



IKF Finance Limited

40-1-144, Corporate Centre, M.G.Road,
VIJAYAWADA – 520 010

Phone:866+2474644, 2474633 Email – ikffinance@gmail.com

December 24, 2013

To,
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001, Maharashtra

Sub: Proposed voluntary delisting of the equity shares (“Equity Shares”) of IKF Finance Limited (“Company”) in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations).

Re: Result of voting by postal ballot

Dear Sirs,

With reference to our letter dated October 14, 2013 intimating the approval of the Board of Directors of the Company to the delisting proposal (“**Delisting Proposal**”) received from Mr. V G K Prasad, Mrs. Indira Devi Vupputuri, Mrs. Vasumathi Devi Koganti and Mrs. Vasantha Lakshmi Devineni, members of the promoter and promoter group of the Company (“**Acquirers**”) and our letter dated November 19, 2013 forwarding the notice of postal ballot along with explanatory statement and specimen postal ballot form for approving the Delisting Proposal, we would like to inform you that the shareholders of the Company have accorded their assent to the special resolution approving the Delisting Proposal.

A summary of the postal ballot forms received and results thereof, is provided below:

S. No.	Particulars	Number of postal ballot forms	Number of shares held in the Company	Percentage of total valid votes
<i>Including shareholding of promoter and promoter group</i>				
1.	Postal ballot forms assenting the resolution	57	16915455	99.74%
2.	Postal ballot forms dissenting the resolution	6	10846	0.06%
3.	Invalid forms	4	34500	0.20%
4.	Total postal ballot forms received	67	16960801	100.00%





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<i>Excluding shareholding of promoter and promoter group (only public shareholding)</i>				
5.	Postal ballot forms assenting the resolution	50	2361120	98.12%
6.	Postal ballot forms dissenting the resolution	6	10846	0.45%
7.	Invalid forms	4	34500	1.43%
8.	Total postal ballot forms received	60	2406466	100.00%

The shareholders of the Company passed a special resolution by postal ballot, in accordance with the provisions of section 192A of the Companies Act, 1956 and regulation 8(1)(b) of the Delisting Regulations, approving the Delisting Proposal. As per report dated December 24, 2013 of the scrutinizer, Mr. S. Srikanth, the votes cast in favour of the resolution are more than three times the votes cast against the resolution and in terms of regulation 8(1)(b) of the Delisting Regulations, the votes cast in favour of the resolution by the public shareholders are more than two times the votes cast by the public shareholders against the resolution.

Please take the same on your records and acknowledge receipt of the same.

Thanking you,

Yours faithfully,

For **IKF FINANCE LIMITED**

(V G K PRASAD)
MANAGING DIRECTOR





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DECLARATION OF POSTAL BALLOT RESULT

The Board of Directors of IKF Finance Limited (“**Company**”) pursuant to its resolution dated October 14, 2013, approved the delisting proposal (“**Delisting Proposal**”) received from Mr. V G K Prasad, Mrs. Indira Devi Vupputuri, Mrs. Vasumathi Devi Koganti and Mrs. Vasantha Lakshmi Devineni, members of the promoter and promoter group of the Company (“**Acquirers**”), and decided to conduct postal ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 to approve the Delisting Proposal and the applicable provisions of the Companies Act, 2013.

Notice dated November 19, 2013 containing the special resolution together with the explanatory statement stating all material facts and reasons for the Delisting Proposal was sent to all the shareholders of the Company. The Board of Directors appointed Mr. S. Srikanth as the scrutinizer (the “**Scrutinizer**”) for conducting the postal ballot process in a fair and transparent manner. The Scrutinizer submitted his report, after scrutinizing postal ballot forms received from members up to 05:00 pm on December 23, 2013. A summary of the postal ballot forms received and results thereof is provided below:

S. No.	Particulars	Number of postal ballot forms	Number of shares held in the Company	Percentage of total valid votes
<i>Including shareholding of promoter and promoter group</i>				
1.	Postal ballot forms assenting the resolution	57	16915455	99.74%
2.	Postal ballot forms dissenting the resolution	6	10846	0.06%
3.	Invalid forms	4	34500	0.20%
4.	Total postal ballot forms received	67	16960801	100.00%
<i>Excluding shareholding of promoter and promoter group (only public shareholding)</i>				
5.	Postal ballot forms assenting the resolution	50	2361120	98.12%
6.	Postal ballot forms dissenting the resolution	6	10846	0.45%
7.	Invalid forms	4	34500	1.43%
8.	Total postal ballot forms received	60	2406466	100.00%

On the basis of the above results, the special resolution as set out in the postal ballot notice dated November 19, 2013, has been duly passed by the members of the Company with requisite majority.

By Order of the Board
For **IKF FINANCE LIMITED**

(V G K PRASAD)
MANAGING DIRECTOR



December 24, 2013
Vijayawada, Andhra Pradesh



IKF Finance Limited

40-1-144, Corporate Centre, M.G.Road,

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Dear Member(s),

**NOTICE PURSUANT TO SECTION 192A (2) OF THE COMPANIES ACT, 1956
READ WITH COMPANIES (PASSING OF THE RESOLUTION BY POSTAL BALLOT)
RULES, 2011**

**READ WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF
EQUITY SHARES) REGULATIONS, 2009**

NOTICE is hereby given pursuant to Section 192A(2) of the Companies Act, 1956 (“**Companies Act**”), and all other applicable provisions of the Companies Act and the Companies Act, 2013, if any, read with applicable rules framed under the Companies Act, 1956 relating to passing of resolution by postal ballot and Regulation 8(1)(b) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (“**Delisting Regulations**”) or any other applicable regulation of Delisting Regulations, as amended from time to time, to the members of IKF Finance Limited (the “**Company**”) and pursuant to the intimation letters dated October 11, 2013 received from Mr. V G K Prasad, Mrs. Indira Devi Vupputuri, Mrs. Vasumathi Devi Koganti and Mrs. Vasantha Lakshmi Devineni, members of the promoter and promoter group of the Company, proposing the delisting of the equity shares of the Company (“**Equity Shares**”) from the BSE Limited (“**BSE**”) and the Ahmedabad Stock Exchange Limited (“**ASE**”) and the resolution of the Board of Directors dated October 14, 2013, to consider and if thought fit, to pass the following resolution as a special resolution (“**Special Resolution**”) through a postal ballot (“**Postal Ballot**”).

The said Special Resolution and the explanatory statement are being sent to you along with the Postal Ballot form and self addressed, postage pre-paid envelope for your consideration and voting.

Mr. S. Srikanth, a practicing company secretary, has been appointed as the scrutinizer (the “**Scrutinizer**”) for conducting the Postal Ballot process in a fair and transparent manner in accordance with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (“**Postal Ballot Rules**”). Further, the Board of Directors, in its meeting dated November 19, 2013, has appointed Mr. V.G.K. Prasad, Managing Director, and Mrs. Vasumathi Devi Koganti, a whole-time Director, to be responsible for the entire postal ballot process.

You are requested to carefully read the instructions printed in the Postal Ballot form (“**Postal Ballot Form**”) and return the Postal Ballot Form (no other form or photocopy is permitted) duly completed in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutinizer by no later than the close of working hours i.e. at 05:00 p.m. on December 23, 2013. Postal Ballot Forms received after this date will be strictly treated as if the reply from the concerned member has not been received. The postage will be borne and paid by the Company. It is, however, clarified that members desiring to exercise their vote from outside of India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutinizer.

The Scrutinizer will submit his report to either Mr. V.G.K. Prasad, Managing Director, Mrs. Vasumathi Devi Koganti, a whole-time Director, Mr. S Veerabhadra Rao or Mr. P.S.V. Prasada Rao, Directors of the Company or in their absence to any other Director of the Company after completion of scrutiny of Postal Ballot Forms received. The result of voting by Postal Ballot will be announced at 05:00 pm on December 24, 2013 at the Registered Office of the Company at 40-1-144, 3rd Floor, Corporate Centre, M.G. Road, Vijayawada – 520 010, Andhra Pradesh. Additionally, the result will be communicated to the stock exchanges, where the Equity Shares are listed and will be published in newspaper(s).

PROPOSED SPECIAL RESOLUTION

Voluntary Delisting of the Equity Shares of the Company from the BSE and the ASE:

To consider and if thought fit, to pass with or without modifications), the following Resolution as a "Special Resolution":



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“RESOLVED THAT pursuant to (i) letters dated October 11, 2013 received by the Company from Mr. V G K Prasad, Mrs. Indira Devi Vupputuri, Mrs. Vasumathi Devi Koganti and Mrs. Vasantha Lakshmi Devineni, members of the promoter and promoter group of the Company, to voluntarily delist the equity shares of the Company (“**Equity Shares**”), (ii) the approval of the board of directors of the Company (“**Board**”) dated October 14, 2013 to voluntarily delist the Equity Shares, consent is hereby accorded for voluntary delisting of the Equity Shares of the Company from the BSE Limited (“**BSE**”) and the Ahmedabad Stock Exchange Limited (“**ASE**”), in accordance with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended (“**Delisting Regulations**”), and the applicable provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (including the rules and regulations framed thereunder), the listing agreement entered into with the stock exchanges and all other applicable laws, rules, regulations and guidelines, if any, and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority or third party, while granting such approvals, permissions and sanctions.

