marg, New Delhi-110001 on 30th September, 2015 at 11 a.m.

- 5) **Merger of Irrigation And Water Resources Finance Corporation Limited(IWRFC) with India Infrastructure Finance Company Limited (IIFCL)**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL**

RESOLUTION by the requisite majority as provided under Section 396 of the Companies Act, 1956 read with Circular no. 16 dated 20th April 2011 issued by the Ministry of Corporate Affairs:

“RESOLVED THAT the proposal for merger of Irrigation And Water Resources Finance Corporation Limited (IWRFC) with India Infrastructure Finance Company Limited (IIFCL) as approved by the Board of Directors of IIFCL in its 76th meeting held on 12th May 2015 and subsequently approved by the Board of Directors of IWRFC in its meeting held on 29th June 2015 and approval by the Department of Financial Services (DFS), Ministry of Finance, Government of India vide letter dated 1st June 2014 noting change in appointed date of merger of IWRFC with IIFCL as 1st April 2015 in place of 1st April 2014 & increase in the paid-up equity share capital of transferee company before merger and amalgamated company after merger by ₹ 600 crore (applicable in the scheme of merger due to changes taken place since submission of the draft scheme of amalgamation of IWRFC with IIFCL to DFS on 22nd October 2014) and approving IIFCL's request to cancel 10,23,16,230 equity shares of IWRFC of ₹ 10/- each aggregating to ₹ 102,31,62,300 provided by DFS to IIFCL vide letter dated 21st July 2015, be and is hereby approved.

RESOLVED THAT pursuant to the provisions of Section 396 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification thereto read with Circular no. 16 dated 20th April 2011 issued by the Ministry of Corporate Affairs, the Memorandum and Articles of Association of the Company (hereinafter referred to as the "Transferee Company" or "Company"), any other applicable provisions of any other law for the time being in force, and any directions, guidelines or regulations, if any, of the Ministry of Corporate Affairs (hereinafter referred to as "MCA"), Central Government and of all other relevant authorities from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions of all appropriate authorities, institutions or bodies, if required and to the extent applicable, and subject to such terms and conditions and modifications as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Transferee Company (hereinafter referred to as "the Board", which expression shall be deemed to include any Committee(s) constituted/to be constituted or any other person authorised/ to be authorised by the Board/Committee to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept, the consent and approval of the Members of the Transferee Company be and is hereby accorded to the amalgamation of Transferee Company with "Irrigation and Water Resources Finance Corporation Limited" (hereinafter referred to as the "Transferor Company") in accordance with a Scheme of Amalgamation (hereinafter referred to as "the Scheme").

RESOLVED FURTHER THAT pursuant to the provisions of Section 396 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification thereto read with Circular no. 16 dated 20th April 2011 issued by the Ministry of Corporate Affairs and in accordance with the matters stated in the aforesaid Resolution:

The Board be and is hereby empowered and authorised to act jointly with the Board of Directors of the Transferor Company (including any Committee or any person authorized by it), make modifications and alterations to the Scheme including those as may be required or suggested by the relevant authority/authorities and to do all acts, matters, deeds and things and to take all steps and give such directions as may be necessary, expedient, incidental, ancillary or desirable as the Board in its absolute discretion may deem fit for giving effect to the Scheme or for its implementation including any required regulatory applications and negotiation, finalization and execution of any agreements or documents incidental or ancillary to the Scheme and modifications/alterations thereto and also to settle any questions or difficulties that may arise in such manner as the Board in its absolute discretion may deem fit and to take all steps which are incidental and ancillary thereto in this connection".

6) To Increase the Authorised Share capital

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to Sections 61(1)(a) and 64(1)(a) of the Companies Act, 2013, and the relevant rules formed thereunder and in accordance with the provisions of the Articles of Association of the Company, the authorized share capital of the Company, be and is hereby increased from ₹ 5000,00,00,000/- (Rupees Five Thousand Crores only) divided into 500,00,00,000 Equity Shares of ₹ 10/- each, to ₹ 8000,00,00,000/- (Rupees

Eight Thousand Crores only) divided into ₹ 800,00,00,000 Equity shares of ₹ 10/- each, by creating 300,00,00,000 equity shares of ₹ 10/- each.

