



LIMITED

आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)



IFCI TOWER

ANNUAL REPORT 2017-18

TWENTY-FIFTH ANNUAL GENERAL MEETING

DATE : September 28, 2018

DAY : Friday

TIME : 10:30 A.M.

PLACE : Auditorium, 1st Floor, IFCI Tower
61 Nehru Place, New Delhi - 110 019

- 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.

APPEAL

1. Shareholders are requested to register their email ID with the Company/ Registrar & Transfer Agent (R&TA) at complianceofficer@ifcilt.com or admin@mcsregistrars.com, helpdeskdelhi@mcsregistrars.com, in case the shares are held in physical form and with their depository participants (DPs) in case the shares are held in Dematerialised form, to support the Green Initiative taken by the Ministry of Corporate Affairs. Save Trees, Save Environment.
2. IFCI Ltd. had been declaring and paying dividend on its paid-up equity capital from time to time. The dividend details are provided in the Annual Reports of the Company and are available at IFCI's website www.ifcilt.com.

As per Section 124(6) of the Companies Act, 2013, all **shares** in respect of which Dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to IEPF Authority. All subsequent corporate benefits such as Bonus Shares, Dividend etc. except right issue, if any, that may accrue in relation to the above shares will also be credited to the IEPF Authority.

We, therefore, advise you to claim the unclaimed dividends for FY 2010-11 and onwards, by making an application to the Company so as to reach the Company / R&TA of the Company on or before October 17, 2018, so that your shares are not transferred to IEPF Authority in compliance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Amendment Rules, 2017 (IEPF Rules). Both unclaimed dividend and the shares that have been transferred to IEPF Authority, may be claimed from the IEPF Authority by following prescribed procedure.

3. With effect from December 05, 2018 transfer of listed securities (Shares, Debentures, Bonds, etc.) would be carried out in dematerialised form only. Therefore, Security holders are requested to get their securities dematerialised in order to avoid any inconvenience, as per Regulation 40 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
4. Security holders holding security in physical form are requested to submit their PAN & Bank Account details with the company or respective R&TAs, in terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018. **(MAY PLEASE REFER TO THE ENCLOSURES AT THE END OF THE ANNUAL REPORT).**

CONTENTS

| | |
|--|-----|
| Board of Directors & Principal Officers | 2 |
| Financial Highlights | 3 |
| Annual Performance Trends | 4 |
| Chairman's Speech for Financial Year 2017-18 | 5 |
| Notice..... | 7 |
| Board's Report..... | 16 |
| Report on Corporate Governance..... | 56 |
| Business Responsibility Report..... | 64 |
| Form AOC-1 | 70 |
| Independent Auditors' Report..... | 72 |
| Balance Sheet | 78 |
| Statement of Profit and Loss | 79 |
| Cash Flow Statement..... | 80 |
| Accounting Policies & Notes to the Financial Statements | 81 |
| Independent Auditors' Report (Consolidated)..... | 114 |
| Consolidated Balance Sheet..... | 120 |
| Consolidated Statement of Profit and Loss..... | 121 |
| Consolidated Cash Flow Statement | 122 |
| Accounting Policies & Notes to the Consolidated Financial Statements | 123 |

BOARD OF DIRECTORS

Dr Emandi Sankara Rao
Dr Bhushan Kumar Sinha
Shri Anshuman Sharma
Ms Kiran Sahdev
Prof N Balakrishnan
Prof Arvind Sahay

Managing Director & CEO

(As on 01.08.2018)

CHIEF VIGILANCE OFFICER

Shri Vijay Dube
(On deputation from Vijaya Bank)

