



## IDFC LIMITED

(formerly known as Infrastructure Development Finance Company Limited)

**Regd. Office:** KRM Tower, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600 031

**Corp. Office:** Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

## NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting (AGM) of IDFC Limited (formerly known as Infrastructure Development Finance Company Limited) will be held on Monday, July 29, 2013 at 2:30 p.m. at The Music Academy, New No. 168 (Old No. 306) T.T.K. Road, Royapettah, Chennai - 600 014, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2013 and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Dr. Omkar Goswami, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shardul Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:-  
“**RESOLVED THAT** pursuant to the provisions of Sections 224, 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants having registration No. 117366W issued by the Institute of Chartered Accountants of India, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2014.”

### SPECIAL BUSINESS

6. **Appointment of Mr. Joseph Dominic Silva as a Director**  
To consider, and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:-  
“**RESOLVED THAT** Mr. Joseph Dominic Silva, in respect of whom the Company has received Notice in writing, from a Member proposing him as a candidate for the office of a Director under the provisions of Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of

a Director, be and is hereby appointed as a Director of the Company and who shall be subject to retirement by rotation.”

7. **Appointment of Ms. Snehlata Shrivastava as a Director**  
To consider, and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:-  
“**RESOLVED THAT** Ms. Snehlata Shrivastava, in respect of whom the Company has received Notice in writing, from a Member proposing her as a candidate for the office of a Director under the provisions of Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of a Director, be and is hereby appointed as a Director of the Company and who shall be subject to retirement by rotation.”
8. **Appointment of Dr. Rajiv B. Lall as Executive Chairman**  
To consider and, if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:-  
“**RESOLVED THAT** in partial modification of the Ordinary Resolution No. 12 passed by the shareholders of the Company at 15th Annual General Meeting held on July 9, 2012 and pursuant to Article 169 of the Articles of Association of the Company, the approval of the shareholders of the Company be and is hereby accorded for the appointment of Dr. Rajiv B. Lall as the Executive Chairman of the Company for a period of 3 (three) years with effect from May 2, 2013.  
**RESOLVED FURTHER THAT** all other terms and conditions including as to remuneration, as set out in the above referred Ordinary Resolution No. 12 passed by the shareholders of the Company at 15th Annual General Meeting held on July 9, 2012, remain unchanged.  
**RESOLVED FURTHER THAT** the Board of Directors and / or Mr. Mahendra N. Shah, Company Secretary, be and are hereby authorised to take all necessary steps for giving effect to the aforesaid resolution.”
9. **Appointment of Mr. Vikram Limaye as Managing Director & CEO**  
To consider and, if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:-  
“**RESOLVED THAT** in partial modification of the Ordinary Resolution No. 13 passed by the shareholders of the Company at 15th Annual General Meeting held on July 9, 2012 and pursuant to Article 169 of the Articles of Association of the Company, the approval of the shareholders of the Company be and is hereby accorded for the appointment of Mr. Vikram Limaye as the Managing Director & CEO of the Company for a period of 3 (three) years with effect from May 2, 2013.  
**RESOLVED FURTHER THAT** all other terms and conditions including remuneration, as set out in the above referred Ordinary Resolution No. 13 passed by the shareholders of

# NOTICE (continued)

the Company at 15th Annual General Meeting held on July 9, 2012, remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors and / or Mr. Mahendra N. Shah, Company Secretary, be and are hereby authorised to take all necessary steps for giving effect to the aforesaid resolution."

## 10. Payment of Commission to Non-executive Directors

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

**"RESOLVED THAT** pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 and Article 132 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the payment of remuneration by way of commission or otherwise, not exceeding 1% of the Net Profits of the Company, to be paid to and distributed amongst the Directors of the Company or some or any of them (other than Executive Chairman, Managing Director and Whole-time Directors) as may be decided by the Board of Directors or a Committee thereof from time to time, for a period of five years commencing from April 1, 2013 to March 31, 2018, and such payment be made out of profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956 for each corresponding financial year."