RESOLVED FURTHER THAT the new equity shares shall rank *pari passu* with the existing shares.”

(7) TO AMEND THE MEMORANDUM OF ASSOCIATION

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** in order to reflect the increase in Authorized Share Capital of the Company, and in order to conform to the requirements of the Companies Act, 2013, consent is hereby accorded to amend the existing clause V of Memorandum of Association of the Company with the following:

“...V The Authorized Share Capital of the Company is ₹ 8000,00,00,000 (Rupees Eight Thousand Crores only) divided into 800,00,00,000 equity shares of ₹ 10/- (Rupees ten only) each subject to the approval of the Hon'ble Finance Minister in terms of DFS letter no. F. No. 18/18/2008-IF-I (Vol III) dated 24th October 2011.”

8) Issue of Unsecured/Secured Non-Convertible Bonds/Debentures through Private Placement as per the provisions of the Companies Act 2013 and Rules made thereunder

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** in accordance with the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) (Amendment) Notification, 2012 and other applicable SEBI regulations and guidelines, the provisions of the Memorandum and Articles of Association of the Company, SIFTI and subject to the receipt of necessary approvals as may be applicable and such other approvals, permissions and sanctions as may be necessary, the Board of Directors of IIFCL, be and is hereby, authorized to raise funds through Private Placement of Unsecured/Secured Non-Convertible Bonds/Debentures, taxable/tax free /infrastructure bonds/any other bonds upto ₹10,500 crore (Rupees Ten thousand Five hundred crore) during the period of one year commencing from date of passing the special resolution thereof, in one or more tranches, at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to Private Placement of unsecured/secured non-convertible bonds/debentures, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as approved by the Board, be and is hereby authorized to determine the terms of the Issue, including the size, class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount on the then prevailing market price, amount of issue, discount on issue price to a class of bond/debenture holders, listing, issuing any declaration / undertaking etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force.”

By Order of the Board of Directors
FOR INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

S. B. NAYAR
CHAIRMAN & MANAGING DIRECTOR
(DIN No. - 02175871)

Place: New Delhi

Date: 29th September 2015

REGISTERED OFFICE

8th Floor, HT House, 18 & 20 Kasturba Gandhi Marg, New Delhi-110001

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

ITEM NO. 4 : Convening the Annual General Meeting at shorter notice

In terms of Section 101(1) of the Companies Act 2013, a general meeting of a Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed. Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.

IIFCL letter / communication vide no. IIFCL/BS/AGM/07/11081 dated 31st August 2015 requested Department of Financial Services (DFS), MoF, GoI to consider conveying approval for holding IIFCL's Annual General Meeting at shorter notice on Monday, 28th September 2015 at 11 a.m. at DFS in view of following observations :

- (a) The Phase III Audit of financial statements of IIFCL for the year ended 31st March 2015 was underway and the office of C&AG was expected to issue certificate on the same after 6th September 2015 i.e. last date for issuing notice of AGM scheduled to be held on 28th September 2015.
- (b) IIFCL had requested Department of Financial Services (DFS), Ministry of Finance (MoF) Govt. of India vide letter no. IIFCL/BRD/07/2015-16/10814 dated 20th August 2015 to seek the approval of the Hon'ble Finance Minister for increasing the Authorized Share Capital of IIFCL from ₹ 5000 crore to ₹ 8000 crore so that IIFCL could proceed to increase the Authorised Share Capital subject to approval of the shareholders in the ensuing Annual General Meeting scheduled to be held in September 2015. It was expected that DFS may be in a position to convey a decision on IIFCL's request after 6th September 2015 i.e. last date for issuing notice of AGM scheduled to be held on 28th September 2015.

