



December 27, 2013

✓ Manager – Listing Department
National Stock Exchange of India Limited
Bandra Kurla Complex
Bandra (E)
Mumbai - 400051

Manager – Listing Department
BSE Ltd
1st Floor, P.J. Towers,
Dalal Street
Mumbai - 400 001

Dear Sir,

Subject: Passing of Special Resolution by the members of IDFC Limited (“the Company”) by Postal Ballot

Further to our letter dated December 19, 2013 on the captioned subject, we are enclosing herewith Six Copies of the Postal Ballot Notice sent to the Members of the Company, seeking their approval through postal ballot voting process for reduction in the ceiling limit on the aggregate holdings of Foreign Institutional Investors (FIIs)/ SEBI approved sub-accounts of FIIs, Foreign Direct Investment (FDI), Foreign Nationals, Non-resident Indians (NRIs) and Overseas Corporate Bodies (OCBs) [collectively referred to as the “**Foreign Shareholding**”] from 54% to 49.90% of the total paid-up equity share capital of the Company.

The Company is also offering e-voting facility to all the Members of the Company for which it has availed the services of Karvy Computershare Private Limited e-voting platform.

Kindly upload the same on your website for the information of the shareholders.

Thanking you,

Yours faithfully,
For IDFC Limited


Mahendra N. Shah
Company Secretary





IDFC Limited

Registered Office: KRM Tower, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai – 600 031
Corporate Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

POSTAL BALLOT FORM

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

Serial No. _____

- (1) Name & Registered Address of the sole/first named Member (IN BLOCK LETTERS) :
- (2) Name(s) of the joint holder(s) if any :
- (3) Registered Folio No. / *DP ID No. / Client ID No. (*Applicable to Member(s) holding shares in dematerialised 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 business stated in the Postal Ballot Notice of the Company dated December 23, 2013 by sending my/our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick (✓) mark at the appropriate box below.

Description	No. of shares	Particulars	Please tick (✓) in the Appropriate Box below
Reduction in the ceiling limit on aggregate holdings of Foreign Institutional Investors (FIIs)/ SEBI approved sub-accounts of FIIs, Foreign Direct Investment (FDI), Foreign Nationals, Non-resident Indians (NRIs) and Overseas Corporate Bodies (OCBs) [collectively referred to as the "Foreign Shareholding"] in the paid-up equity share capital of the Company from 54% to 49.90%.		I/We assent to the Resolution (FOR)	
		I/We dissent to the Resolution (AGAINST)	

Place :

Date :

(Signature of the Member/ Beneficial Owner)
(Refer Instruction No. 3)

Email: _____ #Tel. No.: _____ # Optional

Electronic Voting Particulars

EVEN (E-Voting Event Number)	User ID	Password / PIN

Notes:

- Please read the instructions printed below carefully before filing the Form.
- Last date for receipt of Postal Ballot Forms by Scrutinizer is Wednesday, January 29, 2014 (before the close of the working hours i.e. 17:30 hours)

INSTRUCTIONS

- The Company is pleased to offer e-voting facility as an alternate, for all the Members of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. The detailed procedure for e-voting is enumerated in the Notes to the Postal Ballot Notice.
- A Member desiring to exercise vote by Physical Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Ms. Savita Jyoti, Savita Jyoti Associates, Company Secretaries, a Practicing Company Secretary in the attached self addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if sent by courier or registered/speed post at the expense of the Member will also be accepted.
- This Form should be completed and signed by the Member [as per the specimen signature registered with the Company/Depository Participant(s)]. In case of joint holding, this Form should be completed and signed by the first named Member and in his/her absence, by the next named Member. In case Postal Ballot Form is signed through a Delegatee, a copy of Power of Attorney attested by the Member shall be annexed to the Form.
- The consent must be accorded by recording the assent in the box 'FOR' and dissent in the box 'AGAINST' by placing a tick (✓) mark in the appropriate column.
- Duly completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours i.e. 17:30 hours on Wednesday, January 29, 2014. All Postal Ballot Forms received after this date will be strictly treated as if reply from such Member has not been received.
- There will be only one Postal Ballot Form for every Folio irrespective of the number of Joint Member(s).
- 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 Letter together with the attested specimen signature(s) of the duly authorised signatories.
- A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e. Wednesday, January 29, 2014 before 17:30 hours.
- Voting rights shall be reckoned on the basis of fully paid shares registered in the name of the Member(s) as on Friday, December 20, 2013.
- Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed business reply envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
- A Member need not use all the votes nor needs to cast all the votes in the same way.
- Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The Scrutinizer's decision regarding the validity of a Postal Ballot will be final and binding.
- The result of the Postal Ballot will be posted on the website of the Company www.idfc.com and will also be published in the newspaper(s) for the information of the Members. The result will also be displayed at the Registered Office and Corporate Office of the Company.