## 11. Issuance of shares under ESOS up to 2% of the issued capital of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, Memorandum and Articles of Association of the Company and the Regulations/Guidelines prescribed by the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) or any other relevant authority, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed by them while granting such approvals, consents, permissions, authority and sanctions, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Director/official in single capacity and/or any Committee of Directors as may be authorized by the Board in this regard, to exercise its powers including the powers conferred by this Resolution) to create, issue, offer and allot, directly or indirectly to and for the benefit of such person(s) as are in the permanent employment of the Company or its subsidiaries or who are Directors of the Company, at any time, equity shares at such price, in such manner, during such period, in one or more tranches and on such terms and conditions as the Board may decide prior to the issue thereof, for, or which upon exercise could give rise to the issue of a number of equity shares not exceeding in aggregate, an additional two per cent of the number of issued equity shares of the Company, from time to time, under IDFC Employees Stock Option Scheme 2007 (ESOS - 2007), or any modifications thereof.

**RESOLVED FURTHER THAT** the benefits of ESOS-2007 be extended to the eligible employees and Directors of one or more subsidiary companies of the Company on such terms and conditions as may be decided by the Board.

**RESOLVED FURTHER THAT** subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid Resolution shall rank pari-passu inter-se as also with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue or allotment of equity shares as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) (including to amend or modify any of the terms of such issue or allotment), as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to vary or modify the terms of ESOS-2007 in accordance with any Guidelines or Regulations that may be issued, from time to time, by any appropriate authority.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or any Director(s) or any Officer(s) of the Company."

## 12. Decrease in limit of Foreign Institutional Investors' (FIIs) holding in the equity share capital from 74% to 54%

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

**"RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956, the provisions of Foreign Exchange Management Regulations and Guidelines issued by the Government of India and other applicable laws, if any, and subject to the approval of RBI and such other regulatory/statutory authorities, as may be necessary, the consent of the Company be and is hereby accorded for reduction in the ceiling limit on the aggregate non-resident shareholding, including through Foreign Direct Investment, Non-Resident Indians and Foreign Institutional Investors from 74% to 54% of the total paid-up equity capital of the Company with effect from such date(s) as may be decided by the Board."

**RESOLVED FURTHER THAT** the Board of Directors (for the purpose of this resolution, the "Board" would include any Director/official in single capacity and/or any Committee of Directors as may be authorized by the Board in this regard) be and is hereby authorized to perform all such acts, deeds and things as may be necessary to give effect to the above resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate to the extent permitted by law, all or any of the powers herein conferred to it to any Committee of Directors or the Executive Chairman or Managing Director & CEO or Company Secretary or any other Officer or Officers of the Company to give effect to the aforesaid resolution."

By order of the Board of Directors

**Mahendra N. Shah**  
Company Secretary

Mumbai, July 1, 2013

# NOTICE (continued)

## NOTES:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members / Proxies are requested to bring their copies of the Annual Reports and the Attendance Slips sent herewith to attend the AGM.
4. Corporate members intending to send their authorized representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
5. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the Members at the AGM.
6. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the Members at the Registered Office of the Company and at the AGM.
7. The Register of Members and Share Transfer Books will remain closed from July 20, 2013 to July 29, 2013 (both days inclusive).
8. Pursuant to the requirements on Corporate Governance under Clause 49 of Listing Agreements entered into with stock exchanges, the information about Directors proposed to be appointed/re-appointed is given in the Exhibit to the Notice.
9. The certificate from the Auditors of the Company certifying that the Company's Employee Stock Option Scheme (ESOS) is being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Share Purchase Scheme) Guidelines, 1999, as amended from time to time and in accordance with the resolution passed by the Members at the General Meeting, will be available for inspection by the Members at the AGM.
10. Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if approved at the AGM, will be payable on or after July 30, 2013, to those Members who hold shares:
  - a) In dematerialized mode, based on the beneficial ownership details of the Company to be received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on July 19, 2013.
  - b) In physical mode, if their names appear in the Register of Members maintained by the Company u/s 150(1) of Companies Act, 1956, at the close of business hours on July 19, 2013. The instruments of transfer in respect of shares held in physical form of the Company should be lodged with the Registrar and Share Transfer Agent - M/s. Karvy Computershare Private Limited, Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, India (Karvy/RTA) so as to reach them on or before July 19, 2013.
11. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the amount of dividend / interest not encashed or claimed within 7 (Seven) years from the date of its transfer to the unpaid dividend / interest account, is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the request for unclaimed dividend in respect of the financial year 2005-06 must reach RTA on or before September 3, 2013, failing which it would be transferred to IEPF after that date. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or IEPF after the said transfer.