Subsequently, DFS vide letter no. F.No. 18/6/2013-IF-I dated 22nd September 2015 conveyed approval for holding IIFCL's Annual General Meeting at shorter notice on Monday, 28th September 2015 at 11 a.m. at DFS.

Pending receipt of the comments of the Comptroller and Auditor General of India (C&AG) on the Financial Statements of IIFCL for the year ended 31st March 2015, IIFCL vide letter no. IIFCL/BS/AGM/07/11383 dated 28th September 2015 requested the Department of Financial Services (DFS), MoF, GoI to consider conveying approval for holding IIFCL's Annual General Meeting at shorter notice on Wednesday, 30th September 2015 at 3.30 p.m. at DFS earlier scheduled on Monday, the 28th September 2015 at the same venue.

The comments of the Comptroller and Auditor General of India (C&AG) on the Financial Statements of IIFCL for the year ended 31st March 2015 were received vide letter dated 29th September 2015.

Subsequently, DFS vide letter no. F.No. 18/6/2013-IF-I dated 29th September 2015 conveyed approval for holding IIFCL's Annual General Meeting at shorter notice on Wednesday, 30th September 2015 at 11 a.m. at DFS.

None of the Director, Key Managerial Personnel (KMP) of the company and the relative of Director and KMP is in any way concerned or interested in the proposed resolution.

Your Directors recommend the resolution of Item no. 4 for your approval.

ITEM NO. 5 : Merger of Irrigation & Water Resources Finance Corporation of India (IWRFC) with India Infrastructure Finance Company Limited (IIFCL)

1. Introduction

The Board of Directors of IIFCL in its 76th meeting held on 12th May 2015 authorized IIFCL to undertake the process of merger of Irrigation and Water Resources Finance Corporation Limited (IWRFC) with India Infrastructure Finance Company Limited (IIFCL) after the Board of Directors of IWRFC also approves the scheme of merger and

- (a) Department of Financial Services (DFS), Ministry of Finance, Government of India notes changes that would be applicable in the scheme of merger due to changes taken place since submission of the draft scheme of amalgamation of IWRFC with IIFCL to DFS as under:
 - i. Change in appointed date of merger of IWRFC with IIFCL as 1st April 2015 in place of 1st April 2014
 - ii. Increase in the paid-up equity share capital of transferee company before merger and amalgamated company after merger by ₹ 600 crore.

- (b) DFS provides letter regarding cancellation of 10, 23, 16,230 equity shares of IWRFC of ₹10/- each aggregating to ₹102, 31,62,300 from DFS.

Subsequently, Department of Financial Services (DFS), Ministry of Finance, Government of India vide letter dated 1st June 2014 noted change in appointed date of merger of IWRFC with IIFCL as 1st April 2015 in place of 1st April 2014 & increase in the paid-up equity share capital of transferee company before merger and amalgamated company after merger by ₹ 600 crore (applicable in the scheme of merger due to changes taken place since submission of the draft scheme of amalgamation of IWRFC with IIFCL to DFS on 22nd October 2014) and approved IIFCL's request to cancel 10,23,16,230 equity shares of IWRFC of ₹10/- each aggregating to ₹ 102,31,62,300 provided by DFS to IIFCL vide letter dated 21st July 2015.

Further, the Board of Directors of IWRFC in meeting held on 29th June 2015 approved the scheme of merger of IWRFC with IIFCL.

Earlier, DFS vide letter dated 15th April 2015 conveyed the approval of the Government of India to IIFCL's proposal for merger of IWRFC with IIFCL.

The meeting of the members of India Infrastructure Finance Company Limited is being convened for the purpose of considering and, if thought fit, approving, with or without modifications, the proposed Scheme of Amalgamation, (hereinafter referred to as "the Scheme"), of India Infrastructure Finance Company Limited (hereinafter referred to as " the Transferee Company") with Irrigation and Water Resources Finance Corporation Limited (hereinafter referred to as " the Transferor Company").