RESOLVED FURTHER THAT the Board (including any committee thereof), or Mr. S Veerabhadra Rao, Mr. PSV Prasada Rao, Directors of the Company, be and are hereby severally authorized to take all steps necessary to give effect to this resolution and to do all such acts, deeds and things etc., as may be necessary or expedient in this connection including but not limited to making applications to relevant stock exchanges and other regulatory authorities (as may be required) to seek their approval for the voluntary delisting of the Equity Shares of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it to any Director(s) or Officer(s) of the Company or to any committee thereof, to give effect to the aforesaid resolutions.”

Registered Office:

40-1-144, 3rd Floor,
Corporate Centre, M.G.Road
Vijayawada – 520 010,
Andhra Pradesh

By order of the Board of Directors
For **IKF Finance Limited**

(VGK PRASAD)
MANAGING DIRECTOR

Date: November 19, 2013

Notes:

1. An explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business specified above is annexed hereto.
2. In terms of Regulation 8(1)(b) of the Regulations read with Section 192A of the Companies Act 1956 read with applicable rules framed under the Companies Act, 1956 relating to passing of the resolution by postal ballot, the item of business set out in the Notice above is sought to be passed through Postal Ballot.
3. The notice is being sent to all the Members, whose names appear in the register of members/record of depositories as on November 15, 2013. Only a member who is entitled to vote is entitled to exercise his/her vote through Postal Ballot. Voting rights of every member shall be reckoned on the paid-up value of Equity Shares whose names appear in the register of members/record of depositories, as on November 15, 2013.
4. The date of completion of dispatch of notice will also be announced through advertisement in newspaper(s) and any recipient of this notice who has no voting rights as on November 15, 2013 should treat the same as intimation only.
5. Each member's voting rights shall be in proportion to his/her share of the paid up equity share capital of the Company.
6. The members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
7. Postal Ballot Form and self-addressed postage prepaid envelope are enclosed.



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EXPLANATORY STATEMENT REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013, RELATING TO THE AFORESAID RESOLUTIONS

Voluntary delisting of the Equity Shares of the Company from the BSE and the ASE.

The Equity Shares are at present listed on the BSE and the ASE.

The Company has received letters dated October 11, 2013 from Mr. V G K Prasad, Mrs. Indira Devi Vupputuri, Mrs. Vasumathi Devi Koganti and Mrs. Vasantha Lakshmi Devineni, members of the promoter and promoter group of the Company (the “Acquirers”), expressing their intention to acquire the Equity Shares held by the public shareholders of the Company (“Public Shareholders”) by providing an exit opportunity in accordance with the Delisting Regulations in order to voluntarily delist the Company's Equity Shares from the BSE and the ASE (“Delisting Offer”).

The Acquirers presently hold 4,426,635 Equity Shares, representing 13.79 % of the paid-up equity share capital of the Company. The Acquirers and the other members of the promoter and promoter group of the Company, presently hold 16,692,135 Equity Shares, representing 52.00 % of the paid-up equity share capital of the Company.

As per the intimation received from the Acquirers, the objective of the Delisting Offer is (i) to increase ownership in the Company along with the other members of the promoter and promoter group of the Company, which will provide the Acquirers, along with other members of the promoter and promoter group of the Company, with increased operational flexibility to support the Company's business; and (ii) to provide an exit opportunity to the public shareholders of the Company, given the low liquidity in the Equity Shares.

In terms of Regulation 8(1)(b) of the Delisting Regulations, the Delisting Offer requires approval of the members of the Company by way of a special resolution passed through a Postal Ballot in accordance with the Delisting Regulations.

The Special Resolution mentioned above shall be declared as passed if the number of votes cast in its favor is not less than three times the number of votes cast against the said Special Resolution, provided that in terms of the Delisting Regulations, the Special Resolution shall be acted upon only if the votes cast by the Public Shareholders in favor of the Special Resolution amount to at least two times the votes cast by Public Shareholders against the Special Resolution.

In the event that this Special Resolution is passed by the members as set out above, subject to receipt of the in-principle approval of the stock exchanges and applicable statutory approvals, a public announcement (“Public Announcement”) of the Delisting Offer may be made by the Acquirers in accordance with the Delisting Regulations followed by dispatch of letter of offer to all Public Shareholders. Thereafter, the Delisting Offer will be conducted in accordance with the Delisting Regulations.

As the Equity Shares are infrequently traded on the stock exchanges, the floor price in relation to the Delisting Proposal, is to be determined in terms of Regulation 15(2)(b) and Regulation 15(3) of the Delisting Regulations. In accordance with the Delisting Regulations, the Acquirers, in consultation with ICICI Securities Limited (the “Merchant Banker”), has considered the floor price of Rs. 14.69 per Equity Share contained in the report provided by M/s K.J. Sheth & Associates, Chartered Accountants. Accordingly, the Acquirers have vide their letter dated November 18, 2013 have communicated a floor price of Rs. 14.69 per Equity Share for the delisting Proposal (“Floor Price”).

The price at which shares will be acquired in the Delisting Offer is required to be determined in accordance with a reverse book building process set out in the Delisting Regulations, subject to a Floor Price (as defined above). In terms of the Delisting Regulation and the reverse book building process, the minimum price payable by the Acquirer for acquiring Shares in the Delisting Offer shall be the price at which the maximum number of Shares are tendered (the “Discovered Price”) pursuant to the reverse book building process. The Discovered Price will not be lower than the Floor Price. Such price at which the Delisting offer is accepted by the Acquirers (which price shall be equal to or more than the Discovered Price) is hereinafter referred as the “Exit Price”.

Public Shareholders are free to tender their shares in the reverse book building process at a price they elect, independent of the Floor Price.

Further, after considering the prevailing market conditions, the Acquirers have indicated Rs. 15.50 per Equity Share, as an indicative price at which the Acquirers may be willing to accept the Equity Shares tendered in the delisting offer (“Indicative Offer Price”). However, the Acquirers have indicated that this Indicative Offer Price should in no way be construed as:



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- i. a ceiling or maximum price for the purposes of the reverse book building process and the public shareholders are free to tender their Equity Shares at any price irrespective of the Indicative Offer Price, in accordance with the Delisting Regulations; or
- ii. a commitment by Acquirers to accept the Equity Shares tendered in the delisting offer, if the Discovered Price is less than the Indicative Offer Price; or
- iii. an obligation on the Acquirers to pay the Indicative Offer Price in the event the Discovered Price is lower than the Indicative Offer Price; or
- iv. any restriction on the ability of Acquirers to acquire Equity Shares at a price higher or lower than the Indicative Offer Price.

The Acquirers shall not proceed with the Delisting Offer:

- a unless the Acquirers accept the Discovered Price;
- b unless the number of Equity Shares validly tendered in the Delisting Offer are sufficient to result in the Delisting Offer being successful as per the Delisting Regulations;
- c unless the necessary regulatory and other approvals as may be required, including approvals required under the Delisting Regulations are obtained;
- d if there are amendments to the Delisting Regulations or any other law or regulations relevant in connection with the delisting proposal which, in the sole opinion of the Acquirers, have an adverse effect on the Delisting Proposal or affect the rights of the Acquirers; and
- e unless such other term are met as may be set out in the Public Announcement or the letter of offer, to be sent to the Public Shareholders of the Company.

Accordingly, approval of the members is sought for the aforesaid Special Resolution, after which, the Acquirers will proceed subject to receipt of required approvals to make the Delisting Offer to the members of the Company in accordance with the provisions of the Delisting Regulations.

The passing of the Special Resolution would be enabling in nature, and it will allow the Acquirers (if it so chooses to) to proceed with the Delisting Proposal in the twelve month period following the passing of the resolution. If the Acquirers decide to proceed with their Delisting Proposal and make an offer to acquire shares from the Public Shareholders of the Company it will make a Public Announcement containing the terms and conditions of its offer, which will then be followed by a detailed letter of offer, that will be dispatched to the Public Shareholders of the Company.

The letters dated October 11, 2013 received by the Company from the Acquirers, to voluntarily delist the equity shares of the Company and the letter dated November 18, 2013 received by the Company from the Acquirers intimating the Floor Price and Indicative Offer Price, are available for inspection at the Registered Office of the Company between 11 AM to 1 PM. on any working day, except Sunday, upto December 23, 2013.