Members who have either not received or have not encashed their dividend warrant(s) for any of the financial years from 2005-06 up to 2011-12, are requested to write to Karvy, mentioning the relevant folio number(s) / DP ID and Client ID, for issuance of duplicate / revalidated dividend warrant(s).
12. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of savings bank account details to their respective Depository Participants.
13. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep information ready at the AGM.
14. All documents referred to in the Notice and the Explanatory Statement will be available for inspection by the shareholders at the Registered Office of the Company between 10.00 a.m. and 5.00 p.m. on all working days from the date hereof up to the date of the AGM.
15. As a Green Initiative in the Corporate Governance, the Ministry of Corporate Affairs ("MCA") vide its circulars bearing nos. (i) 17/2011 dated April 21, 2011 and (ii) 18/2011 dated April 29, 2011, allowed the companies to send various notices/ documents (including Notice convening the AGM, Audited Financial Statements, Auditors' Report, Directors' Report and other related documents) to shareholders through electronic mode, to the registered email id of the shareholders. Pursuant to the said Green Initiative, **the Company urges the Members to communicate their email id to the Company and / or RTA, so that the Company can send future communications to these shareholders in electronic mode. You are requested to send the signed letter, communicating your Name, Folio No./DP ID/Client ID and email address either by email (scanned copy) to idfc.cs@karvy.com or send a hard copy thereof to Karvy.**

# NOTICE (continued)

## ANNEXURE TO NOTICE

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

#### Item No. 6

Mr. Joseph Dominic Silva was appointed as an Additional Director of the Company on October 26, 2012 and holds the Office of Director up to the date of this AGM pursuant to Section 260 of the Companies Act, 1956 and Article 131 of the Articles of Association of the Company.

The Company has received from a Member, Notice under Section 257 of the Companies Act, 1956 along with the deposit of ₹ 500/- signifying his intention to propose the name of Mr. Joseph Dominic Silva for appointment as a Director of the Company.

The profile of Mr. Silva is given in the Exhibit to this Notice.

The Directors recommend the appointment of Mr. Silva.

Except Mr. Silva, none of the Directors of the Company is concerned or interested in the Resolution at Item No. 6.

#### Item No. 7

Ms. Snehlata Shrivastava was appointed as an Additional Director of the Company on February 1, 2013 and holds the Office of Director up to the date of this AGM pursuant to Section 260 of the Companies Act, 1956 and Article 131 of the Articles of Association of the Company.

The Company has received from a Member, Notice under Section 257 of the Companies Act, 1956 along with the deposit of ₹ 500/- signifying his intention to propose the name of Ms. Snehlata Shrivastava for appointment as a Director of the Company.

The profile of Ms. Shrivastava is given in the Exhibit to this Notice.

The Directors recommend the appointment of Ms. Shrivastava.

Except Ms. Shrivastava, none of the Directors of the Company is concerned or interested in the Resolution at Item No. 7.

#### Item No. 8

Mr. Deepak Parekh, the Founding Chairman of the Company, relinquished his post as Non-executive Chairman and Director of the Company at the meeting of the Board of Directors held on May 1, 2013, where the Board accepted his resignation with deep regret. However, at the request of the Board, Mr. Parekh agreed to remain associated with the Company in his new capacity as Chair of IDFC's Advisory Council, a consultative body with 3-4 members, which would be constituted in due course.

