

IL&FS Financial Services Limited

The IL&FS Financial Centre
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(CIN U65990MH1995PLC093241)

NOTICE OF THE TWENTY FIRST ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of IL&FS Financial Services Limited will be held on Wednesday, June 29, 2016 at 9.00 am at The IL&FS Financial Centre, Plot No C-22, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400 051 to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2016 and the statement of Profit & Loss Account for the year ended on that date together with the Report of the Directors and the Auditors thereon
- (2) To declare dividend on the Equity Shares and Non-Convertible Redeemable Cumulative Preference Shares of the Company
- (3) To appoint a Director in place of Mr Arun K Saha (holding DIN: 00002377), who retires by rotation, and being eligible, offers himself for re-appointment
- (4) To ratify the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and such other applicable provisions of the Companies Act, 2013 and Rules made there under, the appointment of Deloitte Haskins and Sells LLP, Chartered Accountants, Mumbai registered with the Institute of Chartered Accountants of India vide Registration No 117366W/W-100018, as Statutory Auditors of the Company including its branches, if any, be and is hereby ratified and approved to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be determined by the Board of Directors of the Company”

SPECIAL BUSINESS:

(5) To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

(a) **Re-appointment of Mr Ramesh Bawa as the Managing Director and Chief Executive Officer of the Company:**

“**RESOLVED THAT** as recommended by the Nomination and Remuneration Committee of the Board of Directors of the Company and in accordance with the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, (“the Act”) and the rules made thereunder read with Schedule V of the Act, or any amendment or modification or re-enactment thereof and subject to other approvals as may be necessary, the consent of the Members of the Company be and is hereby accorded to the reappointment of Mr Ramesh C Bawa (DIN : 00040523) as the Managing Director and Chief Executive Officer of the Company with effect from May 1, 2016 till he attains the age of 65 years ie. upto June 14, 2018, on the following terms and conditions, with the authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment so as to not exceed the remuneration limits specified in Schedule V to the Companies Act, 2013, in such manner as may be agreed to between the Board of Directors and Mr Ramesh C Bawa:

“**RESOLVED FURTHER THAT** the Company does reimburse to the Infrastructure Leasing and Financial Services Limited (IL&FS) the deputation charges in respect of the services being rendered to the Company by Mr Ramesh Bawa in the capacity of the Managing Director and Chief Executive Officer of the Company”

(I) Consolidated Salary: In the bandwidth of ₹ 15,00,000/- to ₹ 35,00,000/- per month with annual increments as may be decided by the Board of Directors or Nomination and Remuneration Committee of the Board of Directors of the Company (hereinafter referred to as ‘the Board’) from time to time

(II) Perquisites

(a) Housing : The Company shall provide the Managing Director and Chief Executive Officer with semi furnished accommodation. In case no accommodation is provided, he shall be entitled to House Rent Allowance as per the Rules of the Company

(b) Allowances : The Managing Director and Chief Executive Officer shall be entitled to Allowances as per the Rules of the Company or as may be approved by the Board from time to time

- (c) Medical Reimbursement : Expenses incurred for the Managing Director and Chief Executive Officer and his family subject to a ceiling of one month's consolidated salary in a year. He shall be entitled for reimbursement of unclaimed medical expenses for any particular year(s), until the expiry of his tenure of appointment
- (d) Leave Travel Concession : For the Managing Director and Chief Executive Officer and his family once in a year to any destination in India by air and/or rail/ road, subject to deduction of Income Tax at source, as applicable subject to a ceiling of one month's consolidated salary in a year. In the event that the Managing Director and Chief Executive Officer is unable to undertake the travel, he shall be entitled to a lump sum allowance once a year, subject to deduction of tax at source as applicable, as per Rules of the Company
- (e) Club Fees : Fees of clubs subject to a maximum of three clubs. This will not include life membership fees
- (f) Personal Accident Insurance : As per the Rules of the Company or as may be approved by the Board from time to time
- (g) Mediclin Insurance: For Managing Director and Chief Executive Officer and his family, as per Rules of the Company or as may be approved by the Board from time to time
- Explanation : For the purpose of (c), (d) and (f), "Family" means spouse, dependent children and dependent parents
- (h) Car : The Managing Director and Chief Executive Officer shall be provided a chauffeur driven car for use on Company's business. The use of car for private purposes will be billed to him by the Company as per the rules of the Company
- (i) Utility: The Managing Director and Chief Executive Officer shall get reimbursement of utility bills at actuals
- Explanation: The expenditure incurred by the Company on electricity, shall be valued as per the provisions of Income Tax Act, 1961
- (j) Telephone/ Fax : The Managing Director and Chief Executive Officer shall be provided with telephone(s)/ fax at his residence. Personal long distance calls will be billed by the Company to him as per rules of the Company
- (k) Retirement Benefits: Contribution to Provident Fund, Gratuity Fund and Superannuation Fund as per the rules of the Company. Gratuity payable will not exceed one month's salary for each completed year of service. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act