The Transferor Company and the Transferee Company believe the consolidation proposed through this Scheme will leverage significant complementarities that exist between both the companies. This revenue synergy-led and growth-oriented amalgamation, adopting best practices of governance and prudence from both Companies, is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as shareholders, customers, and employees.

2. Background of the Transferor Company and the Transferee Company:

- (a) **Irrigation and Water Resources Finance Corporation Limited** was incorporated as Public Limited Company, wholly-owned by the Government of India, on 29th March, 2008 with objects (more fully set out in Memorandum of Association) to fund major irrigation projects. The Company was put into operations during the financial year 2012-13 focusing on waste water management and reuse including sanitation and waste management, micro irrigation and contract farming, investment in the equity and debt in water companies etc.
- (b) **India Infrastructure Finance Company Limited** was incorporated as a Public Limited Company, whole owned by the Government of India, on 5th January, 2006 with objects (more fully set out in Memorandum of Association) to carry on the business of financing large scale Infrastructure projects.
- (c) The authorized, issued, subscribed and paid-up share capital of the Transferor Company and the Transferee Company is as under.

Particulars	₹ In crores)	
	IWRFC	IIFCL
Authorized, issued, subscribed equity share capital	1,000	5,000
Paid-up equity share capital	102.32	3,900

3. The amalgamation of the Transferor Company with the Transferee Company will be effected in accordance with Section 396 and other applicable provisions, if any, of the Companies Act, 1956 read with Circular no. 16 dated 20th April 2011 issued by the Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Transferor Company and the Transferee Company and other applicable provisions of laws for the time being in force.
4. In terms of Section 396 and other applicable provisions, if any, of the Companies Act, 1956 read with Circular no. 16 dated 20th April 2011 issued by the Ministry of Corporate Affairs, which govern the amalgamation of Companies in public interest, a resolution is required to be passed by 100% in number and in value of the Members of the Transferor Company and the Transferee Company, present either in person or by proxy at the respective general meetings of the Members of the Transferee Company and the Transferor Company.

5. As both the Transferor Company and Transferee Company are Companies duly registered under the provisions of the Companies Act, the amalgamation of the Transferor Company with the Transferee Company is exclusively governed by the provisions of Section 396 and other applicable provisions, if any, of the Companies Act, 1956 read with Circular no. 16 dated 20th April 2011 issued by the Ministry of Corporate Affairs which constitute a composite and complete code governing amalgamation of Companies in public interest and the provisions of the scheme of amalgamation and the matters incidental and ancillary thereto, and as such the said amalgamation would require the sanction of the Scheme by the Central Government for the Scheme coming into effect. The Scheme is not required to be submitted for approval to any stock exchange, the Securities and Exchange Board of India or any High Court(s)/Company Courts/the National Company Law Tribunal.
6. Salient features of the Scheme and valuation:
- (a) No fractional shares shall be issued by the Transferee Company in respect of fractional entitlements, if any, to the members of the Transferor Company.
 - (b) All the permanent employees of the Transferor Company at their offices, branches and elsewhere and also in the employment of the Transferor Company shall stand transferred to the Transferee Company with continuity of services and on the same terms and conditions on which they are engaged as on the Appointed Date by the Transferor Company.
 - (c) The Appointed Date of the Scheme is April 1, 2015 or such other date as may be fixed mutually by the Transferor Company and the Transferee Company and sanctioned by the Central Government. The Scheme envisages that upon coming into effect of the Scheme on the "Effective Date" (being the date specified under Clause 1.3 of the Scheme) the entire undertaking of the Transferor Company including all its assets and liabilities shall (whether or not such assets or liabilities were held by the Transferor Company on the Appointed Date) stand transferred to and/or deemed to be transferred to and vested in the Transferee Company from the Appointed Date.
 - (d) Swap Ratio: Equity shares of ₹ 10/- (Rupees Ten only) each, credited as fully paid up, in the ratio of 1 equity share of the face value of ₹ 10/- (Rupees Ten only) each in the Transferee Company for every 1 equity share of the face value of ₹ 10/- (Rupees ten only) each held in the Transferor Company shall stand automatically issued and allotted to the equity shareholders of the Transferor Company whose names are recorded in the Register of Members of the Transferor Company as of the Record Date.
 - (e) The Transferee Company undertakes to continue, abide by any of the agreements/ settlements, etc. entered into by the Transferor Company with any union/employee of the Transferor Company. The Transferee Company agrees that the services of all such employees with the Transferor Company upto the Appointed Date shall be taken into account for the purpose of all the retirement benefits for which they may be eligible in the Transferor Company upto the Appointed Date.
 - (f) On the Scheme becoming finally effective the provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company shall stand substituted to the Transferee Company in accordance with the provisions of such Scheme or funds, according to the terms provided to in the respective trust deeds or other documents.
 - (g) The accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be in accordance with "Pooling of Interest Method" of accounting as per accounting standards as notified under the applicable law. All assets and liabilities, including reserves, of the Transferor Company shall be recorded in the books of account of the Transferee Company as at the Appointed Date at their existing carrying amounts and in the same form as appearing in the books of Transferor Company.
 - (h) The Transferor Company and the Transferee Company acting jointly may, pending sanction of the Scheme by the Central Government, mutually agree in writing, from time to time, to any modifications or amendments to the Scheme or to any conditions or limitations which the Central Government or any other relevant or concerned authority under law may direct or impose or which may otherwise be considered necessary, and may do and execute all acts, deeds, instruments, matters and things necessary for putting the Scheme into effect, or for the purpose of better structuring and effective implementation of the Scheme.