Subsequently, the Nomination Committee recommended the appointment of Dr. Rajiv B. Lal as the Executive Chairman of the Company for a period of 3 (three) years with effect from May 2, 2013. Dr. Lal was earlier re-appointed by the shareholders as the Vice Chairman and Managing Director at the previous AGM.

Post recommendation of Nomination Committee, the Compensation Committee of the Company recommended that the appointment of Dr. Lal as Executive Chairman be made on the same terms and conditions as had been approved by the shareholders by way of Ordinary Resolution No. 12 passed at 15th AGM held on July 9, 2012.

Based on the recommendations of the Nomination Committee and Compensation Committee, the Board of Directors, at its meeting held on May 1, 2013 approved the appointment of Dr. Lal as the Executive Chairman of the Company for a period of 3 (three) years with effect from May 2, 2013, on the same terms and conditions as had been approved by the shareholders at 15th AGM held on July 9, 2012 read with explanatory statement. The said appointment is subject to approval of the shareholders in this AGM.

The profile of Dr. Lal is given in the Exhibit to this Notice.

In terms of Article 169 of the Articles of Association of the Company, Dr. Lal will not be liable to retire by rotation during his term of office as the Executive Chairman of the Company.

The Board recommends the resolution as set out in Item No. 8 for approval of the shareholders. The Explanatory Statement together with the accompanying Notice may also be regarded as an abstract of the terms of remuneration of Dr. Lal, Executive Chairman and Memorandum of Interest of Directors under Section 302 of the Companies Act, 1956.

No Director of the Company except Dr. Lal is concerned or interested in the proposed resolution.

#### Item No. 9

On recommendation of the Nomination Committee to appoint Dr. Rajiv B. Lal as the Executive Chairman, Dr. Lal relinquished the office of the Vice Chairman and Managing Director. Accordingly, the Nomination Committee recommended appointment of Mr. Vikram Limaye as the Managing Director & CEO of the Company, for a period of 3 (three) years with effect from May 2, 2013. Post recommendation of Nomination Committee, the Compensation Committee of the Company recommended that the appointment of Mr. Limaye as the Managing Director & CEO be made on the same terms and conditions as had been approved by the shareholders by way of Ordinary Resolution No. 13 passed at 15th AGM held on July 9, 2012.

Based on the recommendations of the Nomination Committee and Compensation Committee, the Board of Directors, at its meeting held on May 1, 2013 approved the appointment of Mr. Limaye as the Managing Director & CEO of the Company for a period of 3 (three) years with effect from May 2, 2013, on the same terms and conditions as had been approved by the shareholders at 15th AGM held on July 9, 2012 read with explanatory statement. The said appointment is subject to approval of the shareholders in this AGM. The profile of Mr. Limaye is given in the Exhibit to this Notice.

In terms of Article 169 of the Articles of Association of the Company, Mr. Limaye will not be liable to retire by rotation during his term of office as Managing Director & CEO of the Company.

The Board recommends the resolution as set out in Item No. 9 for approval of the shareholders. The Explanatory Statement together with the accompanying Notice may also be regarded as an abstract of the terms of remuneration of Mr. Limaye, Managing Director & CEO and Memorandum of Interest of Directors under Section 302 of the Companies Act, 1956.

No Director of the Company except Mr. Limaye is concerned or interested in the proposed resolution.

#### Item No. 10

The Directors of the Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as corporate strategy, corporate lending, macro economics, governance, legal, finance and risk management and it is necessary that adequate compensation should be given to the Non-executive Directors (NEDs) for the valuable contribution made by them towards the business of the Company.

Currently, the composition of the Board comprises of 2 Executive Directors and 9 NEDs. The Shareholders of the Company at the 11th AGM held on July 18, 2008, had accorded their approval for the payment of remuneration by way of commission or otherwise, not exceeding 1% of the Net Profits of the Company, to be paid to and distributed amongst the NEDs of the Company as may be decided by the Board of Directors or a Committee thereof from time to time, for a period of five years commencing from April 1, 2008 to March 31, 2013. It is proposed to continue compensating them for their time and efforts and also to retain and attract the pool of talent for the business and growth of the Company.