- (I) Leave Encashment: Encashment of leave, as per the Rules of the Company, subject to deduction of tax at source, as applicable. This will also not be included in the computation of the ceiling on perquisites
- (III) Performance Related Pay/ Incentive: Such remuneration by way of performance based rewards/ incentives, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 and the rules framed thereunder, including amendments thereto
- (IV) Minimum Remuneration: Notwithstanding anything to the contrary herein contained where, in any financial year, during the currency of tenure of the Managing Director and Chief Executive Officer, the Company has no profits or its profits are inadequate, remuneration by way of salary, performance based rewards/ incentive and perquisites shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Sections 197 and 198 of the Companies Act, 2013 and the rules framed thereunder read with Schedule V of the Act unless otherwise determined by the Board, subject to approval of the Central Government, if required
- (V) General Conditions:
- (a) The total remuneration payable to the Managing Director and Chief Executive Officer along with other Whole-time Directors of the Company, if any, shall not exceed 10% of the net profits during any financial year. In case there is no other Whole-time Director, the total remuneration payable to the Managing Director and Chief Executive Officer shall not exceed 5% of the net profits during any financial year
 - (b) The Managing Director and Chief Executive Officer shall not be liable to retire by rotation
 - (c) The Managing Director and Chief Executive Officer shall not be entitled for sitting fees for attending meetings of the Board of Directors or Committees thereof
 - (d) The Managing Director and Chief Executive Officer shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act

- (6) To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

(a) **Re-appointment of Mr Milind C Patel as the Joint Managing Director of the Company:**

“**RESOLVED THAT** as recommended by the Nomination and Remuneration Committee of the Board of Directors of the Company and in accordance with the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, (“the Act”) and the rules made thereunder read with Schedule V of the Act, or any amendment or modification or re-enactment thereof and subject to such other approvals as may be necessary, the consent of the Members of the Company be and is hereby accorded to the reappointment of Mr Milind Patel (DIN : 00058358) as the Joint Managing Director of the Company for a further period of five years with effect from July 25, 2016, on the following terms and conditions, with the authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment so as to not exceed the remuneration limits specified in Schedule V to the Companies Act, 2013, in such manner as may be agreed to between the Board of Directors and Mr Milind Patel:

- (I) Consolidated Salary: In the bandwidth applicable to Joint Managing Director i.e. ₹ 10,00,000/- to ₹ 25,00,000/- per month with such annual increments as may be decided by the Board of Directors or Nomination and Remuneration Committee of the Company (hereinafter referred to as ‘the Board’) from time to time
- (II) Perquisites
- (a) Housing : The Company shall provide the Joint Managing Director with semi furnished accommodation. In case no accommodation is provided, he shall be entitled to House Rent Allowance as per the Rules of the Company
- (b) Allowances : The Joint Managing Director shall be entitled to Allowances as per the Rules of the Company or as may be approved by the Board from time to time
- (c) Medical Reimbursement : Expenses incurred for the Joint Managing Director and his family subject to a ceiling of one month’s salary in a year. He shall be entitled for reimbursement of unclaimed medical expenses for any particular year(s), during any or all the succeeding five year(s) or until the expiry of his tenure of appointment, whichever is later
- (d) Leave Travel Concession: For the Joint Managing Director and his family once in a year to any destination in India by air and/or rail/ road, subject to deduction of Income Tax at source, as applicable, subject to a ceiling of one month’s salary in a year. In the event that the Joint Managing Director is unable to undertake the travel, he shall be entitled to a lump sum allowance once a year, subject to deduction of tax at source as applicable, as per Rules of the Company

- (e) Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include life membership fees
 - (f) Personal Accident Insurance : As per the Rules of the Company or as may be approved by the Board from time to time
 - (g) Mediclaim Insurance: For Joint Managing Director and his family, as per Rules of the Company or as may be approved by the Board from time to time

Explanation : For the purpose of (c), (d) and (f), "Family" means spouse, dependent children and dependent parents
 - (h) Car : The Joint Managing Director shall be provided a chauffeur driven car for use on Company's business. The use of car for private purposes will be billed to him by the Company as per the rules of the Company
 - (i) Gas & Electricity: The Joint Managing Director shall get reimbursement of residential gas & electricity bills at actuals

Explanation: The expenditure incurred by the Company on electricity, shall be valued as per the provisions of Income Tax Act, 1961
 - (j) Telephone/ Fax : The Joint Managing Director shall be provided with telephone(s)/ fax at his residence. Personal long distance calls will be billed by the Company to him as per rules of the Company
 - (k) Retirement Benefits: Contribution to Provident Fund, Gratuity Fund & Superannuation Fund and as per the rules of the Company. Gratuity payable will not exceed one month's salary for each completed year of service. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act
 - (l) Leave Encashment: Encashment of leave, as per the Rules of the Company, subject to deduction of tax at source, as applicable. This will also not be included in the computation of the ceiling on perquisites
- (III) Performance Related Pay/ Incentive: Such remuneration by way of performance based rewards/ incentives, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 and the rules framed thereunder, including amendments thereto

(IV) Minimum Remuneration: Notwithstanding anything to the contrary herein contained where, in any financial year, during the currency of tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, remuneration by way of salary, performance based rewards/ incentive and perquisites shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Sections 197 and 198 of the Companies Act, 2013 and the rules framed thereunder read with Schedule V of the Act unless otherwise determined by the Board, subject to approval of the Central Government, if required

(V) General Conditions :

- (a) The total remuneration payable to the Joint Managing Director along with other Whole-time Directors of the Company, if any, shall not exceed 10% of the net profits during any financial year. In case there is no other Whole-time Director, the total remuneration payable to the Joint Managing shall not exceed 5% of the net profits during any financial year or such other limit as may be prescribed by the Central Government
- (b) The Joint Managing Director shall not be liable to retire by rotation
- (c) The Joint Managing Director shall not be paid sitting fees for attending meetings of the Board of Directors or Committees thereof
- (d) The Joint Managing Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act
- (e) Mr Milind Patel will cease to be Director on cessation of his employment with the Company