PRINCIPAL OFFICERS

EXECUTIVE DIRECTORS

Shri V Satyavenkata Rao

Shri Biswajit Banerjee

CHIEF GENERAL MANAGERS

Shri Prasoon

Shri Sachikanta Mishra

GENERAL MANAGERS

| | | | |
|-----------------------------------|---|---|---|
| Shri Sanjeev Kumar Jain | Shri Shivendra Tomar (On deputation to IIDL as MD and additional charge as ED-ILD) | Shri Suneet Shukla | Smt Pooja S Mahajan (On deputation to ISF as CEO) |
| Shri Pawan Kumar | Shri Bikash Kanti Roy (On deputation to IFL as MD) | Shri Atul Saxena | Shri Vijay Pal |
| Smt Rita Jan | Shri V Subramanian | Shri Harjeet Singh | Shri Rajeev Ahluwalia |
| Smt Jhummi Mantri (CFO) | Shri Deepak Mishra | Shri Samik Dasgupta | Shri V Anish Babu |
| Smt Rupa Deb (Sarkar) (CS) | Shri Rajesh Kumar Gupta | Shri Alok Sabharwal (On deputation to IVCF as MD) | Smt C Santhi |
| Shri Shakti Kumar | Shri V K Deshraj | Shri Manoj Kumar Parida | |

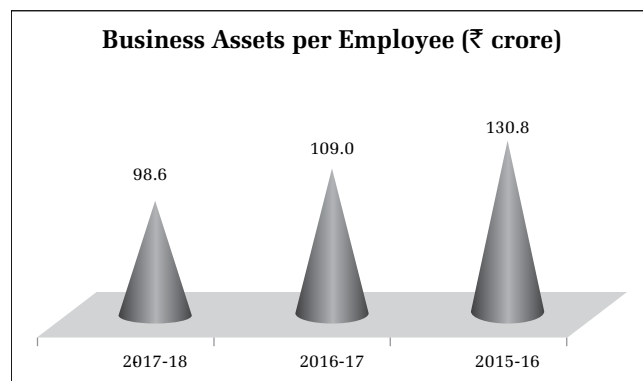
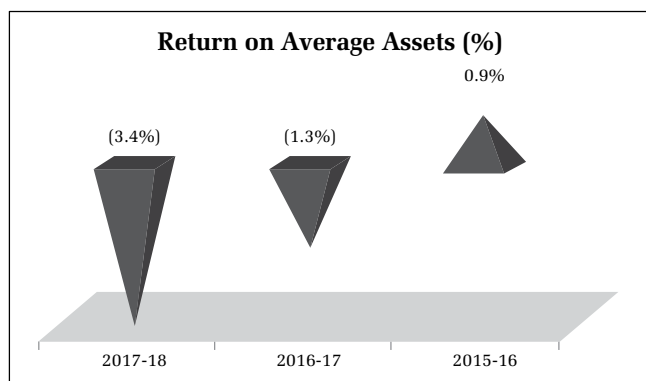
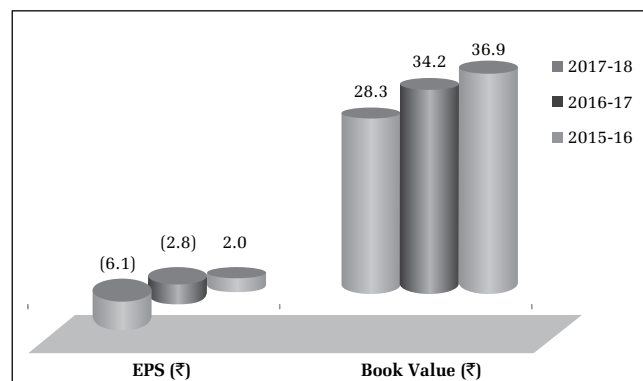
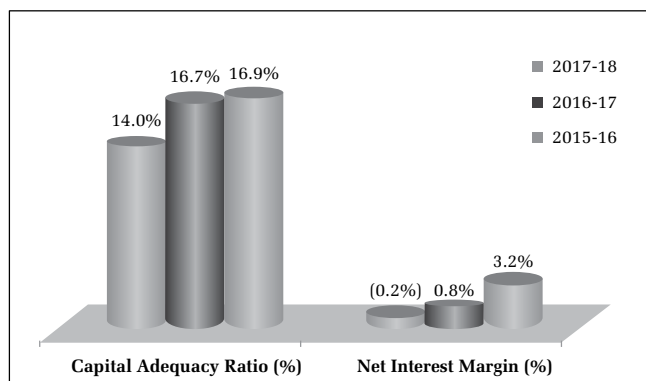
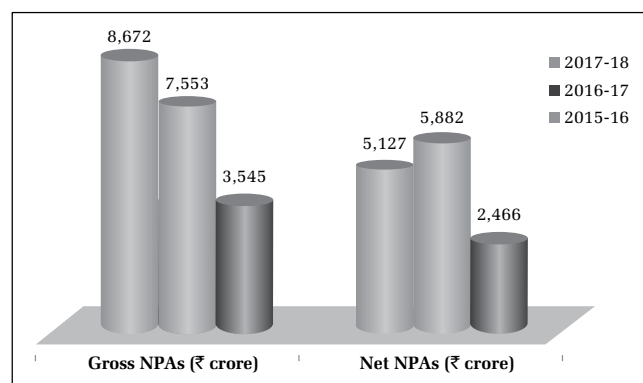
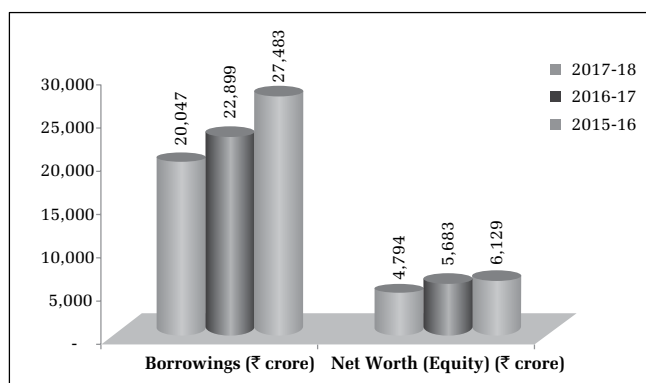
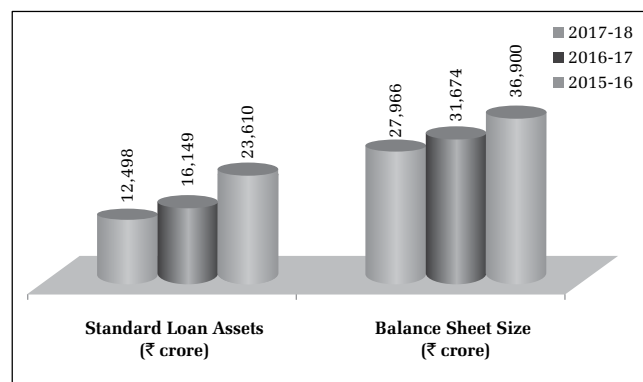
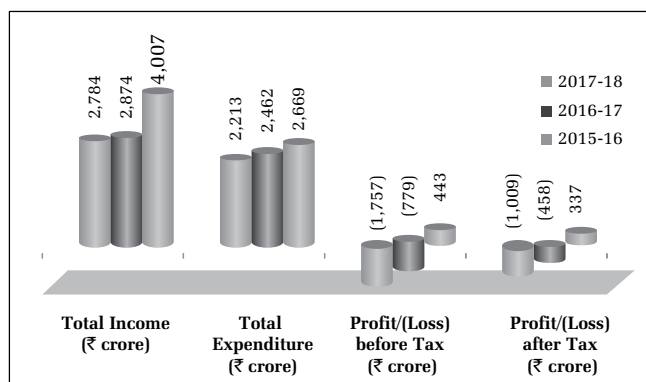
STATUTORY AUDITORS