# NOTICE (continued)

The Board would determine each year, the specific amount to be paid as commission to the NEDs which shall not exceed 1% of the Net Profits of the Company as computed in the manner referred to in Sections 198, 349 and 350 of the Companies Act, 1956.

The continuation of payment of commission requires approval of the Shareholders as per Companies Act, 1956. Hence, it is proposed to seek the approval of the Shareholders at the ensuing AGM to pay commission to NEDs, for a period of five years starting from April 1, 2013 and ending on March 31, 2018.

The Board recommends the resolution as set out in Item No. 10 for approval of the shareholders.

All the NEDs of the Company are concerned or interested in the proposed resolution.

## Item No. 11

The Company in order to reward its Employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company has been granting Employee Stock Options ("Options") under IDFC Employee Stock Option Scheme – 2007 ("ESOS – 2007"). The Company views Options as an instrument that would enable the Employees to share the value they would create and contribute for the Company in the years to come.

Hence, the Board at its Meeting held on June 18, 2013 decided to seek the approval of the Members for granting in aggregate options under the Scheme not exceeding additional two per cent of the issued equity shares of the Company, from time to time.

The salient features of the Scheme are set out below:

- (a) Under the Scheme the employees will be given an option to acquire a certain number of shares of the Company.
- (b) The Compensation Committee shall administer and supervise the Scheme.
- (c) The maximum number of shares which shall be subject to options under the Scheme shall not exceed seven per cent of the aggregate of the number of issued equity shares of the Company.
- (d) The Compensation Committee reserves the right to offer options to Eligible Employees and Directors, subject to the appraisal process as provided under the Scheme.
- (e) The Compensation Committee may, on such dates as it shall determine, grant to such Eligible Employees and Directors as it may in its absolute discretion, options of the Company on the terms and conditions and the consideration as it may decide.
- (f) The exercise price shall be decided by the Compensation Committee but the same shall be not less than a minimum of the face value per share per option.
- (g) The options granted under the Scheme shall be exercisable at any time during the exercise period, and subject to fulfillment of conditions of vesting. The options shall be deemed to have been exercised when an Employee makes an application in writing to the Company accompanied by payment of an amount equivalent to the exercise price in respect of such shares. The exercise of option is permitted up to a period of 5 (five) years after the vesting date. Options shall lapse if not exercised within such period.
- (h) The Company will conform with the disclosure requirements and the accounting policies prescribed by SEBI and other regulatory authorities from time to time.
- (i) The Company shall use the intrinsic value method to value its options. The difference between the employee compensation cost computed under intrinsic value method and the employee compensation cost that shall have been recognized if it had used the fair value method of the options, shall be disclosed

in the Directors' Report and the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The Directors recommend the adoption of the Resolution at Item No.11 of the Notice.

All Directors are concerned or interested in the Resolution to the extent of the benefit they may derive under the Scheme.

## Item No. 12

The Shareholders of the Company at the AGM held on June 28, 2007 approved increase of ceiling limit on total holdings of Foreign Institutional Investors (FIIs)/ SEBI approved sub-accounts of FIIs in the equity share capital of the Company from 49% to 74% of the paid up capital of the Company. At that time, it was contemplated that the holdings of FIIs in the Company would increase beyond the limit of 49%.

The RBI introduced the Guidelines for licensing of new banks in the Private Sector on February 22, 2013, which inter alia states that the eligible applicant entities/promoter groups in the private sector must be owned and controlled by residents i.e. the aggregate non-resident shareholding including through Foreign Direct Investment, Non-Resident Indians and FIIs shall not exceed 49% of the paid up equity capital of the company. As on date, the shareholding of FII and SEBI approved sub-accounts is around 54%, which is more than 49%. The Board of Directors of the Company at its Meetings held on June 18, 2013 approved making an application to RBI for banking license pursuant to the said Guidelines. In view of the above, it would be prudent for the Company to restrict further increase in foreign ownership till such time as there is clarity on Company's banking license application. The reduction in the ceiling limit on the total non-resident shareholding requires prior approval of the Shareholders. The Shareholders are requested to authorise the Board to reduce the ceiling limit to 54% as and when the Board thinks it appropriate considering the extant foreign holding in the Company at that point of time. As and when RBI's in-principle approval for banking license is received, the Company will seek Shareholders' approval for further reducing the foreign shareholding ceiling limit to 49%, potentially through the enhancement of the capital base of the Company to make it compliant with the above-mentioned caps.