- (7) To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

(a) **Re-appointment of Mr Rajesh Kotian as the Deputy Managing Director of the Company:**

“RESOLVED THAT as recommended by the Nomination and Remuneration Committee of the Board of Directors of the Company and in accordance with the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, (“the Act”) and the rules made thereunder read with Schedule V of the Act, or any amendment or modification or re-enactment thereof and subject to such other approvals as may be necessary, the consent of the Members of the Company be and is hereby accorded to the reappointment of Mr Rajesh Kotian (DIN : 02283475) as the Deputy Managing Director of the Company for a further period of five years with effect from July 25, 2016, on the following terms and conditions, with the authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment so as to not exceed the remuneration limits specified in Schedule V to the Companies Act, 2013, in such manner as may be agreed to between the Board of Directors and Mr Rajesh Kotian:

- (I) Consolidated Salary: In the bandwidth applicable to the Deputy Managing Directors of the Company i.e. ₹ 7,00,000/- to ₹ 20,00,000/- per month with such annual increments as may be decided by the Board of Directors or Nomination and Remuneration Committee of the Board of Directors of the Company (hereinafter referred to as ‘the Board’) from time to time
- (II) Perquisites
- (a) Housing : The Company shall provide the Deputy Managing Director with semi furnished accommodation. In case no accommodation is provided, he shall be entitled to House Rent Allowance as per the Rules of the Company
- (b) Allowances : The Deputy Managing Director shall be entitled to Allowances as per the Rules of the Company or as may be approved by the Board from time to time
- (c) Medical Reimbursement : Expenses incurred for the Deputy Managing Director and his family subject to a ceiling of one month’s salary in a year. He shall be entitled for reimbursement of unclaimed medical expenses for any particular year(s), during any or all the succeeding five year(s) or until the expiry of his tenure of appointment, whichever is later
- (d) Leave Travel Concession : For the Deputy Managing Director and his family once in a year to any destination in India by air and/or rail/ road, subject to deduction of Income Tax at source, as applicable, subject to a ceiling of one month’s salary in a year. In the event that the Deputy Managing Director is unable to undertake the travel, he shall be entitled to a lump sum allowance once a year, subject to deduction of tax at source as applicable, as per Rules of the Company

- (e) Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include life membership fees
 - (f) Personal Accident Insurance : As per the Rules of the Company or as may be approved by the Board from time to time
 - (g) Mediclaime Insurance: For Deputy Managing Director and his family, as per Rules of the Company or as may be approved by the Board from time to time

Explanation : For the purpose of (c), (d) and (f), "Family" means spouse, dependent children and dependent parents
 - (h) Car : The Deputy Managing Director shall be provided a chauffeur driven car for use on Company's business. The use of car for private purposes will be billed to him by the Company as per the rules of the Company
 - (i) Gas & Electricity: The Deputy Managing Director shall get reimbursement of residential gas & electricity bills at actuals

Explanation: The expenditure incurred by the Company on electricity, shall be valued as per the provisions of Income Tax Act, 1961
 - (j) Telephone/ Fax : The Deputy Managing Director shall be provided with telephone(s)/ fax at his residence. Personal long distance calls will be billed by the Company to him as per rules of the Company
 - (k) Retirement Benefits: Contribution to Provident Fund, Gratuity Fund and Superannuation Fund as per the rules of the Company. Gratuity payable will not exceed one month's salary for each completed year of service. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act
 - (l) Leave Encashment: Encashment of leave, as per the Rules of the Company, subject to deduction of tax at source, as applicable. This will also not be included in the computation of the ceiling on perquisites
- (III) Performance Related Pay/ Incentive: Such remuneration by way of performance based rewards/ incentives, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 and the rules framed thereunder, including amendments thereto

- (IV) Minimum Remuneration: Notwithstanding anything to the contrary herein contained where, in any financial year, during the currency of tenure of the Deputy Managing Director, the Company has no profits or its profits are inadequate, remuneration by way of salary, performance based rewards/ incentive and perquisites shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Sections 197 and 198 of the Companies Act, 2013 and the rules framed thereunder read with Schedule V of the Act unless otherwise determined by the Board, subject to approval of the Central Government, if required
- (V) General Conditions:
- (a) The total remuneration payable to the Deputy Managing Director along with other Whole-time Directors of the Company, if any, shall not exceed 10% of the net profits during any financial year. In case there is no other Whole-time Director, the total remuneration payable to the Deputy Managing Director shall not exceed 5% of the net profits during any financial year or such other limit as may be prescribed by the Central Government
 - (b) The Deputy Managing Director shall not be liable to retire by rotation
 - (c) The Deputy Managing Director shall not be paid sitting fees for attending meetings of the Board of Directors or Committees thereof
 - (d) The Deputy Managing Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act
 - (e) Mr Kotian will cease to be Director on cessation of his employment with the Company

(8) To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

(a) **Issuance of Non-Convertible Debentures on private placement basis:**

“RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the relevant provisions of the Articles of Association of the Company and in compliance with such other provisions of law as may be applicable, approval of the members be and is hereby accorded to authorise the Board of Directors of the Company (including its Committee(s) constituted/ to be constituted for the purpose), to offer or invite subscription for Secured and/or Unsecured, Listed and/or Unlisted redeemable Non-Convertible Debentures and/or Sub-ordinated debt instruments and/or Bonds, or such other securities /instruments, in one or more series/tranches, aggregating upto ₹ 15.63 bn on private placement basis, on such terms and conditions as the Board of Directors/Committee of Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto;

