

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED WILL BE HELD ON WEDNESDAY, THE 5TH AUGUST, 2009 AT 04.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 1201-1207, NAURANG HOUSE, 21, KASTURBA GANDHI MARG, NEW DELHI.

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Fourth Audited Balance Sheet as on 31.03.2009 and the Profit and Loss Account for the year ended 31.03.2009 together with the Reports of the Directors and the Auditors Thereon.
- 2) Pursuant to Section 619(2) of Companies Act, 1956, 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 224(8)(aa) of the Companies Act, 1956, their remuneration has to be fixed by the Company in Annual General Meeting. The Members of the Company in the 3rd Annual General Meeting held on 4th August 2008 authorized the Board of Directors to fix the remuneration of Statutory Auditors for the financial year 2008-09. Accordingly, the Board of Directors fixed audit fee of Rs.2,50,000/- plus service tax for the Statutory Auditors for the financial year 2008-09. Further, the Statutory Auditors of the Company for the year 2009-10 will be appointed by C&AG of India, 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:

- 3) **TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION: -**

"RESOLVED THAT the consent of the Company, be and is, hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(d) of the Companies Act, 1956 or other applicable provisions, if any, of the Companies Act, 1956 for borrowing any sum or sums of money from time to time from any one or more of the Company's bankers and/or from any one or more other persons, firms, bodies corporate or financial institutions whether by way of cash credit, advances or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's investment, assets and/or other properties whether movable or immovable or stock in trade (including raw materials, stores, spare parts and components in stock in transit) and work in progress and all or any of the undertakings, of the Company notwithstanding that the money to be borrowed by the Company, apart from working capital borrowings obtained from the Company's bankers in the ordinary course of business will or may exceed the aggregate of the paid up share capital of the Company and its free reserve provided that the total amount upto which the moneys may be borrowed by the Board of Directors outstanding at any time shall not exceed the sum of Rs. 5,00,000,000,000/- (Rupees Fifty Thousand Crores).

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do such other acts and deeds as may be necessary for giving effect to this resolution."

- 4) **TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION: -**

"RESOLVED THAT pursuant to Section 94(1)(a) & 16 of the Companies Act, 1956 & other applicable provisions if any, the Authorised Capital of the Company be increased from Rs. 2000,00,00,000/- (Rupees Two Thousand Crore) divided into Rs. 200,00,00,000/- (Rupees Two Hundred Crores) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 5000,00,00,000/- (Rupees Five Thousand Crore) divided into Rs. 500,00,00,000/- (Rupees Five Hundred Crore) equity Shares of Rs. 10/- (Rupees Ten) by creation of Rs. 300,00,00,000/- (Rupees Three Hundred Crore) equity shares of Rs. 10/- each ranking pari-passu with the existing shares and that the Authorised Share Capital Clause of the Memorandum of Association of the Company be and is hereby deleted and substituted by the following new clause :

- III. The authorized share capital of the Company is Rs. 5000,00,00,000/- (Rupees Five Thousand Crore) divided into Rs. 500,00,00,000/- (Rupees Five Hundred Crore) Equity Shares of Rs. 10/- (Rupees Ten) each."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do such other acts and deeds as may be necessary for giving effect to this resolution."

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



K RENU

COMPANY SECRETARY

Place: New Delhi

Date: 14.07.2009

REGISTERED OFFICE

1201-1207, 12th Floor, Naurang House, 21, Kasturba Gandhi Marg, New Delhi-110001

NOTES: -

- 1) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
- 2) 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.
- 3) Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956

Item No. 3

The sanction of the shareholders is sought to permit the Board to borrow moneys in excess of the Company's capital and free reserves. This is permissible under section 293(1)(d) of the Companies Act, 1956, if the shareholders approve. With the Company's plans for expansion and diversification, your Board thinks it necessary to acquire this power and recommends passing of this resolution. In case the Company proposes to borrow in excess of Rs.50,000 crores (Rupees fifty thousand crore only), sanction of the shareholders shall be sought afresh.

None of the Directors is in any way concerned or interested in this resolution proposed to be passed, except as shareholders of the Company. However, the shareholding of the Company is also in fiduciary capacity, on behalf of the Government of India.

This resolution is therefore placed, for your approval.

Item No. 4

The authorized share capital of the Company as on date is Rs. 2,000 crore. The Company so far has sanctioned an aggregate loan of Rs. 18,760 crore. The sanction and disbursement projections for the current year are placed at Rs. 5,000 crores and Rs. 6,000 crores respectively. These figures however do not include disbursements / sanctions on account of refinance as well as subordinate debt.

As per the second stimulus package of Gol, IIFCL is required to raise another Rs. 30,000 crores for the purpose of refinancing long term infrastructure exposure of the commercial banks. While presenting Union Budget for the year 2009-10, Hon'ble. Finance Minister has announced that IIFCL would, in consultation with banks, evolve a 'takeout financing' scheme which could facilitate incremental lending to the Infrastructure Sector. IIFCL may also be required to take up new business / products for credit enhancement such as credit wrap insurance, etc. in near future.

The total capital requirement relating to business segments are projected at Rs. 1783 crore and Rs. 3867 crore for 2009-10 and 2010-11 respectively for IIFCL.

Company is required to provide funds for the capital requirements of its UK Subsidiary. The Company has so far contributed USD 21 million (Rs. 100 crore approx.). With increased business projections for IIFC (UK), its capital requirement may go up and IIFCL will have to increase its capital contribution, which is projected to go up to USD 100 million (Rs. 500 crores approx.) by 2010-11.

Accordingly, it is proposed that the authorized capital of the Company be raised from Rs. 2,000 crore to Rs. 5,000 crore.

None of the Directors is in any way concerned or interested in this resolution proposed to be passed, except as shareholders of the Company. However, the shareholding of the Company is also in fiduciary capacity, on behalf of the Government of India.

This resolution is therefore placed, for your approval.

BY ORDER OF THE BOARD
FOR INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED



K RENU
COMPANY SECRETARY

PLACE: New Delhi
DATED: 14.07.2009