The Board of Directors recommend passing of the Special Resolution as set out in Item No. 12.

No Director of the Company is concerned or interested in the proposed resolution.

By order of the Board of Directors

**Mahendra N. Shah**  
Company Secretary

Mumbai, July 1, 2013

# NOTICE (continued)

## EXHIBIT TO NOTICE

Pursuant to Clause 49 of the Listing Agreement with the stock exchanges, following information is furnished in respect of Directors proposed to be appointed/re-appointed.

Particulars	Dr. Omkar Goswami	Mr. Shardul Shroff
Date of Birth	29/08/1956	01/10/1955
Date of Appointment	24/01/2003	01/12/1997
Qualifications	M A (Economics from the Delhi School of Economics) and Ph.D. from the Oxford University	Bachelor's degree in Law from Government Law College, Mumbai
Detailed Profile	Dr. Goswami has vast experience in Economic History, Industrial Economics, Public Sector, Bankruptcy Laws and Procedures, Economic Policy, Corporate Finance, Corporate Governance, Public Finance, Tax Enforcement and Legal Reforms. He has been a consultant to the World Bank, the IMF, the Asian Development Bank and the OECD. He was the Chairman of the Committee on Industrial Sickness and Corporate Restructuring in 1993, which recommended revamping India's Bankruptcy Laws and Procedures; Member of the Working Group on the Companies Act; the CII Committee on Corporate Governance; the Rakesh Mohan Committee on Railway Infrastructure Reform and others.	Mr. Shroff has been a practicing lawyer since 1980 and has vast experience in the areas of Project Finance, Corporate and Structured Finance, Insurance, Telecom, Joint Ventures, Mergers and Acquisitions, Disinvestment and a Large Body of Corporate Advisory Work across sectors. He has been actively involved in important Economic Legislation, as a Member of several High Powered Committees appointed by the Gol, on diverse areas like Companies Act, Insolvency, the Takeover Code etc.
Directorships held in other public companies	<ol style="list-style-type: none"> <li>Dr. Reddy's Laboratories Ltd.</li> <li>Infosys Ltd.</li> <li>Crompton Greaves Ltd.</li> <li>Ambuja Cements Ltd.</li> <li>Cairn India Ltd.</li> <li>Godrej Consumer Products Ltd.</li> <li>Bajaj Finance Ltd.</li> <li>Infosys BPO Ltd.</li> <li>Max Healthcare Institute Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Ashok Leyland Ltd.</li> <li>Jindal Power Ltd.</li> <li>Hindustan Media Ventures Ltd.</li> <li>Jubilant Life Science Ltd. (formerly known as Jubilant Organosys Ltd.)</li> <li>Visa Power Ltd.</li> <li>Apollo Tyres Ltd.</li> </ol>
Memberships/Chairmanships of Committees of other public companies [includes only Audit Committee and Shareholders'/ Investors' Grievance Committee]	<p>Chairman of Audit Committee of:</p> <ol style="list-style-type: none"> <li>Dr. Reddy's Laboratories Ltd.</li> <li>Crompton Greaves Ltd.</li> </ol> <p>Chairman of Investors' Grievance Committee of:</p> <ol style="list-style-type: none"> <li>Infosys Ltd.</li> <li>Cairn India Ltd.</li> </ol> <p>Member of Audit Committee of:</p> <ol style="list-style-type: none"> <li>Cairn India Ltd.</li> <li>Godrej Consumer Products Ltd.</li> <li>Bajaj Finance Ltd.</li> <li>Infosys BPO Ltd.</li> </ol>	<p>NIL</p> <p>Member of Audit Committee of Hindustan Media Ventures Ltd.</p>
Number of Equity Shares held in the Company	NIL	NIL