The Board, therefore, places the proposed resolution for your consideration and recommends that it be passed as a Special Resolution.

Except for Mr. V G K Prasad, Mrs. Indira Devi Vupputuri, Mrs. Vasumathi Devi Koganti and Mrs. Vasantha Lakshmi Devineni (alternate Director to Mr. Sinha S Chunduri), who may be interested in the proposed resolution by virtue of being Acquirers and Mr. Sinha S Chunduri, Mr. Prasad J Athota and Mr. N Haranath, who may be interested in the proposed resolution by virtue of being related, directly or indirectly, to the Acquirers, none of the Directors of the Company are interested in the proposed resolution. In relation to the Delisting Offer, such interested Directors have not participated in the meetings of the Board of Directors on October 11, 2013 and November 19, 2013. Further, other than the relatives of the Directors who may be interested by virtue of their shareholding in the Company, if any, none of the other relatives of the Directors are interested in the proposed resolution.

Registered Office:

40-1-144, 3rd Floor,
Corporate Centre, M.G.Road
Vijayawada – 520 010,
Andhra Pradesh

By order of the Board of Directors
For **IKF Finance Limited**

(VGK PRASAD)
MANAGING DIRECTOR

Date: November 19, 2013



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POSTAL BALLOT FORM

(To be returned to Scrutinizer appointed by the Company),

1. Name and registered address of the Sole/First named shareholders
(In block letters)
2. Name(s) of the joint holder(s)
If any (In block letters)
3. Registered Folio No./
DP ID No./Client ID No.*
(*Applicable to investors holding
Share in dematerialized form)
4. Number of shares held
5. I/We hereby exercise my/our vote in respect of the special resolution to be passed through postal ballot for the special business stated in the postal ballot notice dated November 19, 2013 of the Company by sending my/our assent (FOR) or dissent (AGAINST) to the said resolutions by placing the tickmark(√) at the appropriate box below:

Description	No. of Shares	Nature of Voting	Tick (√) the appropriate box
Special Resolution for the Voluntary delisting of the equity shares of IKF Finance Limited from the BSE and the ASE pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, pursuant to a delisting offer by Mr. V G K Prasad, Mrs. Indira Devi Vupputuri, Mrs. Vasumathi Devi Koganti and Mrs. Vasantha Lakshmi Devineni, members of the promoter and promoter group of the Company.		I/We assent to the resolution (FOR)	
		I/We dissent to the resolution (AGAINST)	

Place:

Date:

(Signature of Shareholder)

* P.S. FOR INSTRUCTIONS, PLEASE SEE OVERLEAF



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INSTRUCTIONS

1. A Member entitled to vote and desirous of exercising his/her vote by Postal Ballot may complete this Postal Ballot Form ("**Form**") and send it to the Scrutinizer in the attached self-addressed envelope. Inland Postage will be borne and paid by the Company. However, any envelope containing postal ballot if deposited in person or sent by courier at the expenses of the Member will also be accepted. It is however, clarified that members desiring to exercise their vote from outside of India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutinizer.
2. A member may convey his/her/its assent/dissent in this postal ballot form. The assent or dissent received in any other form shall not be considered valid. The consent of the Member must be accorded by recording the assent in the column "FOR" and dissent in the column "AGAINST" by placing a tick mark (✓) in the appropriate column. Assent or dissent received in any other manner will not be considered valid.
3. This Form must be completed and signed by the Member. In case of Joint-holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his absence, by the next named Member.
4. Unsigned, incomplete, improperly or incorrectly ticked Postal Ballot Forms shall be rejected.
5. The Postal ballot shall not be exercised by a proxy.
6. The self-addressed envelope bears the address of the Scrutinizer appointed in relation to the Postal Ballot process. Duly completed Postal Ballot Form should reach the Scrutinizer before the close of working hours i.e. at 05:00 p.m. on December 23, 2013. All postal Ballot Forms received after this date will be strictly treated as if reply from such Member, has not been received.
7. A member may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time specified above.
8. Voting rights shall be reckoned on the paid up value of the Equity Shares registered in the name of the Member as on November 15, 2013.
9. In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of board resolution/authority. A member may sign the Postal Ballot Form through an attorney appointed specifically for this purpose, in which case an attested true copy of the power of attorney should be attached to the Postal Ballot Form.
10. Members are requested not to send extraneous paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would not be taken cognizance of and shall be destroyed by the Scrutinizer.
11. There will be one Postal Ballot Form for every Registered Folio/ Client ID, irrespective of the number of joint holder.
12. A member neither needs to use all his/her votes nor cast his/her votes in the same way.
13. A member may request a duplicate Form, if so required. However, the duly filled in duplicate Form should reach the Scrutinizer not later than the date specified at item No. 6 above.
14. Members are requested to fill in the Postal Ballot Form with indelible ink and not by any erasable writing mode.
15. The Scrutinizer's decision on the validity of the Postal Ballot will be final.
16. The result of voting by Postal Ballot will be announced at 05:00 p.m. on December 24, 2013 at the registered office of the Company. Additionally, the result will be communicated to the BSE and the ASE and will be published in newspaper(s). The date of declaration of the result of the Postal Ballot will be taken to be the date of passing of the Special Resolution.

**Notice of
Extra - Ordinary General Meeting
On March 9, 2013**



IKF FINANCE LIMITED
Regd. Office: # 40-1-144, Corporate Centre,
M.G.Road, Vijayawada - 520 010.

**BOOK POST
(Printed Matter)**

If undelivered, please return to :
IKFFINANCELIMITED
40-1-144, Corporate Centre,
M.G. Road, VIJAYAWADA - 520 010.
ANDHRA PRADESH. INDIA.
Phones : (0866) 2474 644, 2474 633
Fax : (0866) 2485 755
Email : ikffinance@gmail.com
Web : ikffinance.com

NOTICE

Notice is hereby given that the Extra-Ordinary General Meeting of the Company will be held on **Saturday the 9th March, 2013** at 4.00 P.M at the Registered Office of the Company to transact the following business.

As Special Business:

Item No. 1

To receive, consider and, if thought fit to pass, with or without modifications, the following resolution as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment (s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) as in force, the regulations/ guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment (s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchange where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange and any other relevant statutory, governmental authorities or departments, institutions or bodies (“Concerned Authorities”) in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, sanctions and permissions as may be necessary (“Approvals”) and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and /or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot up to **36,60,000 (Thirty Six Lakhs Sixty Thousand Only)** Equity Shares of Rs.10/- each, with a Premium of Rs.3.25 per Share on a preferential allotment basis, to the following, both Promoters and Non Promoters,

Sl. No	Name of the proposed Allotee	Promoter / Non Promoter	No. of Equity Shares
1.	IKF Infratech (P) Limited	Promoter Group	1210000
2.	Chunduri Durga Rani	Promoter	167000
3.	Prasad Jagadish Athota	Promoter	127000
4.	Gautam Padala	Non Promoter	748000
5.	Atluri Venkata Jitendra	Non Promoter	1280000
6.	Kodali Kishore Babu	Non Promoter	128000
	Total		3660000

at a price calculated in accordance with regulation 76(1) of chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 which shall be the higher of the following:-

1. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date.

OR

2. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date.

RESOLVED FURTHER THAT the relevant date, in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, for determination of price for the issuance of the Equity shares on a preferential allotment basis will be the date 30 days prior to the date on which the meeting of the general body of shareholders is **7th February, 2013**.

RESOLVED FURTHER THAT the Equity Shares allotted on preferential basis shall be subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects including dividend with the existing fully paid up equity shares of Rs.10/- each of the Company.

RESOLVED FURTHER THAT the aforesaid Equity Shares to be allotted on preferential basis shall be subject to lock-in requirements as per the provision of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for issue or allotment of the aforesaid equity shares on preferential basis and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any other Director(s) of the Company to give effect to this resolution.

Item No. 2

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

“RESOLVED THAT the Authorized Capital of the Company be increased from Rs.30.00 Crores, divided into 3,00,00,000 Equity Shares of Rs.10/- each to Rs.35.00 Crores, divided into 3,50,00,000 Equity Shares of Rs.10/- each by creation of 50,00,000 Equity Shares of Rs.10/- each and that clause V of the Memorandum of Association of the Company be altered accordingly.”

Item No. 3

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

“RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby amended to read as under;

V The Authorized Share Capital of the Company is Rs.35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crore Fifty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each. The Company has power from time to time to increase or reduce its capital and issue upon the increase in capital the new capital as equity or preference shares and to attach to any class or classes or such shares preference, rights, privileges, priorities in payment of dividends or distribution of assets, or otherwise over other shares and to subject the same to any restrictions, limitations or conditions and to vary the regulations of the Company, as far as necessary to give effect to the same and upon the sub-division of share to apportion the right to participate in profits in any manner subject to the prior consent of the Government of India or the order of Court, if the same be necessary being obtained before doing so.”