IDFC Limited

Registered Office: KRM Tower, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai – 600 031
Corporate Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

Dear Member(s),

POSTAL BALLOT NOTICE

(Pursuant to Section 192A (2) of the Companies Act, 1956)

NOTICE is hereby given that the proposed resolution is circulated for approval of the Members of IDFC Limited to be accorded by Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (passing of the resolution by postal ballot) Rules, 2011, as amended from time to time. **The Company is also offering e-voting facility to all the Members of the Company.**

The Company is proposing a Special Resolution for reduction in the ceiling limit on the aggregate holdings of Foreign Institutional Investors (FIIs)/ SEBI approved sub-accounts of FIIs, Foreign Direct Investment (FDI), Foreign Nationals, Non-resident Indians (NRIs) and Overseas Corporate Bodies (OCBs) [collectively referred to as the “**Foreign Shareholding**”] from 54% to 49.90% of the total paid-up equity capital of the Company. The Members are requested to pass the resolution proposed through Postal Ballot by voting either electronically or through physical ballot.

The Special Resolution and the Explanatory Statement setting out material facts and reasons for passing the below mentioned Resolution are being sent to you along with the Postal Ballot Form for your consideration and approval.

Special Resolution to be passed through Postal Ballot:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (collectively referred to as “**the Acts**”); the provisions of Foreign Exchange Management Regulations and guidelines issued by the Government of India and other applicable laws, if any, and further subject to the approval of the Reserve Bank of India (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 shareholding of Foreign Institutional Investors (FIIs)/ SEBI approved sub-accounts of FIIs, Foreign Direct Investment (FDI), Foreign Nationals, Non-resident Indians (NRIs) and Overseas Corporate Bodies (OCBs) [collectively referred to as the “**Foreign Shareholding**”] from 54% to 49.90% of the total paid-up equity capital of the Company.

RESOLVED FURTHER THAT the Board of Directors (for the purpose of this resolution, the “**Board of Directors**” would include any Director/ official in single capacity and/or any Committee of Directors as may be authorized by the Board of Directors in this regard) be and is hereby authorized to coordinate with RBI and the stock exchanges to cap / limit the Foreign Shareholding in the Company down from 54% to 49.90% in stages and to sign, execute and submit applications, letters, confirmations and such other documents as may be required in this regard and to perform all such acts, deeds and things as may be necessary to give effect to the above resolution.

RESOLVED FURTHER THAT the revised Foreign Shareholding limit of 49.90% will be effective from the date of passing of Board Resolution after Members’ approval is received for the same and the Board of Directors may choose to revise the Foreign Shareholding limit down to 49.90% in stages based on the market conditions and the actual Foreign Shareholding at that point of time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized 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

Place: Mumbai

Date : December 23, 2013

Mahendra N. Shah
Company Secretary

Notes:

- The explanatory statement and reasons for the proposed Special Resolution pursuant to Section 192A(2) of the Companies Act, 1956 and Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
- The Company has appointed Ms. Savita Jyoti, Savita Jyoti Associates, Company Secretaries, a Practicing Company Secretary, to act as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.
- The Notice is being sent to all the Members, whose names appear in the Register of Members / list of Beneficial Owners, received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on Friday, December 20, 2013.
- In compliance with provisions of Section 192A of the Companies Act, 1956 read with the Companies (passing of the resolution by postal ballot) Rules, 2011, **the Company is pleased to offer e-voting facility as an alternate to all the Members of the Company.** For this purpose, the Company has engaged Karvy Computershare Private Limited for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. Please note that e-voting is optional.

The instructions for Members for e-voting are as under:

a) In case of Members receiving Postal Ballot Form by Post:

- Open your web browser during the voting period and navigate to “<https://evoting.karvy.com>”
- Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Characters DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- ● Event no. followed by Folio Number registered with the Company
Password	Your Unique password is printed on the Postal Ballot Form
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- Please contact our toll free No. 1-800-34-54-001 for any further clarifications.
- Members can cast their vote online from Tuesday, December 31, 2013 from 09:00 hours to Wednesday, January 29, 2014 till 17:30 hours.
- After entering these details appropriately, click on “**LOGIN**”.
- Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- You need to login again with the new credentials.
- On successful login, system will prompt to select the ‘Event’ i.e., ‘Company Name’.

P.T.O.