# NOTICE (continued)

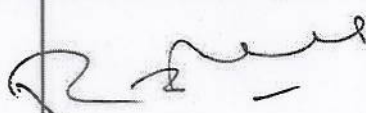
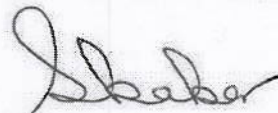
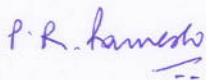
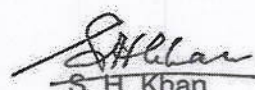
Particulars	Mr. Joseph Dominic Silva	Ms. Snehlata Shrivastava
Date of Birth	11/12/1964	18/09/1957
Date of Appointment	26/10/2012	01/02/2013
Qualifications	Mr. Silva is a finance graduate from University of Wales and has completed his Senior Management Program at Henley Management College, UK.	Ms. Shrivastava is a Post Graduate in Geography with specialization in Urban Geography & M Phil in Regional Planning and Economic Growth and an Indian Administrative Service (IAS) Officer of 1982 batch (Madhya Pradesh Cadre)
Detailed Profile	<p>Mr. Joseph Dominic Silva joined Khazanah in August 2008 as Director of Investments. He was appointed Executive Director of Investments in May 2010.</p> <p>Prior to joining Khazanah, he spent 18 years in the banking sector, 12 of which were spent with ABN AMRO Bank in regional and international roles across the areas of relationship management, structured finance, capital markets, risk and portfolio management and strategic business development. Prior to ABN AMRO Bank, he worked with a major Japanese financial group in Asia within the Corporate Finance division.</p>	<p>Ms. Snehlata Shrivastava is a Nominee Director of the Ministry of Finance, Government of India on the IDFC Board. She is acting as an Additional Secretary in the Department of Financial Services, Ministry of Finance. During her career in the IAS of more than 30 years, she has experience in the field of Finance, Telecom, Highways, Revenue, Multilateral Banks. i.e., World Bank and Asian Development Bank, Exchange Control, bilateral assistance in respect of US, Canada in Government of India. She has been instrumental in framing various Regulations under FEMA when it was enacted. In the State of Madhya Pradesh, she has dealt with the sectors like education, mining, land management, power and industry including law and order related assignments as District Magistrate and Sub-Divisional Magistrate. She has been Director, Budget in the Finance Department of State of Madhya Pradesh for three years. She joined Central Government on deputation from January 2011 as Joint Secretary, Department of Justice and dealt with higher judiciary of the Supreme Court and High Courts, judicial reforms and computerization of courts.</p>
Directorships held in other public companies	<ol style="list-style-type: none"> <li>1. Khazanah India Advisors Pte. Ltd.</li> <li>2. Greatville Pte Ltd.</li> <li>3. PT Pantai Damai</li> <li>4. PT Bank CIMB Niaga Tbk</li> <li>5. Satang Investments Ltd.</li> <li>6. Tanjung Jara Investments Ltd.</li> <li>7. ASTRO Holdings Sdn Bhd</li> <li>8. CIMB Bank Berhad</li> <li>9. Iskandar Malaysia Studios Sdn Bhd</li> </ol>	<ol style="list-style-type: none"> <li>1. General Insurance Corporation of India</li> <li>2. IDBI Bank Ltd.</li> </ol>
Memberships / Chairmanships of Committees of other public companies [includes only Audit and Shareholders/ Investors' Grievance Committee]	NIL	<p>Member of :</p> <ol style="list-style-type: none"> <li>1. Audit Committee of General Insurance Corporation of India</li> <li>2. Customer Service Committee of IDBI, Mumbai</li> </ol>
Number of Equity Shares held in the Company	NIL	NIL