KPMR & ASSOCIATES
Chartered Accountants

FINANCIAL HIGHLIGHTS

| | (₹ crore) | | | |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 |
| EQUITY & LIABILITIES | | | | |
| Share Capital | 1,920.99 | 1,925.88 | 1,925.43 | 1,925.37 |
| Reserves and Surplus | 3,859.14 | 4,804.44 | 5,276.90 | 5,220.28 |
| Non-current Liabilities | 17,121.98 | 20,170.04 | 22,741.00 | 22,494.23 |
| Current Liabilities | 5,063.40 | 4,774.08 | 6,956.49 | 5,328.08 |
| | 27,965.51 | 31,674.44 | 36,899.82 | 34,967.96 |
| APPLICATION | | | | |
| Fixed Assets | 957.76 | 995.48 | 1,037.21 | 1,121.50 |
| Deferred Tax Assets | 1,717.11 | 985.96 | 678.70 | 567.90 |
| Non-current Assets | 19,774.19 | 23,804.45 | 28,705.81 | 26,354.89 |
| Current Assets | 5,516.45 | 5,888.55 | 6,478.10 | 6,923.67 |
| | 27,965.51 | 31,674.44 | 36,899.82 | 34,967.96 |
| | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 |
| EARNINGS | | | | |
| Total Income (₹ crore) | 2,783.54 | 2,874.24 | 4,006.64 | 3,346.08 |
| Profit/(Loss) before Tax (₹ crore) | (1,756.86) | (779.02) | 443.48 | 718.02 |
| Profit/(Loss) after tax (₹ crore) | (1,008.51) | (458.49) | 337.45 | 521.60 |
| RATIOS | | | | |
| Capital to Risk Assets Ratio | 14.0% | 16.7% | 16.9% | 18.8% |
| Debt-Equity Ratio | 4.2 | 4.0 | 4.5 | 4.3 |

ANNUAL PERFORMANCE TRENDS



CHAIRMAN'S SPEECH FOR FINANCIAL YEAR 2017-18

Dear Shareholders,

It is indeed my privilege to welcome you to the 25th Annual General Meeting of Your Company, IFCI Ltd. On behalf of the Board of Directors of Your Company, I thank you all for your continued trust and support, extended to IFCI over the years.

At the outset, I would like to briefly outline the developments in the International & Indian economies and also in the Banking & Finance sector during the financial year 2017-18, before touching the performance highlights of Your Company.

MACRO-ECONOMIC SCENARIO - DEVELOPMENTS & OUTLOOK

The world economy grew at a faster pace in 2017 at 3.8% as compared to 3.2% growth registered in 2016, supported by a recovery in investment in second half of 2017. Financial conditions also remained supportive, despite the recent volatility in equity markets and increase in bond yields following signs of firming inflation in advanced economies.

The International Monetary Fund (IMF) projects global economic growth to be robust during 2018. Growth is expected to be broad-based with the advanced economies (AEs) growing above their potential and emerging markets and developing economies (EMDEs) also posting higher growth, though, the latest indicators such as Purchasing Managers' Index (PMI) and Organisation for Economic Cooperation and Development (OECD) Composite leading indicators suggest some moderation in the underlying drivers of economic growth. Further, spillover risk from advanced financial markets to emerging markets has increased. Tightening of liquidity conditions in the developed markets and a strong US dollar have started to adversely impact emerging market currencies, bonds and capital flows. Firming commodity prices, evolving geopolitical developments and rising protectionist sentiments pose added risks. On balance, however, the global economic growth outlook remains positive.

In India, growth slowed for the first 2 quarters of FY 2017-18, partly reflecting adjustments by businesses to GST. In the second quarter of FY 2017-18, the slowdown in economic activity bottomed out at 6.3% growth. With gradual stabilization of GST impact, in Q3 of FY 2017-18, GDP grew at 7% and it further accelerated to 7.7% in Q4 of FY 2017-18, resulting in a healthy growth rate of 6.7% for FY 2017-18. Domestic demand continued to drive growth, with strong private consumption and a public infrastructure spending push in India. Moreover, the growth in non-food credit was also observed after nearly 2 years, especially, the growth in industry being observed from December 2017 onwards.

Prospectively, India's growth outlook appears promising, with household consumption expected to remain strong, exports expected to recover, and investment projected to revive with the support of structural reforms. Continuing thrust on green and brownfield projects in the infrastructure sector is likely to aid economic activities and support higher growth. A normal monsoon is projected for FY 2018-19 which would auger well for agriculture and allied sectors and

would help in generating stable rural demand. Due to improvement in capacity utilization in manufacturing sector owing to pick up in demand, both credit offtake and investments are expected to improve in FY 2018-19. Overall with the high level of digital technology usage, a balanced and inclusive growth is expected in the near term.