- ix) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
 - x) On the voting page, you will see Resolution Description and against the same the options 'FOR/AGAINST' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding.
 - xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - xiii) Corporate/Institutional Members (Corporate/FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to savitajyoti@yahoo.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
- b) In case of any queries, you may refer the Frequently Asked Questions (FAQs) on e-voting for Shareholders and e-voting User Manual for Shareholders available at the Downloads section of https://evoting.karvy.com or contact Karvy Computershare Private Limited at the Telephone No.: (Toll Free No.: 1800 345 4001)
 - c) If you are already registered with Karvy Computershare Private Limited for e-voting then you can use your existing user ID and password for casting your vote.
 - d) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. Members who have registered their e-mail id either with the Depositories or with the Company are being sent Notice of Postal Ballot by e-mail and Members who have not registered their e-mail id will receive Notice of Postal Ballot along with Postal Ballot Form through post. The Members can also seek duplicate Postal Ballot Form from Karvy Computershare Private Limited at Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 or Corporate Office of the Company i.e. Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
6. **Kindly note that the Members can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Members cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.**
7. Members desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self addressed business reply envelope to the Scrutinizer so as to reach the Scrutinizer on or before the close of working hours i.e 17:30 hours on Wednesday, January 29, 2014. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Members will also be accepted.
 8. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on Friday, December 20, 2013.
 9. The voting period ends on the close of working hours (i.e. 17:30 hours) on Wednesday, January 29, 2014. The e-voting module for voting shall also be disabled by Karvy Computershare Private Limited thereafter.
 10. The Scrutinizer will submit her report to the Managing Director & CEO or Company Secretary of the Company after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot will be announced at the Registered Office of the Company situated at KRM Tower, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai – 600031 and Corporate Office situated at Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. The result of the Postal Ballot will also be displayed on the Company's website www.idfc.com and will be communicated to the stock exchanges where the Company's shares are listed. The result of the Postal Ballot will also be published in the newspapers. In the event, the draft resolution is assented to by the requisite majority of Members by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution.
 11. The Board of Directors has appointed Managing Director & CEO and the Company Secretary as the Designated Persons responsible for the entire postal ballot process.
 12. All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection between 10:00 hours to 17:00 hours on all working days at the Corporate Office of the Company i.e. Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 and at the Registered Office i.e. KRM Tower, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600031 up to Wednesday, January 29, 2014.

Explanatory Statement pursuant to Section 192A (2) of the Companies Act, 1956 and Section 102 of the Companies Act, 2013 setting out all the material facts pertaining to the Special Resolution.

The Members of the Company at the Annual General Meeting (AGM) held on June 28, 2007 had approved increase of ceiling limit on aggregate holdings of Foreign Institutional Investors (FIIs)/ SEBI approved sub-accounts of FIIs, Foreign Direct Investment (FDI), Foreign Nationals, Non-resident Indians (NRIs) and Overseas Corporate Bodies (OCBs) [collectively referred to as the "**Foreign Shareholding**"] in the paid-up equity share capital of the Company from 49% to 74%. At that time, it was contemplated that the Foreign Shareholding in the Company would increase beyond the limit of 49%.

The Company made an application for Banking Licence on July 1, 2013.

The Guidelines for licensing of new banks in the Private Sector introduced by the Reserve Bank of India (RBI) on February 22, 2013, inter alia state that the promoters eligible to promote a bank pursuant to the said guidelines should be 'owned and controlled by residents'.

In view of these guidelines and having regard to the then Foreign Shareholding in the Company, the Members at the last AGM of the Company held on July 29, 2013 had authorized the Board of Directors to reduce the Foreign Shareholding limit to 54% as and when the Board of Directors thought it appropriate. This limit of 54% had since been made effective.

As on December 6, 2013, the Foreign Shareholding in the Company is around 51.27% which makes the Company a Foreign Owned Indian Company.

In view of the above guidelines issued by the RBI, it would be necessary for the Company to reduce the existing limit of Foreign Shareholding from 54% to 49.90% so as to make the Company owned and controlled by residents and accordingly, eligible for the banking license as per the aforesaid guidelines. Further, the Board of Directors may choose to revise the foreign shareholding limit down to 49.90% in stages based on the market conditions and the actual Foreign Shareholding at that point of time.

In case the Company does not receive the Banking License, the Company may approach the Members later on for increase in the Foreign Shareholding limit.

The reduction in the ceiling limit on the aggregate Foreign Shareholding would require prior approval of Members. The Members are requested to pass the proposed resolution through postal ballot, as permissible under Section 192A of the Companies Act, 1956 read with Companies (passing of the resolution by postal ballot) Rules, 2011.

The Board of Directors recommend passing of the Special Resolution as contained in the Notice.

None of the directors or key managerial personnel and /or their relatives is deemed to be interested or concerned in this resolution, except to the extent of their shareholding in the Company.

All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection between 10:00 hours to 17:00 hours on all working days at the Corporate Office of the Company i.e. Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 and at the Registered Office i.e. KRM Tower, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600031 up to Wednesday, January 29, 2014.

Place : Mumbai
Date : December 23, 2013

By Order of the Board of Directors

Mahendra N. Shah
Company Secretary