# NOTICE (continued)

Particulars	Dr. Rajiv B. Lall	Mr. Vikram Limaye
Date of Birth	02/08/1957	22/09/1966
Date of Appointment	10/01/2005	15/09/2008
Qualifications	BA in Politics, Philosophy & Economics from Oxford University and Ph.D. in Economics from Columbia University.	A Chartered Accountant and holds a MBA in Finance and Multinational Management from the Wharton School, University of Pennsylvania, U.S.A
Detailed Profile	Prior to joining IDFC, Dr. Lall was variously, a Partner with Warburg Pincus in New York; Head of Asian Economic Research with Morgan Stanley in Hong Kong; a senior staff member of the World Bank in Washington, D.C. and of the Asian Development Bank in Manila respectively; and faculty member of the Florida Atlantic University Department of Economics. He has over three decades of experience with leading global investment banks, multilateral agencies and in academia. His areas of expertise include project finance, private equity/venture capital, international capital markets, trade, infrastructure and macroeconomic policy issues with a focus on emerging markets including India and China in particular.	Mr. Limaye began his corporate career with Arthur Andersen in Mumbai, after which he worked with Ernst & Young and Citibank N.A. in the Business Advisory Services Group and Global Consumer Banking Group respectively. He has over 25 years of experience working with Financial Institutions, Global Investment Banks, International Commercial Banks and Global Accounting firms. He has also worked with Credit Suisse First Boston, U.S. in a variety of roles including Investment Banking, Capital Markets, Structured Finance and Credit Portfolio Management.
Directorships held in other public companies	<ol style="list-style-type: none"> <li>1. IDFC Alternatives Ltd.</li> <li>2. IDFC Project Equity Company Ltd.</li> <li>3. IDFC Asset Management Company Ltd.</li> <li>4. NSDL E-Governance Infrastructure Ltd.</li> <li>5. IDFC Trustee Company Ltd.</li> <li>6. Delhi Integrated Multi-Modal Transit System Ltd.</li> <li>7. IDFC Foundation</li> <li>8. IDFC Capital (Singapore) Pte Ltd.</li> <li>9. IDFC Securities Singapore Pte Ltd.</li> <li>10. The Great Eastern Shipping Company Ltd.</li> <li>11. Lok Social Services</li> </ol>	<ol style="list-style-type: none"> <li>1. IDFC Alternatives Ltd.</li> <li>2. IDFC Investment Advisors Ltd.</li> <li>3. IDFC Trustee Company Ltd.</li> <li>4. IDFC Capital Ltd.</li> <li>5. IDFC Securities Ltd.</li> <li>6. IDFC Project Equity Company Ltd.</li> <li>7. E-Clerx Services Ltd.</li> <li>8. IDFC Pension Fund Management Company Ltd.</li> <li>9. IDFC Asset Management Company Ltd.</li> <li>10. IDFC Primary Dealership Co Ltd.</li> <li>11. IDFC Foundation</li> </ol>
Memberships/ Chairmanships of Committees of other public companies (includes only Audit Committee and Shareholders/ Investors' Grievance Committee)	Member of Audit Committee of: <ol style="list-style-type: none"> <li>1. IDFC Asset Management Company Ltd.</li> <li>2. NSDL E-Governance Infrastructure Ltd.</li> </ol>	NIL
Number of Equity Shares held in the Company	2,348,984	1,367,728



**Form A****Format of covering letter of the annual audit report to be filed with the stock exchanges**

1	Name of the Company:	IDFC Limited (formerly Infrastructure Development Finance Company Limited)
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2013
3	Type of Audit Observation	Unqualified
4	Frequency of observation	NA
5	To be signed by	<div style="display: flex; justify-content: space-around; align-items: flex-start;"><div style="text-align: center;"> Rajiv B. Lall Vice Chairman &amp; Managing Director</div><div style="text-align: center;"> Sunil Kakar Chief Financial Officer</div></div> <div style="display: flex; justify-content: space-around; align-items: flex-start; margin-top: 20px;"><div style="text-align: center;"> P. R. Ramesh Auditor- Deloitte Haskins &amp; Sells</div><div style="text-align: center;"> S. H. Khan Audit Committee Chairman</div></div>



# RESILIENCE+ ENDURANCE

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