Item No. 4

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

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

Substitution of Article 3

The Authorized Share Capital of the Company is Rs.35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crore Fifty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.”

By Order of the Board
For **IKF Finance Limited**

Place: **Vijayawada**

Date: **7th February, 2013**

(V G K PRASAD)
Managing Director

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SEND IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY COMPLETE IN ALL RESPECT NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. A BLANK PROXY FORM IS ENCLOSED FOR USE, IF NECESSARY, BY THE MEMBER.**
2. The Explanatory statement pursuant to Section 173(2) is attached here with.
3. The members are requested to intimate the Company immediately, any change in their registered address.
4. Members/ Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 1

Section 81 (1) of the Companies Act, 1956 provides inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 (1). Further, Section 81 (1A) of the Companies Act, 1956 provides that the further shares may be offered to any persons / entities other than the existing Shareholders, provided the shareholders in general meeting decides otherwise by passing a special resolution.

Hence, consent of shareholders by way of special resolution is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of SEBI (Issue of Capital and Disclosure

Requirements) Regulations, 2009 and the listing agreement executed by the Company with the Stock Exchange where the Company's shares are listed for the issue of Equity Shares to both Promoters, Promoter Group and Non Promoters.

The Company requires funds for meeting working Capital requirements for expansion of its Operations and such other corporate purposes, as may be required from time to time. To make provision for the funds so required, it is considered appropriate under the current circumstances to issue Equity Shares on preferential basis in accordance with the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations").

On the request of the Company, some Promoters, Promoter Group and Non Promoters, have agreed to subscribe 36,60,000 (Thirty Six Lakhs Sixty Thousand only) Equity Shares of Rs.10/- each on preferential basis as detailed in the Resolution.

The Relevant date, i.e. 30 days prior from the date of General Meeting of the members, of the Proposed General Meeting is **7th February, 2013**

The details of the issue and other particulars as required under the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, in relation to the above resolution proposed are given as under:

i. Objects of the Issue:

The funds raised through the proposed issue of Equity Shares shall be used for meeting the Working Capital requirements for expansion of the Company's operations, and for such other corporate purpose, as may be required from time to time.

ii. Intention of Promoters / Promoters Group / directors / key management persons and Non Promoters to subscribe to the offer

To meet the objects of the issue, the Promoters, Promoter Group and Non Promoters as detailed in the resolution have agreed to subscribe to the offer of Equity Shares.

iii. Shareholding pattern before and after the preferential allotment.

The shareholding pattern of the Company, before and after the preferential allotment of Equity Shares and Warrants, allotted on 31.03.2012, on their conversion, shall be as under:

Category	Pre-Issue Shareholding Pattern		Shareholding Pattern after allotment of Proposed Equity Share		Shareholding Pattern upon conversion of Warrants in to Equity Shares, allotted on March 31, 2012	
	No. of Shares	Share holding (%)	No. of Shares	Share holding (%)	No. of Shares	Share holding (%)
A. Promoter, Promoters Group, Directors and Director's Relatives Shareholding	12202135	47.96%	13706135	47.10%	17706135	53.49%
B. Public Shareholding						
Banks	0	0.00%	0	0.00%	0	0.00%
Mutual Funds	0	0.00%	0	0.00%	0	0.00%
Financial Institutions	0	0.00%	0	0.00%	0	0.00%
Foregin Institutional Investors	0	0.00%	0	0.00%	0	0.00%
Private Corporate Bodies	2947218	11.59%	2947218	10.13%	2947218	8.91%
Foreign Company / Non Resident Individual	2397623	9.42%	4425623	15.21%	4425623	13.37%
Shares in trust / Clearing Member	0	0.00%	0	0.00%	0	0.00%
Resident Individuals / Others	7893024	31.03%	8021024	27.56%	8021024	24.23%
Total	25440000	100.00%	29100000	100.00%	33100000	100.00%

iv. Proposed time within which the allotment shall be completed

The Allotment of Equity Shares on Preferential basis will be completed within 15 days from the Date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or Central Government, the allotment will be completed within 15 days from the date of such approval.

v. Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them

Category	Pre Issue Shareholding		Proposed Equity Shares	Shareholding Allotment of Proposed Equity		Warrants allotted on 31.03.12	Shareholding up on conversion of Warrants in to Equity Shares	
	Shares	%		Shares	%		Shares	%
Promoters & Promoter Group								
IKF Infratech (P) Limited	3997400	15.71%	1210000	5207400	17.90%	1814000	7021400	21.21%
Chunduri Durga Rani	969100	3.81%	167000	1136100	3.90%	397000	1533100	4.63%
Prasad Jagadish Athota	125000	0.49%	127000	252000	0.87%	274000	526000	1.59%
Non Promoters								
Gautam Padala	0	0.00%	748000	748000	2.57%	0	748000	2.26%
Atluri Venkata Jitendra	0	0.00%	1280000	1280000	4.40%	0	1280000	3.87%
Kodali Kishore Babu	227700	0.90%	128000	128000	1.22%	0	355700	1.08%
Total	5319200	20.91%	3660000	8979200	30.86%	2485000	11464200	34.64%

vi. Lock-In

The Equity Shares to be allotted on preferential basis shall be subject to lock-in as per the applicable SEBI (ICDR) Regulations 2009 in this behalf for the time being in force.

vii. Change in the control or composition of the Board

There will neither be any change in the composition of the Board nor any change in the control of the Company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment and conversion of Equity Shares.

viii Compliance with SEBI Takeover guidelines

The Company, on allotment of proposed Equity Shares will be complying with SEBI guidelines on open offer to public, if the promoters' acquisition in a particular year exceeds the creeping acquisition limits prescribed under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

ix Price at which allotment is proposed

The issue price of Equity Shares on preferential basis shall be at a price of Rs.13.25 (Rs.10/- face value + Rs.3.25 Premium) which is higher than the price arrived at as per SEBI Guidelines for the time being force.

x Auditors' Certificate

A copy of the Certificate of Statutory Auditor's, in accordance with Clause 73 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 for Preferential Issue, certifying that the issue of the Equity Shares is being made in accordance with the requirements of SEBI (ICDR) Regulations will be available for inspection at the Registered Office of the Company during the business hours on all working days up to the date of Extra Ordinary General Meeting and shall be available for inspection at the meeting.

xi. Other terms of Issue of Shares

The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall, on their conversion, rank pari passu in all respects with the existing fully paid up equity shares of the company.

The consent of the Shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable Provisions of the companies Act, 1956, if any, and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges in India where the Company's shares are listed.

xii. Undertaking:

The Company undertakes, to re-compute, if required, the issue price of equity shares to be issued as per the provisions of the SEBI Regulations. Further, the Company undertakes that if the amount payable on account of re-computation of price as aforesaid is not paid within the time stipulated as per the SEBI Regulations, the said securities shall continue to be locked-in till the time such amount is paid by the allottees.

The Board of Directors recommends the resolution for the approval of Shareholders.

Item No.2, 3 & 4:

The present Authorised Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores Only) divided by 3,00,00,000 (ThreeCrore Only) Equity Shares of Rs.10/- each. The issued, subscribed and Paid Up Share Capital is Rs.25,44,00,000/- (Rupees Twenty Five Crores Forty Four Lakhs Only) divided into 2,54,40,000 equity shares of Rs.10/- each

The Board of Directors considers it expedient to enhance the Authorized Share capital to facilitate further issue of equity shares to consolidate the capital base and also to meet the long term working capital requirements of the company and, therefore, proposes to increase the Authorized Equity share capital of the Company to Rs.35,00,00,000/- (Rupees Thirty Five Crores Only) by creation of 50,00,000 Equity Shares of Rs.10/- each ranking pari passu with the existing shares of the company in all respects. The resolutions set out in item No. 2 to 4 above are to carry out the consequential amendments in the Memorandum and Articles of Association of the Company. Hence, the resolutions in item No.2 to 4 are recommended for your approval.

Some Directors of the Company are interested in the said resolution to the extent of Equity Shares allotted to their relatives and company in which they are holding substantial interest.

By Order of the Board
For **IKF Finance Limited**

Place: **Vijayawada**
Date : **7th February, 2013**

(**V G K PRASAD**)
Managing Director



ATTENDANCE SLIP

IKF FINANCE LIMITED

Regd. Office: # 40-1-144, Corporate Centre, M.G.Road, Vijayawada - 520 010.

Please complete this attendance slip and hand it over at the entrance of the hall.

* Only members or their proxies are entitled to be present at the meeting.

* Please note that children will not be allowed inside the meeting hall.

FOLIONO:
NO.OF SHARES
NAME & ADDRESS

I hereby record my presence at the Extraordinary General Meeting of the Company at the Registered Office of the Company, Vijayawada - 520 010, on Saturday the 09th day of March, 2013 at 4-00 P.M.