BANKING SECTOR

The Scheduled Commercial Banks' (SCB) credit growth picked up on a year on-year basis across bank groups between September 2017 and March 2018, though, deposit growth decelerated for PSBs during the same period. Their Capital to Risk-Weighted Assets Ratio (CRAR) declined marginally between September 2017 and March 2018. SCBs' profit after tax plummeted in the second half of the year, mainly due to higher risk provisions on bad & doubtful assets. The share of net interest income (NII) in total operating income increased from 63.7% in 2016-17 to 65.2% in 2017-18 primarily due to decline in other operating income. A major component of other operating income, the profit on trading of securities, showed significant decline in 2017-18. The Asset quality of the Scheduled Commercial Banks witnessed further deterioration during the FY 2017-18. The gross non-performing advances (GNPA) ratio rose from 10.2% in September 2017 to 11.6% in March 2018. However, their net nonperforming advances (NNPA) ratio registered only a smaller increase during that period due to increase in provisioning. The GNPA ratio in the industry sector rose from 19.4% to 22.8% during the same period, whereas, stressed advances ratio increased from 23.9% to 24.8%.

NBFC SECTOR

Non-Banking Financial Companies (NBFCs) have been consistently increasing their share of lending in the Indian financial sector. While the Banks were the main source of funding, off-late they being saddled with their own issues such as high NPAs in the large ticket corporate and infrastructure lending, the retail oriented and stronger NBFCs have looked more at bond market avenues. The NBFCs have been growing at a faster pace on account of their customised offerings, better market understanding and doorstep reach to the customers. While, the NBFCs with retail focus continued to report appreciable growth in business and profit, the pure corporate lending NBFCs had to bear the brunt of NPAs and report loss or lower profit for the year 2017-18. In 2017, NBFCs increased their share in the total credit market to 16%, from 13% in 2015. GNPA of the NBFC sector as a percentage of total advances decreased from 6.1% in 2016-17 to 5.8% in 2017-18. The CRAR of NBFC sector increased from 22.0% in 2016-17 to 22.9% in 2017-18.

OPERATIONAL AND FINANCIAL PERFORMANCE

As a consequence to subdued sentiments in the economic environment and increase in NPAs mainly in the infrastructure and core sectors, the performance of Your Company was affected in tandem with the overall financial sector. Though, the economy and credit growth started showing signs of recovery in the later part of FY 2017-18, its effect is expected to be visible in FY 2018-19.

Under such scenario, Your Company focused on improvement in asset quality and made gross sanctions to the tune of ₹7,148 crore in good quality assets vis-à-vis gross sanctions of ₹7,923 crore in FY 2016-17 and made disbursements of ₹4,434 crore in FY 2017-18, thereby registering a growth of 45.2% over the disbursements of ₹3,053 crore made in FY 2016-17. With strong focus on the recovery front, through various available measures of action, Your Company could recover ₹963 crore during the year, including recovery of ₹854 crore from NPAs during FY 2017-18. Further, resolution of certain large NPAs is expected through NCLT forum.

Withdrawal of all the existing restructuring mechanisms including CDR, SDR, S4A, JLF and 5/25 loan scheme by RBI vide its circular issued on February 12, 2018 and the price discovery during the process of resolution of large legacy corporate borrowers under NCLT within the IBC framework had huge impact on increased provisioning in the entire financial sector including Your Company. As a result, Your Company suffered a net loss of ₹1,009 crore during the year under report. Consequently, the capital adequacy ratio declined to 14.02% with Tier-I capital at 7.52% due to partial erosion of capital on account of loss due to high provisions. However, as per the revised guidelines of RBI, the requirement of CRAR is 10% for Government NBFCs with minimum Tier I Capital being 7%, as on March 31, 2019.

Despite difficult times and ecosystem, Your Company progressively made certain positive assertions by way of policy initiatives and performance characterisations, some of which I would like to bring to your notice.

- ✓ The operational profit for FY 2018 was higher at ₹570 crore than ₹413 crore in FY 2017.
- ✓ Aggregate NNPA's and Standard Restructured Assets declined to ₹5,428 crore on March 31, 2018 from ₹7,104 crore at the end of previous year.
- ✓ The Provision Coverage Ratio was enhanced from 42% to 55% during the year.
- ✓ Debt Equity Ratio could be maintained at a reasonable level of 4.18.
- ✓ Disbursement to Sanction Ratio increased from 38% in FY 2017 to 61% in FY 2018.
- ✓ Credit rating of loan portfolio improved to "A-" at end of FY 2018 from "BBB-" at the beginning of the year.