- (i) The Scheme is specifically conditional upon and subject to, *inter alia*
- (i) The approval of the respective 100% of the members of Transferor Company and the Transferee Company.
 - (ii) The approval at least 90% of the respective creditors of Transferor Company and the Transferee Company.
 - (iii) The approval of the Union Council of Ministers to the effect that the proposed amalgamation is essential in the 'public interest'
 - (iv) The sanction of this Scheme by the Central Government under Section 396 read with other applicable provisions and Circular no. 16 dated 20th April 2011 issued by the Ministry of Corporate Affairs.
 - (v) Such other sanctions and approvals as would be required by law in respect of this Scheme.
- (j) The Transferor Company and the Transferee Company have agreed that the Scheme may be withdrawn before the Effective Date in certain limited circumstances such as upon the occurrence of a material adverse effect or breaches of representations or obligations.

Miscellaneous:

7. In order to give effect to the Scheme under the provisions of law, both the Transferor Company and the Transferee Company are required to obtain the consent and approval of their members to the proposed Scheme under the provisions of Section 396 read with other applicable provisions and Circular no. 16 dated 20th April 2011 issued by the Ministry of Corporate Affairs. The consent of the members of the Transferor Company and the Transferee Company is sought to be obtained for this purpose through separate general meetings.
8. The Directors and Key Managerial Personnel of the Transferee Company and their respective relatives may be deemed to be concerned and/or interested in the Scheme to the extent of their shareholdings in the Transferee Company, if any. None of the Promoters, Directors and Key Managerial Personnel of the Transferee Company hold any equity shares of the Transferee Company.

None of the Directors, Key Managerial Personnel (KMP) of the Company and the relative of Directors and KMP is in any way concerned or interested in the proposed resolution.

Your Directors recommend the resolution at Item no. 5 for your approval.

ITEM NO. 6: INCREASE IN AUTHORIZED SHARE CAPITAL

The resolution for increase in the Authorized Share Capital is proposed to enable the company raise and meet requirement of capital for increase in business activities.

Department of Financial Services (DFS), Ministry of Finance (MoF), vide letter No. F.No. 18/18/2008-IF-I(Vol. III) dated 24th October 2011 communicated that the Union Cabinet in its meeting held on 13th October 2011 has granted its approval *inter alia* for the proposal that the authorized capital of IIFCL may be increased from ₹2000 crore to ₹5000 crore with a proviso that it may be further increased to ₹8000 crore with the approval of the Finance Minister.