SIGNATURE OF THE SHAREHOLDER / PROXY :

* Strike Whichever is not applicable

Note: If you are attending the meeting in person or by proxy, your copy of the Balance Sheet may please be brought by you/your proxy for reference at this meeting.



IKF FINANCE LIMITED

Regd. Office: # 40-1-144, Corporate Centre, M.G.Road, Vijayawada - 520 010.

FOLIO NO :

NO.OF SHARES :

I/We _____
being a Member/Members of **IKF Finance Limited** here by appoint
_____ of _____ or failing him
_____ of _____ or
failing him _____ of _____ as
my/our proxy to attend and vote for me/us and on my/our behalf at the Extraordinary
General Meeting of the Company to be held at 4-00 P.M. on Saturday the 09th day
of March, 2013 and any adjournment thereof.

Dated this _____ day of _____ 2013.

Signed by the said _____

Re.1/- Revenue Stamp

Note: The proxy form duly signed by the member (s) across Re.1/- revenue stamp should reach the Company's share department at Registered office of the Company atleast 48 hours before the time fixed for the meeting.

NOTICE

Notice is hereby given that the Extra-Ordinary General Meeting of the Company will be held on **Tuesday the 31st July, 2012** at 4.00 P.M at the Registered Office of the Company to transact the following business.

As Special Business:

Item No. 1

To receive, consider and, if thought fit to pass, with or without modifications, the following resolution as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment (s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) as in force, the regulations/ guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment (s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchange where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange and any other relevant statutory, governmental authorities or departments, institutions or bodies (“Concerned Authorities”) in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, sanctions and permissions as may be necessary (“Approvals”) and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and /or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot up to **68,50,000 (Sixty Eight Lakhs Fifty thousand Only)** Equity Shares of Rs.10/- each, with a Premium of Rs.3/- per Share on a preferential allotment basis, to the following, both Promoters and Non Promoters,

Sl. No.	Name of the proposed Allotee	Promoter / Non Promoter	No. of Equity Shares
1	Ch Durga Rani	Promoter	397800
2	IKF Infratech (P) Limited	Promoter Group	2492400
3	Eastern Powers & Systems (P) Limited	Non Promoter	384600
4	Mohan Krishna Myneni	Non Promoter	769200
5	Vedika Reyalty (P) Limited	Non Promoter	1923000
6	Vamshi Mohan Athota	Non Promoter	769200
7	Vijaya Kumar Katragadda	Non Promoter	68800
8	Mohini Katragadda	Non Promoter	45000
		Total	6850000

at a price calculated in accordance with regulation 76(1) of chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 which shall be the higher of the following:-

1. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date.

OR

2. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date.

RESOLVED FURTHER THAT the relevant date, in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, for determination of price for the issuance of the Equity shares on a preferential allotment basis will be the date 30 days prior to the date on which the meeting of the general body of shareholders is **1st July, 2012**.

RESOLVED FURTHER THAT the Equity Shares allotted on preferential basis shall be subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects including dividend with the existing fully paid up equity shares of Rs.10/- each of the Company.

RESOLVED FURTHER THAT the aforesaid Equity Shares to be allotted on preferential basis shall be subject to lock-in requirements as per the provision of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for issue or allotment of the aforesaid equity shares on preferential basis and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any other Director(s) of the Company to give effect to this resolution.

Item No. 2

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

“RESOLVED THAT the Authorized Capital of the Company be increased from Rs.23.00 Crores, divided into 2,30,00,000 Equity Shares of Rs.10/- each to Rs.30.00 Crores, divided into 3,00,00,000 Equity Shares of Rs.10/- each by creation of 70,00,000 Equity Shares of Rs.10/- each and that clause V of the Memorandum of Association of the Company be altered accordingly.”

Item No. 3

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

“RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby amended to read as under;

V. The Authorized Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crore Only) Equity Shares of Rs.10/- (Rupees Ten Only) each. The Company has power from time to time to increase or reduce its capital and issue upon the increase in capital the new capital as equity or preference shares and to attach to any class or classes or such shares preference, rights, privileges, priorities in payment of dividends or distribution of assets, or otherwise over other shares and to subject the same to any restrictions, limitations or conditions and to vary the regulations of the Company, as far as necessary to give effect to the same and upon the sub-division of share to apportion the right to participate in profits in any manner subject to the prior consent of the Government of India or the order of Court, if the same be necessary being obtained before doing so.”

Item No. 4

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

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

Substitution of Article 3

The Authorized Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crore Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.”

By Order of the Board
For **IKF Finance Limited**

Place: **Vijayawada**
Date: **2nd July, 2012**

(V G K PRASAD)
Managing Director

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SEND IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY COMPLETE IN ALL RESPECT NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. A BLANK PROXY FORM IS ENCLOSED FOR USE, IF NECESSARY, BY THE MEMBER.**
2. The Explanatory statement pursuant to Section 173(2) is attached here with.
3. The members are requested to intimate the Company immediately, any change in their registered address.
4. Members/ Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 1

Section 81 (1) of the Companies Act, 1956 provides inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 (1). Further, Section 81 (1A) of the Companies Act, 1956 provides that the further shares may be offered to any persons / entities other than the existing Shareholders, provided the shareholders in general meeting decides otherwise by passing a special resolution.

Hence, consent of shareholders by way of special resolution is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of SEBI (Issue of Capital and Disclosure

Requirements) Regulations, 2009 and the listing agreement executed by the Company with the Stock Exchange where the Company's shares are listed for the issue of Equity Shares to both Promoters, Promoter Group and Non Promoters.

The Company requires funds for meeting working Capital requirements for expansion of its Operations and such other corporate purposes, as may be required from time to time. To make provision for the funds so required, it is considered appropriate under the current circumstances to issue Equity Shares on preferential basis in accordance with the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations").

On the request of the Company, some Promoters, Promoter Group and Non Promoters, have agreed to subscribe 68,50,000 (Sixty Eight Lakhs Fifty thousand only) Equity Shares of Rs.10/- each on preferential basis as detailed in the Resolution.

The Relevant date, i.e. 30 days prior from the date of General Meeting of the members, of the Proposed General Meeting is **1st July, 2012**

The details of the issue and other particulars as required under the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, in relation to the above resolution proposed are given as under:

i. Objects of the Issue:

The funds raised through the proposed issue of Equity Shares shall be used for meeting the Working Capital requirements for expansion of the Company's operations, and for such other corporate purpose, as may be required from time to time.

ii. Intention of Promoters / Promoters Group / directors / key management persons and Non Promoters to subscribe to the offer

To meet the objects of the issue, the Promoters, Promoter Group and Non Promoters as detailed in the resolution have agreed to subscribe to the offer of Equity Shares.

iii. Shareholding pattern before and after the preferential allotment.

The shareholding pattern of the Company, before and after the preferential allotment of Equity Shares and Warrants, allotted on 31.03.2012, on their conversion, shall be as under:

Category	Pre-Issue Shareholding Pattern		Shareholding Pattern after allotment of Proposed Equity Share		Shareholding Pattern upon conversion of Warrants in to Equity Shares, allotted on March 31, 2012	
	No. of Shares	Share holding (%)	No. of Shares	Share holding (%)	No. of Shares	Share holding (%)
A. Promoter, Promoters Group, Directors and Director's Relatives Shareholding	9311935	50.09%	12202135	47.97%	16202135	55.03%
B. Public Shareholding						
Banks	0	0.00%	0	0.00%	0	0.00%
Mutual Funds	0	0.00%	0	0.00%	0	0.00%
Financial Institutions	0	0.00%	0	0.00%	0	0.00%
Foregin Institutional Investors	0	0.00%	0	0.00%	0	0.00%
Private Corporate Bodies	371987	2.00%	2679587	10.53%	2679587	9.10%
Foreign Company / Non Resident Individual	2330865	12.54%	2330865	9.16%	2330865	7.92%
Shares in trust / Clearing Member	0	0.00%	0	0.00%	0	0.00%
Resident Individuals / Others	6575213	35.37%	8227413	32.34%	8227413	27.95%
Total	18590000	100.00%	25440000	100.00%	29440000	100.00%

iv. Proposed time within which the allotment shall be completed

The Allotment of Equity Shares on Preferential basis will be completed within 15 days from the Date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or Central Government, the allotment will be completed within 15 days from the date of such approval.

v. Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them

Category	Pre Issue Shareholding		Proposed Equity Shares	Shareholding Allotment of Proposed Equity		Warrants allotted on 31.03.12	Shareholding up on conversion of Warrants in to Equity Shares	
	Shares	%		Shares	%		Shares	%
Promoters & Promoter Group								
IKF Infratech (P) Limited	1505000	8.10%	2492400	3997400	15.71%	1814000	5811400	19.74%
Chunduru Durga Rani	571300	3.07%	397800	969100	3.81%	397000	1366100	4.64%
Non Promoters								
Vadika Realty (P) Limited	0	0.00%	1923000	1923000	7.56%	0	1923000	6.53%
Eastern Powers & Systems (P) Limited	107600	0.58%	384600	492200	1.93%	0	492200	1.67%
Vamshi Mohan Athota	1081200	5.82%	769200	1850400	7.28%	0	1850400	6.29%
Mohan Krishna Myneni	0	0.00%	769200	769200	3.02%	0	769200	2.61%
Vijaya Kumar Katragadda	0	0.00%	68800	68800	0.27%	0	68800	0.23%
Mohini Katragadda	0	0.00%	45000	45000	0.18%	0	45000	0.15%
Total	3265100	17.57%	6850000	10115100	39.76%	2211000	12326100	41.87%

vi. Lock-In

The Equity Shares to be allotted on preferential basis shall be subject to lock-in as per the applicable SEBI (ICDR) Regulations 2009 in this behalf for the time being in force.

vii. Change in the control or composition of the Board

There will neither be any change in the composition of the Board nor any change in the control of the Company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment and conversion of Equity Shares.

viii Compliance with SEBI Takeover guidelines

The Company, on allotment of proposed Equity Shares will be complying with SEBI guidelines on open offer to public, if the promoters' acquisition in a particular year exceeds the creeping acquisition limits prescribed under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

ix Price at which allotment is proposed

The issue price of Equity Shares on preferential basis shall be at a price of Rs.13.00 (Rs.10/- face value + Rs.3/- Premium) which is higher than the price arrived at as per SEBI Guidelines for the time being force.

x Auditors' Certificate

A copy of the Certificate of Statutory Auditor's, in accordance with Clause 73 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 for Preferential Issue, certifying that the issue of the Equity Shares is being made in accordance with the requirements of SEBI (ICDR) Regulations will be available for inspection at the Registered Office of the Company during the business hours on all working days up to the date of Extra Ordinary General Meeting and shall be available for inspection at the meeting.

xi. Other terms of Issue of Shares

The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall, on their conversion, rank pari passu in all respects with the existing fully paid up equity shares of the company.

The consent of the Shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable Provisions of the companies Act, 1956, if any, and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges in India where the Company's shares are listed.

xii. Undertaking:

The Company undertakes, to re-compute, if required, the issue price of equity shares to be issued as per the provisions of the SEBI Regulations. Further, the Company undertakes that if the amount payable on account of re-computation of price as aforesaid is not paid within the time stipulated as per the SEBI Regulations, the said securities shall continue to be locked-in till the time such amount is paid by the allottees.

The Board of Directors recommends the resolution for the approval of Shareholders.

Item No.2, 3 & 4:

The present Authorised Share Capital of the Company is Rs.23,00,00,000/- (Rupees Twenty Three Crores Only) divided by 2,30,00,000 (Two Crore Thirty Lakh Only) Equity Shares of Rs.10/- each. The issued, subscribed and Paid Up Share Capital is Rs.18,59,00,000/- (Rupees Eighteen Crores Fifty Nine Lakhs Only) divided into 1,85,90,000 equity shares of Rs.10/- each

The Board of Directors considers it expedient to enhance the Authorized Share capital to facilitate further issue of equity shares to consolidate the capital base and also to meet the long term working capital requirements of the company and, therefore, proposes to increase the Authorized Equity share capital of the Company to Rs.30,00,00,000/- (Rupees Thirty Crores Only) by creation of 70,00,000 Equity Shares of Rs.10/- each ranking pari passu with the existing shares of the company in all respects. The resolutions set out in item No. 2 to 4 above are to carry out the consequential amendments in the Memorandum and Articles of Association of the Company. Hence, the resolutions in item No.2 to 4 are recommended for your approval.

Some Directors of the Company are interested in the said resolution to the extent of Equity Shares allotted to their relatives and company in which they are holding substantial interest.

By Order of the Board
For **IKF Finance Limited**

Place: **Vijayawada**

Date: **2nd July, 2012**

(**V G K PRASAD**)
Managing Director



IKF FINANCE LIMITED

Regd. Office: # 40-1-144, Corporate Centre, M.G.Road, Vijayawada - 520 010.

Please complete this attendance slip and hand it over at the entrance of the hall.

* Only members or their proxies are entitled to be present at the meeting.

* Please note that children will not be allowed inside the meeting hall.

FOLIONO:
NO.OF SHARES
NAME & ADDRESS

I hereby record my presence at the Extraordinary General Meeting of the Company at the Registered Office of the Company, Vijayawada - 520 010, on Tuesday the 31st day of July 2012 at 4-00 P.M.

SIGNATURE OF THE SHAREHOLDER / PROXY :

* Strike Whichever is not applicable

Note: If you are attending the meeting in person or by proxy, your copy of the Balance Sheet may please be brought by you/your proxy for reference at this meeting.



IKF FINANCE LIMITED

Regd. Office: # 40-1-144, Corporate Centre, M.G.Road, Vijayawada - 520 010.

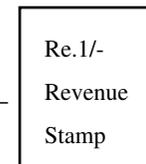
FOLIO NO :

NO.OF SHARES :

I/We _____
being a Member/Members of **IKF Finance Limited** here by appoint
_____ of _____ or failing him
_____ of _____ or
failing him _____ of _____ as
my/our proxy to attend and vote for me/us and on my/our behalf at the Extraordinary
General Meeting of the Company to be held at 4-00 P.M. on Tuesday the 31st day of
July 2012 and any adjournment thereof.

Dated this _____ day of _____ 2012.

Signed by the said _____



Note: The proxy form duly signed by the member (s) across Re.1/- revenue stamp should reach the Company's share department at Registered office of the Company atleast 48 hours before the time fixed for the meeting.

**Notice of
Extra - Ordinary General Meeting
On July 31st 2012**



IKF FINANCE LIMITED

Regd. Office: # 40-1-144, Corporate Centre,
M.G.Road, Vijayawada - 520 010.

**BOOK POST
(Printed Matter)**

If undelivered, please return to :
IKF FINANCE LIMITED
40-1-144, Corporate Centre,
M.G. Road, VIJAYAWADA - 520 010.
ANDHRA PRADESH. INDIA.
Phones : (0866) 2474 644, 2474 633
Fax : (0866) 2485 755
Email : ikffinance@gmail.com
Web : ikffinance.com

Notice of
Extra-Ordinary
General Meeting
on March 5, 2012



IKF Finance Limited
40.1.144, Corporate Centre,
M. G. Road,
Vijayawada – 520 010

NOTICE

Notice is hereby given that the Extra-Ordinary General Meeting of the Company will be held on **Monday the 5th March, 2012** at 4.00 P.M at the Registered Office of the Company to transact the following business.

As Special Business:

Item No. 1

To receive, consider and, if thought fit to pass, with or without modifications, the following resolution as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment (s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment (s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchange where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange and any other relevant statutory, governmental authorities or departments, institutions or bodies (“Concerned Authorities”) in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, sanctions and permissions as may be necessary (“Approvals”) and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and /or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot up to **63,60,000 (Sixty Three Lakhs Sixty thousand)** Only) Equity Shares of Rs.10/- each, with a Premium of Rs.3/- per Share on a preferential allotment basis, to the following, both Promoters and Non Promoters,

Sl. No.	Name of the proposed Allottee	Promoter / Non Promoter	No. of Equity Shares
1	IKF Infratech (P) Limited	Promoter Group	1505000
2	IKF Financial Services (P) Limited	Promoter Group	1116600
3	Prasad Jagadish Athota	Promoter	125000

4	Chunduru Durga Rani	Promoter	425000
5	DFL Finance Limited	Non Promoter	384600
6	Dr Sai Sudhakar	Non Promoter	76900
7	Vamshi Athota	Non Promoter	769200
8	Aluru Srinivasa Rao	Non Promoter	42300
9	Aluri Bujji Babu	Non Promoter	42300
10	Vankineni Raghu Kumar	Non Promoter	192300
11	Kodali Lakshmana Rao	Non Promoter	237600
12	Ravipati Sita Ravamma	Non Promoter	194300
13	K Chakradhara Rao	Non Promoter	53800
14	Bathina Sivaji	Non Promoter	46100
15	Mulakalapalli Rama Rao	Non Promoter	69200
16	Paleti Purnachdra Rao	Non Promoter	69200
17	Mannem Venkateswara Rao	Non Promoter	69200
18	Kunapaneni Satyanarayana	Non Promoter	26900
19	Vaddineni Gopala Krishna	Non Promoter	61500
20	Paladugu Parameswara Rao	Non Promoter	19200
21	Mannem Harish	Non Promoter	30700
22	Vaddineni Srinivasa Rao	Non Promoter	46100
23	Alapati Dasaradha Ramu	Non Promoter	76900
24	Challagundla Narasimha Rao	Non Promoter	19200
25	Kolanati Nagamani	Non Promoter	30700
26	Valiveti Lakshmi Narayana	Non Promoter	53800
27	Nelluri Satyanarayana	Non Promoter	61500
28	Karem Bhadraiah	Non Promoter	46100
29	Anantaramaiah Kunapaneni	Non Promoter	23000
30	Vaddineni Satyanarayana	Non Promoter	61500
31	Javvaji Krishna Prasad	Non Promoter	53800
32	Myneni Satyanarayana	Non Promoter	69200
33	Bathina Anjana Devi	Non Promoter	38400
34	M Raghavendra Rao	Non Promoter	76900
35	Narra Vigneswara Rao	Non Promoter	38400
36	Eastern Powers & Systems (P) Limited	Non Promoter	107600
	Total		6360000

at a price calculated in accordance with regulation 76(1) of chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 which shall be the higher of the following:-

1. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date.