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

(b) **Borrowing Powers in excess of Paid up Capital and Free Reserves:**

“**RESOLVED THAT** in supersession of the resolution passed by the Company in the Annual General Meeting held on June 23, 2014, in relation to the exercise of borrowing powers pursuant to Section 180(1)(c) 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) (‘Act’) and the applicable rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as ‘the Board’, which term shall include its Committee(s)) to borrow any sum, or sums of monies and/or to receive/avail of financial assistance or to undertake financial obligation in any form, from time to time, from any one or more of the Financial Institutions, Banks, Funds and/or from any one or more other persons, firms, bodies corporate, mutual funds or entities, whether by way of loans, advances, deposits or bills discounting, issue of debentures, bonds, financial arrangement or obligations or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company’s assets and properties, whether immovable or movable and all or any of the undertakings of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company may exceed the paid up share capital of the Company and its free reserves, **PROVIDED THAT** the total amounts so borrowed (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) and outstanding at any point of time shall not exceed ₹ 300,000,000,000/- (Rupees Three Hundred billion) over and above the aggregate of the paid up share capital of the Company and its free reserves as prevailing from time to time, exclusive of interest and other charges, and the Board be and is hereby authorized to execute / cause to execute such agreements, debenture trust deeds, indentures of mortgage, deeds of hypothecation/charge, lien, promissory notes and other deeds and instruments or writings containing such conditions and covenants and to do / cause to do all acts, deeds, matters and things in this regard as the Board may think fit and proper”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

(c) **Creation of charge for Borrowings / Financial Assistance availed :**

“**RESOLVED THAT** consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as ‘the Board’, which term shall include its Committee(s) to create mortgages/charges on all or any of the movable and/or immovable properties and assets, both present and future, or on the whole or substantially the whole of the undertaking or undertakings of the Company, exclusively or ranking pari-passu with or second or subservient or subordinate to the mortgages/charges, if any, already created or to be created in future by the Company, for securing any loans and/or advances and/or issue of debentures / bonds and/or guarantees and/or any financial assistance or obligations obtained/undertaken/made or that may be obtained/undertaken/made by the Company and/or any one or more of its subsidiary / group companies, both present and that which may be established or acquired by the Company in future, in India or abroad, with power to take over the management, business and undertaking of the Company in certain events of default, on such terms and conditions and at such times and in such form and manner as the Board may deem fit, so that the total outstanding amount at any time so secured shall not exceed the amounts consented by the Company by the Resolution passed at this meeting pursuant to Section 180(1)(c) of the Companies Act, 2013, i.e. ₹ 300,000,000,000/- (Rupees Three Hundred billion) or upto the higher amount/s as may be so consented by the Company from time to time in future, together with interest thereon, and further interest, costs, charges, expenses, remuneration and other monies payable in connection therewith **AND THAT** this consent shall also be the consent of the members under and as contemplated by Section 180(1)(a) 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 the applicable rules made thereunder;

RESOLVED FURTHER THAT the Board be and is hereby authorized to and cause to prepare, finalise, approve and execute on behalf of the Company, all documents, deeds, agreements, declarations, undertakings and writings as may be necessary and/or expedient for giving effect to the foregoing resolution and to vary and /or alter the terms and conditions of the security created/to be created as aforesaid as it may deem fit and generally to do and/or cause to do all acts, deeds matters and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution ”

- (9) To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

(a) **Issue of Non – Convertible Redeemable Cumulative Preference shares (NCRCPs)**

“**RESOLVED THAT** pursuant to the provisions of Section 42, 55 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) read with Rules framed thereunder as may be amended from time to time and in accordance with the Articles of Association of the Company and any rules, regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals as may be necessary and subject to such terms, 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 any other person(s) for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot upto 3,33,334 - Non – Convertible Redeemable Cumulative Preference Shares (NCRCPs) of ₹ 7,500/- each at a premium of ₹ 7,500/- per preference share aggregating to ₹ 500,00,10,000/- on a Private Placement basis on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting”

“**RESOLVED FURTHER THAT** in accordance with the provisions of Section 43 of the Act and the Rules framed there under:

- the NCRCPs shall be non-participating in the surplus funds
- the NCRCPs shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital
- the NCRCPs shall carry voting rights as per the provisions of Section 47 (2) of the Act
- the NCRCPs shall be redeemable
- the holders of NCRCPs shall be paid dividend on a cumulative basis”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid Resolution, the Board of Directors be and is hereby authorised to take such actions and to give all such directions, or to do all such acts, deeds, matters, and things as may be necessary or desirable in this respect including but not limited to :

- execute all such deeds, documents, applications and file forms and documents in this connection
- authorise officials of the Company to act for and on behalf of the Company in this regard
- take such steps to resolve all questions incidental to issue and allotment of NCRCPs in its absolute discretion without any further approval of the Members of the Company and the decision of the Board shall be final and conclusive”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents and writings, as it may in its absolute discretion deem necessary or incidental thereto including paying such fees and incurring such expenses in relation thereto as may be deemed fit”

**By Order of the Board of Directors
For IL&FS Financial Services Limited**

Regd Office:

IL&FS Financial Services Limited

CIN : U65990MH1995PLC093241

The IL&FS Financial Centre

Plot No C-22, G Block

Bandra Kurla Complex

Bandra (East), Mumbai 400 051

Sd/-

Company Secretary

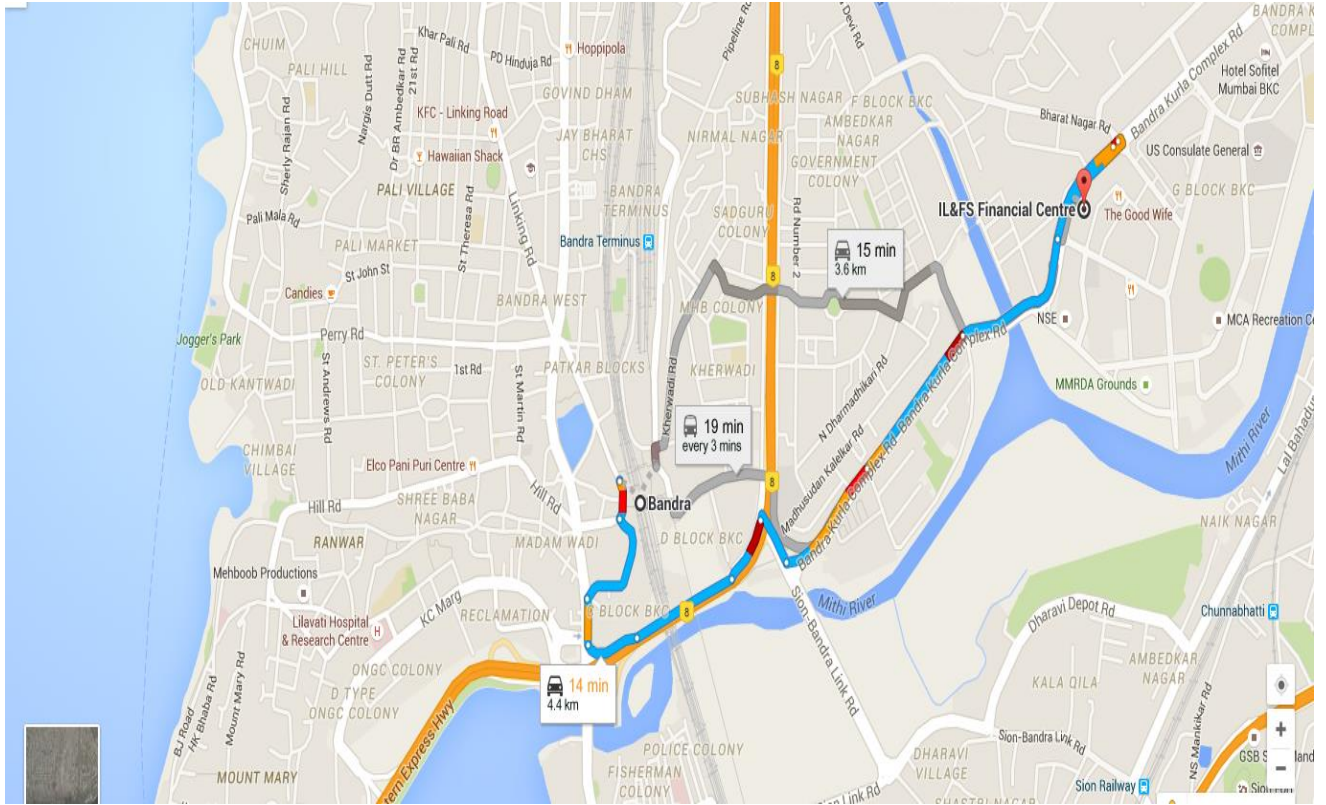
Date: May 06, 2016

Place: Bengaluru

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING
- (b) Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights
- (c) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting
- (d) The Explanatory Statement in respect of Item No 5 to 9 pursuant to Section 102 of the Companies Act, 2013 is annexed herewith
- (e) Members/ Proxies are requested to bring their Attendance Slip duly filled in along with their copy of Annual Report to the Meeting
- (f) Members who hold shares in dematerialised form, are requested to bring their depository account number (Client ID No.) for easier identification and recording of attendance at the meeting
- (g) The Register of Equity Share Holders and the Share Transfer Books will remain closed on June 29, 2016 for the purpose of ascertainment of Equity Share Holders as on the date of Annual General Meeting
- (h) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched to those members whose names shall appear on the Company's Register of Members on June 29, 2016
- (i) The Record Date for payment of dividend on the Non-Convertible Redeemable Cumulative Preference Shares (NCRCPS) is July 15, 2016. The dividend on the NCRCPS, if declared at the Meeting, will be paid to all the NCRCPS holders whose names shall appear on the Company's Register of Members on July 15, 2016
- (j) Members are requested to notify any change in their address to:
 - (i) their Depository Participants (DPs) in respect of shares held in the Demat Form, and
 - (ii) the Company at its Registered Office in respect of shares held in physical form, quoting their Folio number
- (k) For the purpose of receiving any communication from the Company, Members are requested to register their e-mail address or any changes therein with:
 - (i) their Depository Participants (DPs) in respect of shares held in the Demat Form, or
 - (ii) the Company at its Registered Office
- (l) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, there is no unpaid/unclaimed dividend for the period of past seven years

(m) Road map to reach to the venue of the Meeting from the nearest railway stations is provided below :



EXPLANATORY STATEMENT

The following Explanatory Statement set out the material facts as required under Section 102 of the Companies Act, 2013

Item No 5 :

Mr Ramesh C Bawa (DIN: 00040523) was appointed as Managing Director & Chief Executive Officer of the Company on deputation from Infrastructure and Leasing Financial Services Limited (IL&FS), the Parent Company, for a period of five years with effect from May 1, 2011. Mr Ramesh Bawa held the office as Managing Director & Chief Executive Officer of the Company till April 30, 2016 and is eligible for reappointment

