



ANNUAL REPORT 2012 - 13

## **TWENTIETH ANNUAL GENERAL MEETING**

DATE : November 13, 2013

DAY : Wednesday

TIME : 10:30 A.M.

PLACE : Air Force Auditorium  
Subroto Park  
New Delhi - 110 010

- NOTE :**
1. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
  2. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

## **AN APPEAL**

**Shareholders are requested to register their email ID with the Company/ Registrar & Transfer Agent at [complianceofficer@ifcilttd.com](mailto:complianceofficer@ifcilttd.com) to support the Green Initiative taken by the Ministry of Corporate Affairs.**

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## BOARD OF DIRECTORS

(As on 16.09.2013)

**Shri P. G. Muralidharan**

**Chairman of the Board**

**Shri Santosh B. Nayar**

**CEO & Managing Director**

**Shri Ashok Kumar Jha**

**Shri Anurag Jain**

**Shri Arvind Kumar**

**Smt. Usha Sangwan**

**Prof. Omprakash Mishra**

**Smt. Savita Mahajan**

(As on 16.09.2013)

## PRINCIPAL OFFICERS

### EXECUTIVE DIRECTOR

Smt. Shashi Sharma

### CHIEF GENERAL MANAGERS

Shri Satpal Arora

Shri B.N. Nayak (CFO)

### GENERAL MANAGERS/VICE PRESIDENTS

Shri D. K. Jain

Shri Gautam Meour

Shri V. Satyavenkata Rao

Shri Sanjeev Kumar Jain

Shri S.K. Vats

Shri Biswajit Banerjee

Shri Prasoon

Shri Shivendra Tomar (CCO)

Shri Sachikanta Mishra

Shri Suneet Shukla  
(Deputed to IFIN as MD)

Smt. Rashmi Sachdev

Smt. Pooja S. Mahajan  
(Deputed to IVCF as COO)

Shri Rajeev Arora  
(Deputed to IFL as MD)