OR

2. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date.

RESOLVED FURTHER THAT the relevant date, in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, for determination of price for the issuance of the Equity shares / Warrants on a preferential allotment basis will be the date 30 days prior to the date on which the meeting of the general body of shareholders is **4th February, 2012.**

RESOLVED FURTHER THAT the Equity Shares allotted on preferential basis shall be subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects including dividend with the existing fully paid up equity shares of Rs.10/- each of the Company.

RESOLVED FURTHER THAT the aforesaid Equity Shares to be allotted on preferential basis shall be subject to lock-in requirements as per the provision of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for issue or allotment of the aforesaid equity shares on preferential basis and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any other Director(s) of the Company to give effect to this resolution.

Item No. 2

To receive, consider and, if thought fit to pass, with or without modifications, the following resolution as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment (s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any

other applicable laws rules and regulations (including any amendment (s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchange where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange and any other relevant statutory, governmental authorities or departments, institutions or bodies (“Concerned Authorities”) in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, sanctions and permissions as may be necessary (“Approvals”) and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and /or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, on a preferential allotment basis, up to **40,00,000 (Forty Lakhs)** only) warrants carrying an entitlement to subscribe to an equal number of Equity Shares of Rs.10/- each at **Rs.13/- each** (Rs.10/- each at a premium of Rs.3/- each) to the following, both Promoters and Promoters Group,

Sl. No.	Name of the proposed Allotee	Promoter / Promoter Group	No. of Warrants
1	IKF Infratech (P) Limited	Promoter Group	1814000
5	IKF Financial Services (P) Limited	Promoter Group	1515000
6	Prasad Jagadish Athota	Promoter	274000
7	Chunduru Durga Rani	Promoter	397000
	Total		4000000

at a price calculated in accordance with regulation 76(1) of chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 which shall be the higher of the following:-

1. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date.

OR

2. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date.

“RESOLVED FURTHER THAT issue of Warrants shall be subject to the following terms and conditions.

- (a) An amount equivalent to 25% of the exercise price of the Equity Shares arising out of the Warrants shall be payable at the time of making the application for the Warrants, which will be kept by the Company as Application money to be adjusted and appropriated against the price of the Equity Shares payable by the Warrant Holders at the time of exercising the option.
- (b) The option to acquire the 40,00,000 Equity Shares shall be exercised by the Warrant Holders in one or more tranches within the period of 18 months from the date of allotment of the Warrants.
- (c) In the event of Warrant Holders does not exercise the option under the Warrants on or before the expiry of 18 months from the date of allotment of the Warrants, the Warrants shall lapse and the application money of 25% as indicated in Point (a) above shall stand forfeited by the Company
- (d) The Warrants and the Equity Shares arising from exercising the option under the Warrants shall be subject for lock-in as prescribed under SEBI Guidelines.
- (e) The issue of Warrants as well as the Equity Shares arising from exercising the option under the Warrants in the manner aforesaid shall be governed by the respective provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and also the Guidelines issued by SEBI or any other statutory guidelines as the case may e, or any modifications thereof.
- (f) The Equity Share to be issued and allotted as a consequence of exercise of the option under the Warrants in the manner aforesaid shall rank pari passu in all respects including dividend with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the relevant date, in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, for determination of price Equity Shares resulting from the exercise of the option under the Warrants will be the date 30 days prior to the date on which the meeting of the general body of shareholders is **4th February, 2012.**

RESOLVED FURTHER THAT the Board be and is hereby authorized to create, issue and / or allot 40,00,000 Equity Shares upon conversion of the Warrants to the Promoters and Promoter group on the terms and conditions mentioned above.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf the company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for issue or allotment of the aforesaid Warrants and the resultant equity shares to the holders of the Warrants upon exercise of right to subscribe the shares and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any other Director(s) of the Company to give effect to this resolution.

Item No. 3.

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

“ RESOLVED THAT the Authorized Capital of the Company be increased from Rs.13.00 Crores, divided into 1,30,00,000 Equity Shares of Rs.10/- each to Rs.23.00 Crores, divided into 2,30,00,000 Equity Shares of Rs.10/- each by creation of 1,00,00,000 Equity Shares of Rs.10/- each and that clause V of the Memorandum of Association of the Company be altered accordingly.”

Item No 4

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

“RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby amended to read as under;

V. The Authorised Share Capital of the Company is Rs.23,00,00,000/- (Rupees Twenty Three Crores Only) divided into 2,30,00,000 Equity Shares of Rs.10/- (Rupees Ten Only) each. The Company has power from time to time to increase or reduce its capital and issue upon the increase in capital the new capital as equity or preference shares and to attach to any class or classes or such shares preference, rights, privileges, priorities in payment of dividends or distribution of assets, or otherwise over other shares and to subject the same to any restrictions, limitations or conditions and to vary the regulations of the Company, as far as necessary to give effect to the same and upon the sub-division of share to apportion the right to participate in profits in any manner subject to the prior consent of the Government of India or the order of Court, if the same be necessary being obtained before doing so.”

Item No. 5

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

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

Substitution of Article 3

The Authorized Share Capital of the Company is Rs.23,00,00,000/- (Rupees Twenty

Three Crores Only) divided into 2,30,00,000 (Two Crore Thirty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.”

By Order of the Board
For **IKF Finance Limited**

Place: **Vijayawada**
Date: **4th February, 2012**

(V G K PRASAD)
Managing Director

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SEND IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY COMPLETE IN ALL RESPECT NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. A BLANK PROXY FORM IS ENCLOSED FOR USE, IF NECESSARY, BY THE MEMBER.**
2. The Explanatory statement pursuant to Section 173(2) is attached here with.
3. The members are requested to intimate the Company immediately, any change in their registered address.
4. Members/ Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 1 & 2

Section 81 (1) of the Companies Act, 1956 provides inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 (1). Further, Section 81 (1A) of the Companies Act, 1956 provides that the further shares may be offered to any persons / entities other than the existing Shareholders, provided the shareholders in general meeting decide otherwise by passing a special resolution.

Hence, consent of shareholders by way of special resolution is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the listing agreement executed by the Company with the Stock Exchange where the Company's shares are listed for the issue of Equity Shares / Warrants to both Promoters, Promoter Group and Non Promoters.

The Company requires funds for meeting working Capital requirements for expansion of its Operations and such other corporate purposes, as may be required from time to time. To make provision for the funds so required, it is considered appropriate under the current circumstances to issue Equity Shares and Warrants convertible into equity shares on preferential basis in accordance with the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations").

On the request of the Company, some Promoters, Promoter Group and Non Promoters, have agreed to subscribe 63,60,000 (Sixty Three Lakhs Sixty thousand only) Equity Shares and 40,00,000 (Forty Lakhs only) Warrants Convertible in to Equity Shares of Rs.10/- each on preferential basis as detailed in the Resolution.

The Relevant date, i.e. 30 days prior from the date of General Meeting of the members, of the Proposed General Meeting is **4th February, 2012**

The details of the issue and other particulars as required under the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, in relation to the above resolution proposed are given as under:

i. Objects of the Issue:

The funds raised through the proposed issue of Equity Shares / Warrants shall be used for meeting the Working Capital requirements for expansion of the Company's operations, and for such other corporate purpose, as may be required from time to time.

ii. Intention of Promoters / Promoters Group / directors /key management persons and Non Promoters to subscribe to the offer

To meet the objects of the issue, the Promoters, Promoter Group and Non Promoters as detailed in the resolution have agreed to subscribe to the offer of Equity Shares and Warrants.

iii. Shareholding pattern before and after the Preferential allotment.