In order to strengthen Equity Share Capital for expanding business activities, the Board of Directors of IIFCL in its meeting held on 12th August 2015 approved the proposal to increase Authorized Share Capital of IIFCL from ₹5000 crore to ₹8000 crore. Further, the Board of Directors also approved the proposal to request Department of Financial Services (DFS), Ministry of Finance, Government of India, to seek and convey approval of the Hon'ble Finance Minister for increasing the Authorized Share Capital of IIFCL from ₹5000 crore to ₹8000 crore.

Subsequently, IIFCL vide letter no. IIFCL/BRD/07/2015-16/10814 dated 20th August 2015 requested DFS to seek approval of the Hon'ble Finance Minister for increasing the Authorized Share Capital of IIFCL from ₹5000 crore to ₹8000 crore.

None of the Directors, Key Managerial Personnel (KMP) of the Company and the relative of the Directors and KMP is in any way concerned or interested in the proposed resolution.

Your Directors recommend the resolution at Item no. 6 in the notice for your approval.

ITEM NO. 7 : To Amend the Memorandum of Association

In order to reflect the increased Authorized Share Capital of the Company and in order to conform to the requirements of the Companies Act, 2013, clause V of the Memorandum of Association of the Company is required to be amended. As per provision of Section 13 of the Companies Act, 2013, the alteration of the Memorandum of Association of the Company requires the approval of the shareholders. The Board now seeks the approval of the shareholders for the same.

None of the Directors, Key Managerial Personnel (KMP) of the Company and the relative of Directors and KMP is in any way concerned or interested in the proposed resolution.

Your Directors recommend the resolution at Item No. 7 in the notice for your approval.

ITEM NO. 8 : Issue of Unsecured/Secured Non-Convertible Bonds/Debentures through Private Placement as per the provisions of the Companies Act 2013 and Rules made thereunder

Given the Company's future growth plans, the Board considers it necessary to augment the long term resources of the Company through issuance of Unsecured/Secured Non-Convertible Bonds/Debentures which has better acceptability in the market and is very competitive. In view of the same, the Board of Directors has in its meeting held on 12th May 2015 considered and approved, subject to the approval of shareholders, the resource raising plan of the company to the tune of ₹ 6,500 crore for FY 2015-16. Further IIFCL expects to raise ₹ 8,000 Crore during 2016-17. Out of this amount, the Board of Directors of IIFCL in its 77th Meeting held on 12th August 2015, subject to the approval of shareholders, authorized for raising ₹ 4000 Crore till Annual General Meeting 2016-17 (50% of ₹ 8,000 crore expected to be raised during 2016-17). Thus, the Board of Directors in meeting held on 12th May 2015 and 12th August 2015, considered and approved, subject to the approval of shareholders, issuance of Unsecured / Secured Non-Convertible Bonds/Debentures in one or more tranches, upto amount, the aggregate outstanding of which, at any given time, should not exceed ₹ 10,500 crore, on private placement basis. The NCDs to be issued, from time to time, in terms of the said resolution will be within the overall borrowing limits as may be approved by shareholders, from time to time, under section 180(1)(c) of the Companies Act 2013. In terms of Section 42 and 71 of the Companies Act 2013 and companies (Share Capital and Debentures), Rules 2014 any offer or invitation for subscription of NCDs to be issued by the company on private placement basis requires prior approval of the shareholders by way of special resolution. Approval of the shareholders will be valid for one year for all the offers or invitations for NCDs to be made during the said year.

The Board of Directors believes that the proposed offer will be in the best interest of the company.

None of the Directors, Key Managerial Personnel (KMP) of the company and the relative of the Directors and KMP is in anyway concerned or interested in the proposed resolution.

Your Directors recommend the resolution at Item no. 8 in the notice for your approval.

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/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business mentioned above is annexed hereto and forms part of the notice.
- 3) Members may also note that the Notice of an AGM will be available on the Company's website, www.iifcl.org. The Notice will also be available at the Company's Registered Office for inspection during the normal business hours on working days.