Shri Pawan Kumar

Shri Bikash Kanti Roy

Shri Atul Saxena

Shri Vijay Pal

Smt Rita Kaul

## COMPANY SECRETARY

Smt. Rupa Sarkar

## STATUTORY AUDITORS

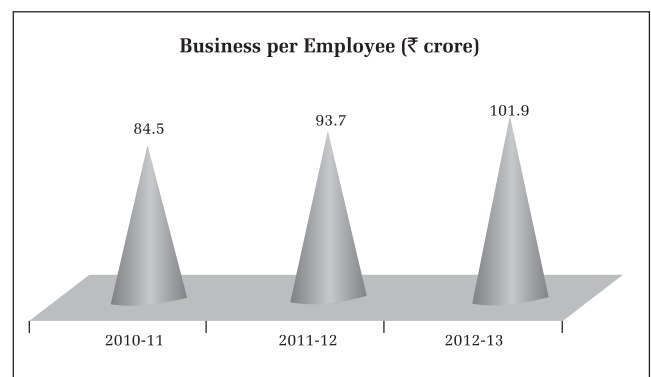
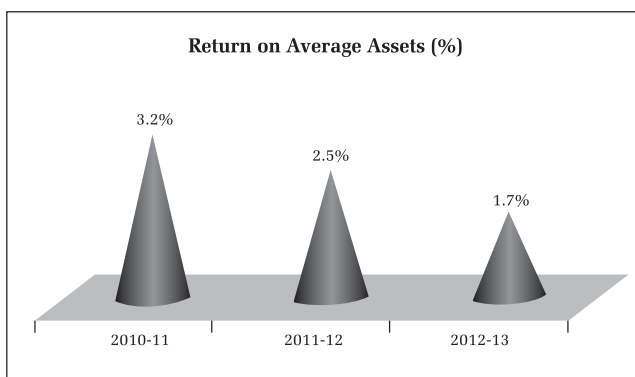
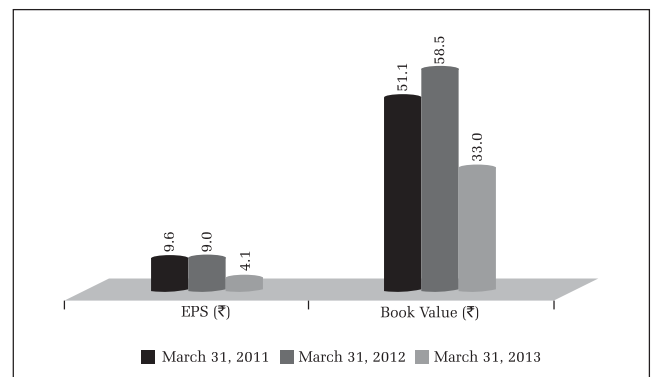
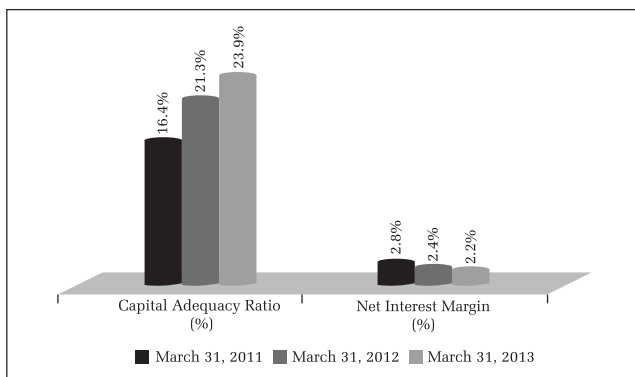
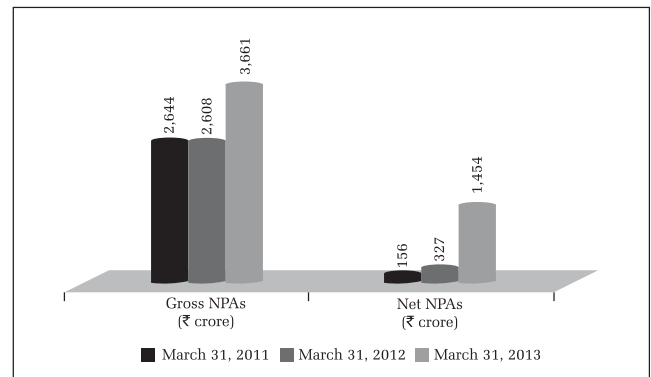
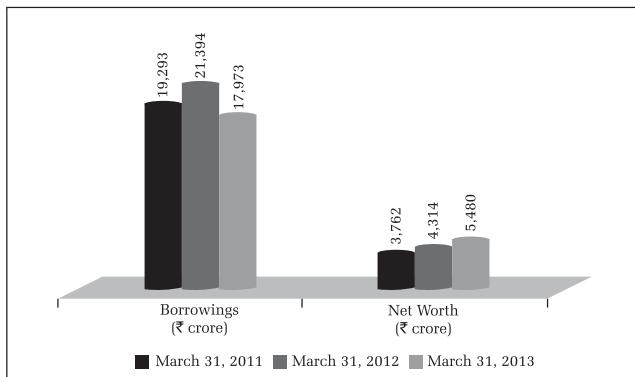
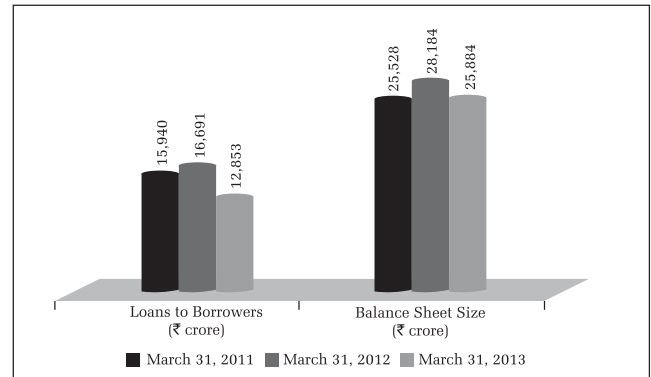
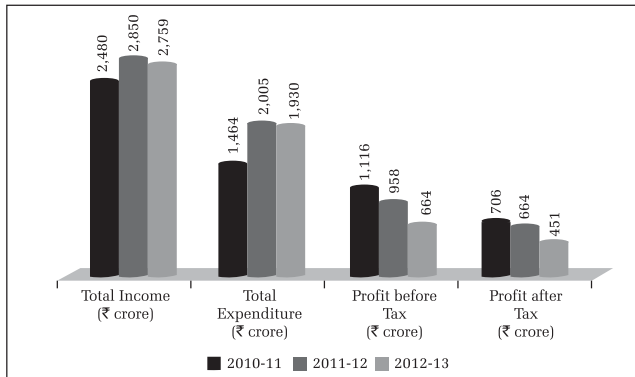
Ray & Ray  
Chartered Accountants