The Nomination and Remuneration Committee and the Board of Directors at its Meetings held on May 06, 2016, had subject to the approval of the Members of the Company, approved reappointment of Mr Ramesh Bawa on the terms and conditions as set out at Item No 5 above

Mr Ramesh C Bawa, aged 62 years, holds a Post Graduate Diploma in Personnel Management & Industrial Relations as well as a Post Graduate degree in Political Science. Mr Bawa, has rich experience of more than three decades in the Banking and Financial Services Sector and has built up a strong and effectual relationship with Banks/ Financial Institutions at the domestic and international level. He has been leading the Company and has blended all the business verticals together through his leadership skills. His focused vision, professional approach and the zeal to grow and expand constantly has helped the Company to enter into international markets by establishing its subsidiaries in London, Singapore, Dubai and Hong Kong

Mr Ramesh C Bawa holds Directorship in the following Companies:

Sr No	Names of the Companies	Designation
1	IL&FS Financial Services Limited	Managing Director & CEO
2	Gujarat International Finance Tec-City Company Limited	Director
3	IL&FS Maritime Infrastructure Company Limited	Director
4	IL&FS Energy Development Company Limited	Director
5	IL&FS Tamil Nadu Power Company Limited	Director
6	IL&FS Investment Managers Limited	Managing Director
7	IL&FS Securities Services Limited	Director
8	IL&FS Capital Advisors Limited	Director
9	IL&FS Infra Asset Management Limited	Additional Director
10	Land Registration Systems, INC., Philippines	Director
11	Elsamex S.A.	Director
12	IL&FS Global Financial Services Pte Ltd, Singapore	Director
13	IL&FS Global Financial Services (UK) Ltd., London	Director
14	IL&FS Global Financial Services (ME) Limited, Dubai	Director
15	IL&FS Global Financial Services (HK) Limited, Hongkong	Director
16	IL&FS India Realty Fund LLC	Director
17	IL&FS India Realty Fund II LLC	Director
18	Tara India Fund III, LLC	Director
19	K2 Property Limited	Director

Mr Ramesh C Bawa is Member in the following Committees:

Sr No	Name of the Company	Nature of Committee	Chairman / Member
1	IL&FS Financial Services Limited	Committee of Directors	Member
		Audit Committee	Permanent Invitee
		Asset Liability Management Committee	Member
		Administration Committee	Member
		Nomination & Remuneration Committee	Permanent Invitee
		Risk Management Committee	Member
		Investment Committee	Member
		Treasury Committee	Member
		Asset Review Committee	Member
		Investment Portfolio Review Committee	Member
Corporate Social Responsibility Committee	Member		
2	IL&FS Capital Advisors Limited	Committee of Directors	Chairman
		Audit Committee	Member
		Disciplinary Committee	Member
		Nomination & Remuneration Committee	Member
3	IL&FS Infra Asset Management Limited	Investment Committee	Chairman
		Nomination & Remuneration Committee	Member
4	Gujarat International Finance Tec-City Company Limited	Audit Committee	Permanent Invitee
		Nomination & Remuneration Committee	Member
5	IL&FS Securities Services Limited	Nomination & Remuneration Committee	Member
6	IL&FS Tamil Nadu Power Company Limited	Corporate Social Responsibility Committee	Chairman
		Audit Committee	Member
		Committee of Directors	Member
7	IL&FS Energy Development Company Limited	IPO Committee	Member
8	IL&FS Maritime Infrastructure Company Limited	Committee of Directors	Member

Mr Ramesh C Bawa holds no shares in the Company and has attended all Meetings of the Board of the Company held during the financial year 2015 - 16

The Board of Directors commends the resolution set out at Item No 5 above for approval of the Members

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr Ramesh C Bawa is concerned or interested in the resolution set out at Item No 5 above

Item No 6 :

Mr Milind Patel (DIN: 00058358) was appointed as the Deputy Managing Director of the Company with effect from July 25, 2011 for a period of five years. He was elevated by the Board of Directors to the position of Joint Managing Director with effect from April 01, 2014. Mr Milind Patel holds the office as Joint Managing Director of the Company till July 24, 2016 and he is eligible for reappointment

The Nomination and Remuneration Committee and the Board of Directors at its Meetings held on May 06, 2016, had subject to the approval of the Members of the Company, approved reappointment of Mr Milind Patel on the terms and conditions as set out at Item No 6 above

Mr Milind Patel, aged 47 years, holds a Bachelors Degree in Commerce, Graduation Degree from the Institute of Cost and Works Accountants of India and a Masters Degree in Business Administration. Mr Milind Patel is an Investment Banker with more than 24 years in the field. He has worked on several international and domestic mandates across Asset & Structured Finance, Project Finance, Capital Raising and Advisory services in Aviation, Marine, Power, Roads and Telecom sectors. He was responsible for consummating innovative deals which facilitated in efficient access to capital and development of financial products which enabled optimise value for corporates and projects

Mr Milind Patel holds Directorship in the following Companies :

Sr No	Names of the Companies	Designation
1	IL&FS Financial Services Limited	Director
2	IL&FS Porfolio Management Services Ltd	Director
3	IL&FS Capital Advisors Limited	Director
4	Maytas Metro Limited	Director
5	IL&FS Infra Asset Management Limited	Director
6	IL&FS Milestone Realty Advisors Private Limited	Director
7	IL&FS Investment Managers Limited	Director
8	IL&FS Broking Services Private Limited	Director
9	IL&FS Global Financial Services Pte. Ltd	Director
10	IL&FS Global Financial Services (UK) Ltd	Director
11	IL&FS Global Financial Services (ME) Limited	Director
12	IL&FS Global Financial Services (HK) Limited	Director