Insolvency and Bankruptcy process is underway in many large NPAs, which are expected to be resolved during FY 2018-19, this, along with divestment of non-core assets is expected to improve the asset quality as well as cash flow of Your Company and also strengthening the balance sheet of Your Company. During the year, the risk management and credit appraisal & monitoring systems and processes have been made stringent with detailed analysis for evaluation of portfolio and timely corrective actions, as and when required.

ADHERENCE TO THE CORPORATE GOVERNANCE

The Report on Corporate Governance for the FY 2017-18 forms separate part of the Annual Report. During the Year under report, Your Company has made all out efforts for compliance of the conditions of Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015. However, the Board constitution w.r.t. Independent Directors could not be met, due to the fact that application for appointment of Independent Directors is pending with the Government of India.

GOING FORWARD

Being the first term lending institution of the nation with huge contribution to the industrial and economic development of the country, it is our foremost objective to bring Your Company back to its past glory through a slurry of measures. These include short term actions like aggressive NPA recovery through all avenues and strategies, unlocking strategic and proprietary investments, monetisation of non-core assets, renewed focus on Advisory and Fee-based income to medium term measures like decisive plans on subsidiaries and associates and Human Resource competency development through appropriate trainings and capacity building.

With all the efforts being made by Your Company to further strengthen its operational, financial and human resources performance, I hope that it will overcome the challenges & emerge triumphant once again in the very near future.

ACKNOWLEDGEMENT

I take this opportunity to thank the Government of India, especially The Ministry of Finance, The Ministry of Corporate Affairs, The Reserve Bank of India, The Securities & Exchange Board of India and all stakeholders including Banks and Financial Institutions, for the continued support and guidance provided to Your Company. Your Company expresses its gratitude for the professional advice and vision of the Board of Directors. I place on record my sincere thanks to all our esteemed shareholders, clients and investors for their unstinted support to the Company. I also wish to place on record my deep appreciation of the dedicated service of all the employees at all levels of Your Company.

Thank you.

Dr Emandi Sankara Rao
Managing Director & CEO
DIN: 05184747

Date : 02.07.2018

NOTICE

NOTICE is hereby given that the Twenty-Fifth (25th) Annual General Meeting (AGM) of the Members of IFCI Limited will be held on Friday, September 28, 2018 at 10:30 A.M. at Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019, to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statements and Consolidated Financial Statements of the Company for the year ended March 31, 2018 and the reports of the Auditors' and Board's thereon.
2. To confirm the interim dividend already paid on Preference Shares as Final dividend.
3. To appoint a Director in place of Ms Kiran Sahdev (DIN: 06718968), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
4. To fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of Section(s) 139(5) and 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section(s) 139(5) and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board 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 (C&AG) for the Financial Year 2018-19, as may be deemed fit."

Special Business

5. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section(s) 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Prof N Balakrishnan, (DIN: 00181842), who was appointed as an Additional Director of the Company on October 30, 2017 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."
6. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section(s) 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Prof Arvind Sahay, (DIN:03218334), who was appointed as an Additional Director of the Company on October 30, 2017

and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as 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 Special Resolution(s):-
"RESOLVED that in accordance with the provisions of Section(s) 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) Regulations, 2012, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Securities Contract (Regulations) Act, 1956 and other applicable SEBI Regulations and guidelines, the circulars / directions / guidelines issued by The Reserve Bank of India, and any other applicable Rules / Regulations as amended from time to time, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of requisite approvals as may be applicable / required, including the approval of lenders / trustees of Debenture Holders, if so required under the terms of agreement / deed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board (the term "Board" shall include any duly constituted Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution), consent of the Members be and is hereby accorded to raise funds through private placement of unsecured/secured non-convertible bonds/debentures aggregating upto an amount of ₹5,000 crore during a period of one year from the date of passing of this resolution in one or more tranches, to such persons as identified by the Board, who may or may not be the existing bond/debenture holders of the Company, as the Board may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/incorporated bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets) including Non-Resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Superannuation & Pension Funds, Scheduled Commercial Banks, Financial Institutions, Primary / State / District / Central Co-operative Banks, Regional Rural Banks, Mutual Funds, Bodies Corporate, companies, private or public, trust or any other entities, authorities, and to such other persons or investors category eligible to invest subject to current applicable rules, Acts, laws etc. in one or more combinations thereof through Private Placement in one or more tranches and including the exercise of a green-shoe option (within the overall limit of ₹5,000 crore, as stated above), if any, 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.