## FINANCIAL HIGHLIGHTS

(₹ crore)

	As at March 31, 2013	As at March 31, 2012
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	1,925.88	1,001.68
Reserves and Surplus	4,757.31	4,534.07
Non-current Liabilities	14,369.73	17,711.40
Current Liabilities	4,830.72	4,936.65
	<b>25,883.64</b>	<b>28,183.80</b>
<b>APPLICATION</b>		
Fixed Assets	1,172.59	1,165.92
Deferred Tax Assets	726.79	836.92
Non-current Assets	16,718.87	18,763.93
Current Assets	7,265.39	7,417.03
	<b>25,883.64</b>	<b>28,183.80</b>
	<b>2012-2013</b>	<b>2011-2012</b>
<b>EARNINGS</b>		
Total Income (₹ crore)	2,759.30	2,850.20
Profit before tax (₹ crore)	664.12	957.74
Profit after tax (₹ crore)	450.87	663.62
<b>RATIOS</b>		
Capital to Risk Assets Ratio	23.9%	21.3%
Debt-Equity Ratio	3.3	5.0

## ANNUAL PERFORMANCE TRENDS



## NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of IFCI Limited will be held on Wednesday, November 13, 2013\* at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110 010 to transact the following business:

### Ordinary Business

1. To consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss Account for the year ended March 31, 2013 and the report of the Board of Directors and Auditors' thereon.
2. To confirm the interim dividend already paid on Preference Shares as final dividend.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Prof. Omprakash Mishra, who retires by rotation and being eligible, offers himself for re-appointment.
5. To fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of Section 224 of the Companies Act, 1956 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and to pass the following resolution, with or without modification(s), 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.”

### Special Business

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution, 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.”
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an 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.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution, 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.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution, 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 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 : ₹300/- per month and Calcutta

(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.”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as 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:”

<b>Article 124</b> <b>(ii)</b> 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.	Nomination of Directors
<b>(iii)</b> 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.	Debenture Director

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as 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:”

<b>162 (a)</b> 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.	Managing Director
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**Registered Office: By order of the Board of Directors**

IFCI Tower  
61 Nehru Place  
New Delhi-110019

Dated: September 19, 2013

**Rupa Sarkar**  
Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED TO THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the business under Item No(s). 6 to 11 are annexed hereto.
3. Brief profile of Directors proposed to be appointed is set out in the “Information about Directors seeking Appointment/Re-appointment as mandated under Clause 49 of the Listing Agreement” annexed with the notice.
- \*4. Registrar of Companies, NCT of Delhi & Haryana granted extension of 3 months for holding the Annual General Meeting of the Company.
5. Register of Members and Share Transfer Books for equity shares will remain closed from Monday, November 4, 2013 to Wednesday, November 13, 2013 (both days inclusive).
6. IFCI is not including the financial statements and other details of its subsidiaries in its financial statements in terms of exemption granted by the Ministry of Corporate Affairs under General Circulars 2/2011, dated February 8, 2011. However, annual accounts of these companies and the related detailed information will be made available to the investors of IFCI or its subsidiary companies seeking