Mr Milind Patel is Member in the following Committees:

Name of the Company	Nature of Committee	Chairman/Member
IL&FS Financial Services Limited	Administration Committee	Member
	Asset Liability Management Committee	Member
	Asset Review Committee	Member
	Investment Portfolio Review Committee	Member
	Risk Management Committee	Member
	Stakeholders Relationship Committee	Member
	Allotment Committee	Member
IL&FS Capital Advisors Limited	Audit Committee	Member
	Committee of Directors	Member
	Nomination & Remuneration Committee	Member
IL&FS Infra Asset Management Ltd	Audit Committee	Member
	Investment Committee	Member
	Valuation Committee	Member
	Nomination & Remuneration Committee	Member

Mr Milind Patel holds no shares in the Company and has attended all Meetings of the Board of the Company held during the financial year 2015- 16

The Board of Directors commends the resolution set out at Item No 6 above for approval of the Members

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr Milind Patel is concerned or interested in the resolution set out at Item no 6 above

Item No 7 :

Mr Rajesh Kotian (DIN: 02283475) was appointed as Executive Director of the Company with effect from July 25, 2011 for a period of 5 years. He was elevated by the Board of Directors to the position of Deputy Managing Director with effect from April 01, 2014. Mr Kotian holds the office of Deputy Managing Director till July 24, 2016

The Nomination and Remuneration Committee and the Board of Directors at its Meetings held on May 06, 2016, had subject to the approval of the Members of the Company, approved reappointment of Mr Rajesh Kotian on the terms and conditions as set out at Item No 7 above

Mr Rajesh Kotian, aged 48 years, holds a Bachelors Degree in Commerce and is an Associate Member of Institute of Chartered Accountants of India. Mr Rajesh Kotian has over 25 years of experience in the financial services sector. Mr Kotian is responsible for business development, structuring and execution of debt mobilization mandates

Mr Rajesh Kotian holds Directorship in the following Companies:

Sr No	Names of the Companies	Designation
1	IL&FS Financial Services Limited	Director
2	IL&FS Capital Advisors Limited	Director
3	IL&FS Infra Asset Management Limited	Director
4	IL&FS Broking Services Private Limited	Director
5	IL&FS Urban Infrastructure Managers Limited	Director
6	IL&FS Global Financial Services Pte. Ltd	Director
7	IL&FS Global Financial Services (UK) Ltd	Director
8	IL&FS Global Financial Services (ME) Limited	Director
9	IL&FS Global Financial Services (HK) Limited	Director

Mr Rajesh Kotian is Member in the following Committees:

Name of the Company	Nature of Committee	Chairman/Member
IL&FS Financial Services Limited	Risk Management Committee	Member
	Stakeholders Relationship Committee	Member
	Asset Liability Management Committee	Member
	Allotment Committee	Member
IL&FS Capital Advisors Limited	Committee of Directors	Member
IL&FS Infra Asset Management Ltd	Risk Management Committee	Member

Mr Rajesh Kotian holds no shares in the Company and has attended all Meetings of the Board of the Company held during the financial year 2015- 16

The Board of Directors commends the resolution set out at Item No 7 above for approval of the Members

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr Rajesh Kotian is concerned or interested in the resolution set out at Item No 7 above

Item No 8 (a) :

As per Section 42 of the Act read with the Rules framed there under, a Company offering or making an invitation to subscribe to Non-Convertible Debentures (“NCD”) on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution. Such an approval by way of special resolution can be obtained once a year for all the offers and invitations made for such NCDs during the year

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, during the period of one year from the date of passing of the resolution at Item No. 8 (a), within the overall borrowing limits of the Company, as approved by the Members from time to time

The Directors recommend the resolution for the approval of the Members of the Company

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the resolution set out at Item No. 8 (a) above

Item No 8 (b) & 8 (c) :

As per the provisions of Section 180(1) (c) and Section 180 (1) (a) respectively of the Companies Act, 2013, a Company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution

The Members at the 19th Annual General Meeting held on June 23, 2014 had accorded its approval for borrowing upto a sum of ₹ 200 bn over and above the paid-up share capital and free reserves of the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business)

In view of the future business growth plans, resource requirements and borrowing plans of the Company, the resolutions set out in Item No 8 (b) & (c) are proposed for the approval of members so as to increase the Board’s borrowing powers from the existing limit of ₹ 200 bn (Rupees Two Hundred billion) to ₹ 300 bn (Rupees Three Hundred billion) over and above the paid-up share capital and free reserves of the Company

Accordingly, the consent of the Shareholders at the Annual General Meeting is sought under Section 180(1)(c) and Section 180 (1) (a) of the Companies Act, 2013

The approval is requested to empower the Board of Directors or the Committee of Directors of the Company to take all necessary steps in this regard

The Directors recommend the resolution for the approval of the Members of the Company

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the resolution set out at Item No. 8 (a) above

Item No 9 :

As per Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 ('Rules') framed there under, a company offering or making an invitation to subscribe to securities, including Redeemable Preference Shares on a private placement basis is required to obtain the prior approval of the Members, by way of a Special Resolution for each of the offers and invitations