The shareholding pattern of the Company, before and after the preferential allotment of Equity Shares and Warrants, on their conversion, shall be as under:

Category	Pre-Issue Shareholding Pattern	Shareholding Pattern after allotment of Equity Shares	Shareholding Pattern upon conversion of Warrants in to Equity

					Shares	
	No. of Shares	Share holding (%)	No. of Shares	Share holding (%)	No. of Shares	Share holding (%)
A. Promoters, Promoters Group, Directors and Director's Relatives Shareholding	5559935	45.46%	8731535	46.97%	12731535	56.36%
B. Public Shareholding						
Banks	0	0.00%	0	0.00%	0	0.00%
Mutual Funds	0	0.00%	0	0.00%	0	0.00%
Financial Institutions	0	0.00%	0	0.00%	0	0.00%
Foreign Institutional Investors	0	0.00%	0	0.00%	0	0.00%
Private Corporate Bodies	371987	3.04%	371987	2.00%	371987	1.65%
Foreign Company/ Non Resident Individual	2911265	23.80%	2911265	15.66%	2911265	12.89%
Shares in transit / Clearing Member	0	0.00%	0	0.00%	0	0.00%
Resident Individuals /others	3386813	27.69%	6575213	35.37%	6575213	29.11%
Total	12230000	100.00%	18590000	100.00%	22590000	100.00%

iv. Proposed time within which the allotment shall be completed

The allotment of Equity Shares and Warrants on Preferential basis will be completed within 15 days from the Date of passing of the above resolution or within 15 days. Provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or Central Government, the allotment will be completed within 15 days from the date of such approval.

v. Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them

Category	Pre Issue Shareholding		Proposed Equity Shares	Shareholding after Allotment of Equity Shares		Proposed Warrants	Shareholding upon conversion of Warrants in to Equity Shares	
	Shares	%		Shares	%		Shares	%
Promoters								
IKF Infratech (P) Limited	0	0.00%	1505000	1505000	8.10%	1814000	3319000	14.69%
IKF Financial Services (P) Limited	0	0.00%	1116600	1116600	6.01%	1515000	2631600	11.65%
Prasad Jagadish Athota	0	0.00%	125000	125000	0.67%	274000	399000	1.77%
Chunduru Durga Rani	146300	1.20%	425000	571300	3.07%	397000	968300	4.29%
Indian Public								
DFL Finance Limited	0	0.00%	384600	384600	2.07%	0	384600	1.70%
Dr Sai Sudhakar	0	0.00%	76900	76900	0.41%	0	76900	0.34%
Vamshi Athota	312000	2.55%	769200	1081200	5.82%	0	1081200	4.79%

Aluru Srinivasa Rao	0	0.00%	42300	42300	0.23%	0	42300	0.19%
Aluri Bujji Babu	0	0.00%	42300	42300	0.23%	0	42300	0.19%
Vankineni Raghu Kumar	0	0.00%	192300	192300	1.03%	0	192300	0.85%
Kodali Lakshmana Rao	0	0.00%	237600	237600	1.28%	0	237600	1.05%
Ravipati Sita Ravamma	0	0.00%	194300	194300	1.05%	0	194300	0.86%
K Chakradhara Rao	0	0.00%	53800	53800	0.29%	0	53800	0.24%
Bathina Sivaji	0	0.00%	46100	46100	0.25%	0	46100	0.20%
Mulakalapalli Rama Rao	0	0.00%	69200	69200	0.37%	0	69200	0.31%
Paleti Purnachdra Rao	0	0.00%	69200	69200	0.37%	0	69200	0.31%
Mannem Venkateswara Rao	0	0.00%	69200	69200	0.37%	0	69200	0.31%
Kunapaneni Satyanarayana	0	0.00%	26900	26900	0.14%	0	26900	0.12%
Vaddineni Gopala Krishna	0	0.00%	61500	61500	0.33%	0	61500	0.27%
Paladugu Parameswara Rao	0	0.00%	19200	19200	0.10%	0	19200	0.08%
Mannem Harish	0	0.00%	30700	30700	0.17%	0	30700	0.14%
Vaddineni Srinivasa Rao	0	0.00%	46100	46100	0.25%	0	46100	0.20%
Alapati Dasaradha Ramu	0	0.00%	76900	76900	0.41%	0	76900	0.34%
Challagundla Narasimha Rao	0	0.00%	19200	19200	0.10%	0	19200	0.08%
Kolanati Nagamani	0	0.00%	30700	30700	0.17%	0	30700	0.14%
Valiveti Lakshmi Narayana	0	0.00%	53800	53800	0.29%	0	53800	0.24%
Nelluri Satyanarayana	0	0.00%	61500	61500	0.33%	0	61500	0.27%
Karem Bhadraiah	0	0.00%	46100	46100	0.25%	0	46100	0.20%
Anantaramaiah Kunapaneni	0	0.00%	23000	23000	0.12%	0	23000	0.10%
Vaddineni Satyanarayana	0	0.00%	61500	61500	0.33%	0	61500	0.27%
Javvaji Krishna Prasad	0	0.00%	53800	53800	0.29%	0	53800	0.24%
Myneni Satyanarayana	0	0.00%	69200	69200	0.37%	0	69200	0.31%
Bathina Anjana Devi	0	0.00%	38400	38400	0.21%	0	38400	0.17%
M Raghavendra Rao	0	0.00%	76900	76900	0.41%	0	76900	0.34%
Narra Vigneswara Rao	0	0.00%	38400	38400	0.21%	0	38400	0.17%
Eastern Powers & Systems (P) Limited	0	0.00%	107600	107600	0.58%	0	107600	0.48%
	458300	3.75%	6360000	6818300	36.68%	4000000	10818300	47.89%

vi. Lock-In

The Equity Shares and Warrants, convertible in to Equity Shares, to be allotted on preferential basis shall be subject to lock-in as per the applicable SEBI (ICDR) Regulations 2009 in this behalf for the time being in force.

vii. Change in the control or composition of the Board

There will neither be any change in the composition of the Board nor any change in the control of the Company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment and conversion of Equity Shares and Warrants in to Equity Shares.

viii Compliance with SEBI Takeover guidelines

The Company, on allotment of proposed Equity Shares and on conversion of proposed Warrants in to Equity Shares at the option of the proposed allottees / Board of Directors, as the case may be, within 18 months from the date of their allotment, will be complying

with SEBI guidelines on open offer to public, if the promoters' acquisition in a particular year exceeds the creeping acquisition limits prescribed under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

ix Price at which allotment is proposed

The issue price of Equity Shares and Warrants convertible in to Equity Shares on preferential basis shall be at a price of Rs.13.00 (Rs.10/- face value + Rs.3/- Premium) which is higher than the price arrived at as per SEBI Guidelines for the time being force.

x Auditors' Certificate

A copy of the Certificate of Statutory Auditor's, in accordance with Clause 73 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 for Preferential Issue, certifying that the issue of the Equity Shares and Warrants is being made in accordance with the requirements of SEBI (ICDR) Regulations will be available for inspection at the Registered Office of the Company during the business hours on all working days up to the date of Extra Ordinary General Meeting and shall be available for inspection at the meeting.

xi. Other terms of Issue of Shares

The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall, on their conversion, rank pari passu in all respects with the existing fully paid up equity shares of the company.

The consent of the Shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable Provisions of the companies Act, 1956, if any, and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges in India where the Company's shares are listed.

xii. Undertaking:

The Company undertakes, to re-compute, if required, the issue price of equity shares to be issued upon conversion of the Warrants as per the provisions of the SEBI Regulations. Further, the Company undertakes that if the amount payable on account of re-computation of price as aforesaid is not paid within the time stipulated as per the SEBI Regulations, the said securities shall continue to be locked-in till the time such amount is paid by the allottees.

The Board of Directors recommends the resolution for the approval of Shareholders.

Item No.3, 4 & 5:

The present Authorised Share Capital of the Company is Rs.13,00,00,000/- (Rupees Thirteen Crores Only) divided by 1,30,00,000 (One Crore Thirty Lakh Only) Equity Shares of Rs.10/- each. The issued, subscribed and Paid Up Share Capital is Rs.12,23,00,000/- (Rupees Twelve Crores Twenty Three Lakhs Only) divided into 1,22,30,000 equity shares of Rs.10/- each

The Board of Directors considers it expedient to enhance the Authorized Share capital to facilitate further issue of equity shares to consolidate the capital base and also to meet the long term working capital requirements of the company and, therefore, proposes to increase the Authorized Equity share capital of the Company to Rs.23,00,00,000/- (Rupees Twenty Three Crores Only) by creation of 1,00,00,000 Equity Shares of Rs.10/- each ranking pari pasu with the existing shares of the company in all respects. The resolutions set out in item No. 3 to 5 above are to carry out the consequential amendments in the Memorandum and Articles of Association of the Company. Hence, the resolutions in item No.3 to 5 are recommended for your approval.

None of the Directors of the Company, other than those subscribing to Equity Shares and Warrants, are in any way, concerned or interested in the said resolution.

By Order of the Board
For **IKF Finance Limited**

Place: **Vijayawada**
Date: **4th February, 2012**

(V G K PRASAD)
Managing Director