

EMCO ENERGY LIMITED

Regd Off: 701/704, Naman Centre, BKC Complex, Bandra Mumbai-05

Notice is hereby given that the Extraordinary General Meeting of the Company will be held on Friday, May 23, 2014 at 11.00 A.M. at IBC Knowledge Park, Phase II, Tower D, Bannerghatta Road, Bangalore-29, to transact the following special business:

SPECIAL BUSINESS

1. To consider and, if thought fit, to pass, with or without modification, the following resolutions as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Section 71 of the Companies Act, 2013 read with Companies (Share capital and Debenture) Rules, 2014 and section 179(3) (c) of the Companies Act 2013 and such other applicable provisions of the Companies Act, 2013, if any, and in accordance with the provisions of (i) SEBI (Issue & Listing of Debt Securities) Regulations, 2008 as amended from time to time (including any statutory modifications, if any) (ii) the Securities Contracts (Regulation) Act, 1956; (iii) the Memorandum and Articles of Association of the Company; and (iv) the Listing Agreement to be entered into by the Company with the Bombay Stock Exchange (“**BSE**”)/ National Stock Exchange of India Limited (“**NSE**”), as applicable; such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed in granting of such approvals, permissions and sanctions by any of the aforesaid authorities which may be agreed to by the Board of Directors of the Company (the “**Board**”, which term shall be deemed to include any authorized committee thereof), the consent of the shareholders be and hereby accorded to offer, issue and allot 750 secured, redeemable, listed, non-convertible debentures of face value Rs. 10,00,000/- (Rupees Ten Lakhs only) aggregating to Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) (“**NCDs**”) to IIFCL Asset Management Company Limited (IIFCLAMC).”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board or any Committee thereof be and is hereby authorized to take all actions as may be necessary, desirable or expedient for the proposed issue of 750 secured, redeemable, listed, non-convertible debentures of face value Rs. 10,00,000/- (Rupees Ten Lakhs only) aggregating to Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) (“**NCDs**”) to IIFCL Asset Management Company Limited (IIFCLAMC) and to do all such acts, deeds and things in connection therewith and incidental thereto as the Board or any committee thereof in its absolute discretion may deem fit.”

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

CIN - U40100MH2005PLC155140

2. Member/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
3. The Explanatory Statement setting out the material facts in respect of the special business pursuant to section 102 of the Companies Act, 2013, is annexed hereto.

Place: Bangalore
Date: April 23, 2014

By Order of the Board

-Sd-
Company Secretary

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

Item No. 1:

As per the terms of the facility agreement executed on March 25, 2011 (“**Facility Agreement**”) between the EMCO Energy Limited and Rupee Lenders, GMR Energy Limited in the capacity of the Sponsor has brought in Rs. 870,00,00,000/- (Rupees Eight Hundred Seventy Crores only) in the form of equity (Rs. 435,00,00,000/- (Rupees Four Hundred Thirty Five Crores only)) and Non-convertible debentures (Rs. 435,00,00,000/- (Rupees Four Hundred Thirty Five Crores only)) for part financing the total project cost of Rs.3480,00,00,000/- (Rupees Three Thousand Four Hundred Eighty Crores only) (Debt:Equity ratio 75:25)

The Lenders have appraised the cost overrun upto Rs. 470,00,00,000/- (Rupees Four Hundred Seventy Crores only) and have agreed to fund the cost overrun portion in the Debt: Equity ratio of 75:25. The Lenders have sanctioned / are in the process of sanctioning the cost overrun debt portion in proportion to their earlier commitment i.e. providing additional financial facilities upto Rs. 352,00,00,000/- (Rupees Three Hundred Fifty Two Crores only). Out of the proposed sanction of Rs. 352,00,00,000/- (Rupees Three Hundred Fifty Two Crores only) , the Company has received the sanction of Rs. 196,00,00,000/- (Rupees One hundred Ninety Six Crores only). Also, Axis Bank Limited has sanctioned and disbursed interim loan for an amount of Rs. 260,00,00,000/- (Rupees Two Hundred Sixty Crores only) which would be repaid out of the proceeds of additional loans sanctioned buy consortium members except to the extent of Axis Bank’s share of Rs. 27,00,00,000/- (Rupees Twenty Seven Crores only) in cost overrun.

Hence, the balance unsanctioned portion towards cost overrun is Rs. 129,00,00,000/- (Rupees One Hundred Twenty Nine Crores only). IIFCL Asset Management Company Ltd (“**IIFCLAMC**”) has agreed to subscribe to the secured, redeemable, listed Non-Convertible Debentures to be issued by the Company for an aggregate amount up to Rs 75,00,00,000/- (Rupees Seventy Five Crores only) each with a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) and the Company proposes to utilize this sanction towards meeting the unsanctioned portion of Rs. 129,00,00,000/- (Rupees One Hundred Twenty Nine Crores only) The Non Convertible Debentures are proposed to be issued at a coupon rate of 11.90% p.a (payable semi annually) and be redeemed in three equal installments starting from the end of the 8th (eighth) year with the last installment ending with payment at the end of 9 (nine) years and 7 (seven) months.

The Company proposes to make an offer for issue of debentures by way of private placement which requires the approval of the shareholders of the Company under the Companies Act, 2013.

The draft Private placement offer letter is available for inspection by the members at the Registered Office of the Company during working hours on any working day till the date of Extraordinary General Meeting.

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The Board recommends the resolution for approval of members as a Special Resolution.

None of the Director(s) or Manager or Key Managerial Personnel of the Company and / or their relatives, are in any way concerned or interested in this resolution either financially or otherwise

Place: Bangalore
Date: April 23, 2014

By Order of the Board

- Sd-
Company Secretary