The Board of Directors of the Company ("Board") at its Meeting held on March 09, 2016 and the Shareholders of the Company at its EGM held on March 11, 2016 had pursuant to provisions of Section 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rules framed thereunder, inter-alia, approved an issue, offer and allotment of upto 5,00,000 Non – Convertible Redeemable Cumulative Preference Shares (NCRCPs) of face value of ₹ 7,500/- each at a premium of ₹ 7,500/- per NCRCPs aggregating to ₹ 750 crores

Pursuant to the above, the Company had issued, offered and allotted 1,66,666 Non – Convertible Redeemable Cumulative Preference Shares (NCRCPs) of Face Value of ₹ 7,500/- each at a premium of ₹ 7,500/- per NCRCPs aggregating to ₹ 2,499,990,000/-

The approval of the Members is now being sought, by way of a Special Resolution, to offer and issue the balance 3,33,334 NCRCPs of ₹ 7,500/- each at a premium of ₹ 7,500/- per preference share aggregating to ₹ 500,00,10,000/- and to allot the NCRCPs on a private basis, on the terms and conditions set out hereunder:

A statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue are as under:

(a)	the size of the issue and number of preference shares to be issued and nominal value of each share	Upto 3,33,334 Non – Convertible Redeemable Cumulative Preference Shares (NCRCPs) of face value of ₹ 7,500/- each at a premium of ₹ 7,500/- per NCRCPs aggregating to ₹ 500,00,10,000/-
(b)	Offer period	As may be determined by the Board
(c)	the nature of such shares i.e. cumulative or non - cumulative, participating or non - participating, convertible or non – convertible	(a) Cumulative (b) Non-participating (c) Non – Convertible and Redeemable
(d)	the objectives of the issue	(a) To meet the General Corporate purposes (b) To meet the long-term fund requirements of the Company
(e)	the manner of issue of shares	Private Placement
(f)	the price at which such shares are proposed to be issued	As may be determined by the Board

(g)	the basis on which the price has been arrived at;	The price will be arrived at based on the total size of the Issue and limitations on the number of investors being a private placement offer
(h)	Credit Rating	To be rated by CARE or any other rating Agency
(i)	Listing	To be listed on BSE Ltd
(j)	Rate of dividend and terms thereof	As may be determined by the Board
(k)	Tenure of NCRCPs	As may be determined by the Board
(l)	Redemption of shares at premium	As may be determined by the Board
(m)	the manner and modes of redemption	Redemption in accordance with Section 55 of the Act
(n)	the expected dilution in equity share capital upon conversion of preference shares.	Not applicable as the shares are Non-Convertible
(o)	Minimum Subscription	As may be determined by the Board

The current shareholding pattern of the Company is as follows:

Sr No	Particulars	Total Number of shares	Number of shares in demat form	Total Shareholding as % of total no of equity shares
Equity Shares				
1	Infrastructure Leasing & Financial Services Limited (IL&FS)	265,666,855	265,666,855	100
2	Others	700	NIL	-
A	Total Equity Shares	265,667,555	265,666,855	100
Non Convertible Redeemable Cumulative Preference Shares (NCRCPs)				
3	Public	1,66,666	1,66,666	100
B	Total Preference Shares	1,66,666	1,66,666	100

The issue of NCRCPs is in accordance with the provisions of the Articles of Association of the Company. There is no default in the redemption or payment of dividend on preference shares

The Directors recommend the resolution at Item No 9 above, for the approval of the Members of the Company

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed resolution set out at Item No. 9 above

Brief Profile of Mr Arun K Saha retiring by rotation and seeking re-appointment at the Annual General Meeting

Mr Arun K Saha is a Non-Executive Director of the Company and holds a Masters Degree in Commerce and is an Associate Member of the Institute of Chartered Accountants of India and the Institute of the Company Secretaries of India. Mr Saha has implemented standardised financial, operational, compliance policies and procedures across the IL&FS Group. The Company is guided by the unique processes prescribed by him

**By Order of the Board of Directors
For IL&FS Financial Services Limited**

Regd Office:
IL&FS Financial Services Limited
CIN : U65990MH1995PLC093241
The IL&FS Financial Centre
Plot No C-22, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051

Sd/-

Company Secretary

Date: May 06, 2016
Place: Bengaluru

IL&FS FINANCIAL SERVICES LIMITED

Registered Office: The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051
CIN: U65990MH1995PLC093241

Name of the member(s): Registered address: E-mail id: Folio No/Client Id: DP ID:
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I/We _____ of _____ being the Member(s) of IL&FS FINANCIAL SERVICES LIMITED hereby appoint

- (1) Name :
 Address :
 E-mail Id :
 Signature : or failing him
- (2) Name :
 Address :
 E-mail Id :
 Signature :, or failing him
- (3) Name :
 Address :
 E-mail Id :
 Signature :

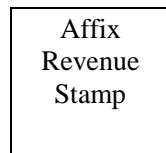
As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on the day of atam/pm at _____ (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No

- (1)
- (2)
- (3)

Signed this _____ day of _____, 2016

Signature _____



Note: This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting

IL&FS FINANCIAL SERVICES LIMITED

Registered Office: The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051
CIN: U65990MH1995PLC093241

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)
Twenty First Annual General Meeting held on _____

I hereby record my presence at the Twenty First Annual General Meeting of the Company held on _____, _____ at _____ am at The IL&FS Financial Centre, Plot No C-22, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400 051 and at any adjournment thereof

Full name of the Member (in BLOCK LETTERS) _____

Full name of the Proxy (in BLOCK LETTERS) _____

Member's/ Proxy's Signature _____