such information at any point of time on specific request in writing to the Company. The Annual Accounts of these companies are open for inspection at the Registered Office of IFCI and at the registered offices of the respective companies upto the date of this Annual General Meeting on any working day.

7. The Members holding equity shares in physical form are requested to intimate to the Registrar and Transfer Agent (R&TA), MCS Ltd., F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020, regarding change of address, if any, at the earliest, quoting their registered folio number. Change of address in respect of shares held in dematerialized form is required to be intimated to the concerned Depository Participant.
8. Members holding shares in more than one folio in identical order of names are requested to write to R&TA enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.
9. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date, preferably at least seven days prior to the date of Meeting, so as to enable the management to keep the information ready.
10. Members/Proxies should bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification of attendance at the Meeting.
11. The Comptroller & Auditor General of India has appointed M/s Thakur Vaidyanath Aiyar & Co. (DE 0016) and M/s Andros & Co. (DE 1122) as Joint Statutory Auditors of the Company for the year 2013-14.
12. Pursuant to Section 205A of the Companies Act 1956, the Company has already transferred all unclaimed dividend declared up to the financial year ended March 31, 1994 to the General Revenue Account of the Central Government as required by the Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, Delhi & Haryana.
13. Consequent upon amendment to Section 205A and introduction of Section 205-C of the Companies Act, 1956, the unclaimed dividend for the financial years 1994-95 to 1998-99 has been transferred to the Investor Education & Protection Fund. The Company had not declared any dividend for the financial years 1999-2000 to 2007-08.
14. The dividend for the Financial Years 2008-09, 2009-10, 2010-11 and 2011-12, that remained unclaimed after 30 days from the date of declaration of dividend has been transferred to the Unpaid Dividend Accounts (2008-09, 2009-10, 2010-11 and 2011-12 respectively) of IFCI Ltd. The Dividend remaining unclaimed for seven years from the date of transfer to the above mentioned accounts, are required to be transferred by the Company to the Investor

Education and Protection Fund (IEPF). The due date for transfer of unpaid dividend amount to IEPF for these years are:

Year	Due Date
2008-09	22.10.2016
2009-10	16.10.2017
2010-11	18.10.2018
2011-12	17.08.2019

15. Members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants are requested to seek issuance of demand draft from IFCI. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof.
16. Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by the Companies. In order to support the said initiative, your Company shall send the copy of the Annual Report along with the notice convening the AGM through e-mail to those members whose e-mail IDs have been provided by them through their DPs/RTAs. The Annual Report is also uploaded on the website of the Company at [www.ifciltld.com](http://www.ifciltld.com).

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

### Item No. 6

Smt. Savita Mahajan, was appointed as an Additional Director by the Board of Directors of the Company w.e.f. February 12, 2013.

Brief profile of Smt. Mahajan is set out in the "Information about Directors seeking appointment/re-appointment as mandated under Clause 49 of the Listing Agreement" which is annexed with the notice. Smt. Mahajan's background and rich experience in diverse field would be of considerable value to the Company. She shall be on the Board of the Company as Independent Director.

Your Directors recommend the Resolution for approval of the Members.

Smt. Mahajan is interested in the resolution as it relates to her appointment. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the said Resolution.

All documents referred to in the resolution are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 A.M. to 1:00 P.M. upto the date of this Annual General Meeting.

### Item No. 7

Shri Anurag Jain, Joint Secretary, Ministry of Finance, was nominated on the Board of the Company as Government Director w.e.f. January 4, 2013. Consequent upon the