RESOLVED FURTHER that for the purpose of giving effect to any Private Placement of unsecured / secured non-convertible bonds / debentures, the Board, be and is hereby authorized to determine / approve / vary or modify the terms of the Issue, including the class of investors to whom the allotment of bonds/debentures would be made, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount, amount of issue, discount to 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 to do and execute all such acts, deeds and things as they may, in their absolute discretion deem necessary, desirable or expedient for any offer, issue, allotment of the aforesaid unsecured/secured non-convertible bonds/ debentures, including but not limited to listing with the Stock Exchange(s) and to resolve and to settle all questions and difficulties that may arise in the proposed offer, issue and allotment of the aforesaid non-convertible debentures/bonds and to do all such deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit.

RESOLVED FURTHER that the Board of the Company be and is hereby authorised to delegate such powers to the Committee of Directors as it may deem necessary in relation to allotment of aforesaid unsecured/secured non-convertible bonds/debentures issued on Private placement basis."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution(s):-
"RESOLVED that pursuant to the provisions of Section(s) 42, 55, 62 and such other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed thereunder, as amended from time to time and subject to the Memorandum and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any authority(ies) from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof or persons nominated by the Board, exercising the powers conferred on the Board by this Resolution, for the time being) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, consent of the Members be and is hereby accorded to the Board to create, offer and/or invite to subscribe, issue and allot, for cash at par, upto 50,00,00,000 (Fifty crore) Cumulative Redeemable Preference Shares ("CRPS") of ₹10/- each for an aggregate amount not exceeding ₹5,00,00,00,000 (Rupees Five Hundred crore Only), carrying fixed dividend rate not exceeding 10% p.a. on a private placement basis, to such person or persons, whether or not they are Member(s) of the Company, for a period not exceeding 20 years, in one or more tranches.

RESOLVED FURTHER that in accordance with the provisions of Section 55 of the Act and the Companies (Share Capital and Debentures) Rules, 2014, the particulars and the terms of the issue in respect of CRPS, are as under:

- (i) CRPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend or repayment of capital;
- (ii) CRPS shall be non-participating in the surplus funds;

- (iii) CRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company;
- (iv) Holders of CRPS shall be paid dividend @ not exceeding 10% p.a. on a cumulative basis;
- (v) CRPS shall not be convertible into equity shares;
- (vi) CRPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013 as amended from time to time; and
- (vii) CRPS shall be redeemable within a period not exceeding 20 years.
- (viii) Issuer shall at all times have call-option enabling the issuer to make premature redemption of the CRPS as and when issuer may think fit and expedient either fully or in one or more tranches, by giving minimum 15 (fifteen) days' notice to the Preference Shareholders.

RESOLVED FURTHER that the Board, be and is hereby authorized to do all such acts, deeds and things and take all such steps and actions, execute all such deeds, documents and writings and also give such directions and delegations, as it may in its absolute discretion deem fit, including paying such fees and incurring such expenses in relation thereto and file documents, forms, Stamp duty etc. as required with the regulatory / statutory authorities and authorise such officials of the Company for the aforesaid purpose, as deemed fit.

RESOLVED FURTHER that the Board of the Company be and is hereby authorised to delegate such powers to the Committee of Directors, as it may deem necessary in relation to allotment of aforesaid CRPS issued on Private Placement Basis."

Registered Office:

IFCI Tower
61 Nehru Place
New Delhi-110 019
CIN: L74899DL1993GOI053677
Tel: 011-41732000
Fax: 011-26230201
Website: www.ifcilttd.com
Email: complianceofficer@ifcilttd.com

By order of the Board of Directors

Dated: July 02, 2018

Rupa Sarkar
Company Secretary

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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DEPOSITED TO THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING, DULY COMPLETED AND SIGNED. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the